

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2006

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-12187

**COX
RADIO, INC.**

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

58-1620022
(I.R.S. Employer Identification No.)

**6205 Peachtree Dunwoody Road
Atlanta, Georgia 30328**
(Address of principal executive offices and zip code)

(678) 645-0000
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.
Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class A common stock, par value of \$0.33 – 37,098,348 shares outstanding as of June 30, 2006.

Class B common stock, par value of \$0.33 – 58,733,016 shares outstanding as of June 30, 2006.

COX RADIO, INC.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2006

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Preliminary Note

This Quarterly Report on Form 10-Q is for the three-month period ended June 30, 2006. This Quarterly Report modifies and supersedes documents filed prior to this Quarterly Report. The SEC allows us to “incorporate by reference” information that we file with them, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report. In this Quarterly Report, “Cox Radio,” “we,” “us” and “our” refer to Cox Radio, Inc. and its subsidiaries.

Part I – FINANCIAL INFORMATION

ITEM 1. Consolidated Financial Statements

COX RADIO, INC. CONSOLIDATED BALANCE SHEETS (Unaudited)

	<u>June 30, 2006</u>	<u>December 31, 2005</u>
	(Amounts in thousands, except share data)	
ASSETS		
Current assets:		
Cash	\$ 2,798	\$ 3,455
Accounts and notes receivable, less allowance for doubtful accounts of \$3,144 and \$3,190, respectively	88,729	83,388
Prepaid expenses and other current assets	<u>8,033</u>	<u>6,026</u>
Total current assets	99,560	92,869
Property and equipment, net	72,749	74,025
FCC licenses and other intangible assets, net	1,868,865	1,868,739
Goodwill	217,921	217,921
Other assets	<u>25,888</u>	<u>12,510</u>
Total assets	\$ <u>2,284,983</u>	\$ <u>2,266,064</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 31,038	\$ 26,664
Accrued salaries and wages	3,166	2,699
Accrued interest	1,147	6,969
Income taxes payable	-	1,625
Amounts due to Cox Enterprises	11,189	9,898
Other current liabilities	<u>4,927</u>	<u>3,890</u>
Total current liabilities	51,467	51,745
Long-term debt	410,000	404,988
Deferred income taxes	525,440	520,040
Other long term liabilities	<u>12,615</u>	<u>8,631</u>
Total liabilities	999,522	985,404
Commitments and contingencies (Note 4)		
Shareholders' equity:		
Preferred stock, \$0.33 par value: 15,000,000 shares authorized, none outstanding	-	-
Class A common stock, \$0.33 par value; 210,000,000 shares authorized; 42,860,019 and 42,189,547 shares issued and 37,098,348 and 39,383,476 shares outstanding at June 30, 2006 and December 31, 2005, respectively	14,144	13,923
Class B common stock, \$0.33 par value; 135,000,000 shares authorized; 58,733,016 shares issued and outstanding at June 30, 2006 and December 31, 2005	19,382	19,382
Additional paid-in capital	638,782	635,650
Unearned stock-based compensation	-	(2,032)
Accumulated other comprehensive income, net of tax	342	235
Retained earnings	<u>694,619</u>	<u>654,968</u>
	1,367,269	1,322,126
Less: Class A common stock held in treasury (5,761,671 and 2,806,071 shares at cost at June 30, 2006 and December 31, 2005, respectively)	<u>(81,808)</u>	<u>(41,466)</u>
Total shareholders' equity	<u>1,285,461</u>	<u>1,280,660</u>
Total liabilities and shareholders' equity	\$ <u>2,284,983</u>	\$ <u>2,266,064</u>

See notes to unaudited consolidated financial statements.

COX RADIO, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Net revenues:				
Local	\$ 83,625	\$ 83,157	\$ 152,660	\$ 154,436
National	24,551	26,019	46,273	47,052
Other	8,975	8,077	15,824	14,334
Total revenues	<u>117,151</u>	<u>117,253</u>	<u>214,757</u>	<u>215,822</u>
Operating expenses:				
Cost of services (exclusive of depreciation and amortization shown below)	20,956	20,546	41,972	42,887
Selling, general and administrative	47,623	46,648	86,943	85,940
Corporate general and administrative	5,495	5,043	10,635	9,750
Depreciation and amortization	2,666	2,853	5,308	5,701
Other operating expenses, net	271	14	350	(126)
Operating income	<u>40,140</u>	<u>42,149</u>	<u>69,549</u>	<u>71,670</u>
Other income (expense):				
Interest expense, net	(6,142)	(6,950)	(12,300)	(14,235)
Other items, net	-	(9)	4	(24)
Income before income taxes	<u>33,998</u>	<u>35,190</u>	<u>57,253</u>	<u>57,411</u>
Current income tax expense	6,321	8,660	12,259	13,201
Deferred income tax expense	2,009	5,936	5,343	9,851
Total income tax expense	<u>8,330</u>	<u>14,596</u>	<u>17,602</u>	<u>23,052</u>
Net income	<u>\$ 25,668</u>	<u>\$ 20,594</u>	<u>\$ 39,651</u>	<u>\$ 34,359</u>
Basic net income per share				
Net income per common share	<u>\$ 0.27</u>	<u>\$ 0.20</u>	<u>\$ 0.41</u>	<u>\$ 0.34</u>
Diluted net income per share				
Net income per common share	<u>\$ 0.27</u>	<u>\$ 0.20</u>	<u>\$ 0.41</u>	<u>\$ 0.34</u>
Weighted average basic common shares outstanding	<u>96,151</u>	<u>100,591</u>	<u>96,948</u>	<u>100,590</u>
Weighted average diluted common shares outstanding	<u>96,455</u>	<u>100,766</u>	<u>97,267</u>	<u>100,766</u>

See notes to unaudited consolidated financial statements.

COX RADIO, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Unaudited)

	<u>Class A</u> <u>Common Stock</u>		<u>Class B</u> <u>Common Stock</u>		<u>Additional</u> <u>Paid-in</u> <u>Capital</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	
(Amounts in thousands)					
Balance at					
December 31, 2005	42,190	\$ 13,923	58,733	\$ 19,382	\$ 635,650
Comprehensive income:					
Net income	-	-	-	-	-
Unrealized gain on interest rate swaps	-	-	-	-	-
Reclassification to earnings of derivative transition adjustments	-	-	-	-	-
Comprehensive income	-	-	-	-	-
Unearned stock based compensation	-	-	-	-	(2,032)
Stock-based compensation expense	-	-	-	-	860
Repurchase of Class A common stock	-	-	-	-	-
Issuance of Class A common stock related to incentive plans	670	221	-	-	3,643
Tax benefit of stock options exercised	-	-	-	-	661
Balance at					
June 30, 2006	<u>42,860</u>	<u>\$ 14,144</u>	<u>58,733</u>	<u>\$ 19,382</u>	<u>\$ 638,782</u>

	<u>Unearned</u> <u>Compensation</u>	<u>Accumulated</u> <u>Other</u> <u>Comprehensive</u> <u>Income</u>	<u>Retained</u> <u>Earnings</u>	<u>Treasury Stock</u>		<u>Total</u>
				<u>Shares</u>	<u>Amount</u>	
(Amounts in thousands)						
Balance at						
December 31, 2005	\$ (2,032)	\$ 235	\$ 654,968	2,806	\$ (41,466)	\$ 1,280,660
Comprehensive income:						
Net income	-	-	39,651	-	-	39,651
Unrealized gain on interest rate swaps	-	79	-	-	-	79
Reclassification to earnings of derivative transition adjustments	-	28	-	-	-	28
Comprehensive income	-	-	-	-	-	39,758
Unearned stock based compensation	2,032	-	-	-	-	-
Stock-based compensation expense	-	-	-	-	-	860
Repurchase of Class A common stock	-	-	-	2,956	(40,342)	(40,342)
Issuance of Class A common stock related to incentive plans	-	-	-	-	-	3,864
Tax benefit of stock options exercised	-	-	-	-	-	661
Balance at						
June 30, 2006	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 694,619</u>	<u>5,762</u>	<u>\$ (81,808)</u>	<u>\$ 1,285,461</u>

See notes to unaudited consolidated financial statements.

COX RADIO, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2006	2005
	(Amounts in thousands)	
Cash flows from operating activities:		
Net income	\$ 39,651	\$ 34,359
Items not requiring cash:		
Depreciation and amortization.....	5,308	5,701
Deferred income taxes	5,343	9,851
Compensation expense related to long-term incentive compensation plans.....	3,441	1,400
Other.....	224	131
Changes in assets and liabilities:		
Increase in accounts receivable	(5,341)	(7,246)
Increase (decrease) in accounts payable and accrued expenses	5,008	(3,127)
Increase in accrued salaries and wages	467	762
Decrease in accrued interest	(5,822)	(694)
Decrease in income taxes payable	(3,107)	(489)
Other, net	(7,711)	1,849
Net cash provided by operating activities	37,461	42,497
Cash flows from investing activities:		
Capital expenditures	(4,387)	(5,276)
Acquisitions and related expenses, net of cash acquired	-	(4,000)
Option to purchase radio stations	-	(2,000)
Investment in signal upgrades	(2,964)	(1,041)
Other, net	(607)	312
Net cash used in investing activities	(7,958)	(12,005)
Cash flows from financing activities:		
Net borrowings under revolving credit facility	255,000	70,000
Repayment of 6.375% notes	-	(100,000)
Repayment of 6.625% notes	(250,000)	-
Repurchase of Class A common stock	(40,342)	-
Cash paid for loss on loan guarantee	-	(2,933)
Proceeds from issuances of stock related to stock-based compensation plans	3,864	127
Tax benefit of stock options exercised	661	9
(Decrease) increase in book overdrafts	(634)	1,318
Increase in amounts due to Cox Enterprises	1,291	868
Net cash used in financing activities	(30,160)	(30,611)
Net decrease in cash and cash equivalents	(657)	(119)
Cash and cash equivalents at beginning of period	3,455	3,230
Cash and cash equivalents at end of period	\$ 2,798	\$ 3,111
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 18,134	\$ 14,933
Income taxes	14,705	13,690

See notes to unaudited consolidated financial statements.

COX RADIO, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Other Information

Cox Radio is a leading national radio broadcasting company whose business, which constitutes one reportable segment for accounting purposes, is devoted to acquiring, developing and operating radio stations located throughout the United States. Cox Enterprises, Inc. indirectly owns approximately 65% of the common stock of Cox Radio and has approximately 95% of the voting power of Cox Radio.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnote disclosures required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, the financial statements reflect all adjustments considered necessary for a fair statement of the results of operations and financial position for the interim periods presented. All such adjustments are of a normal, recurring nature. These unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2005 and notes thereto contained in Cox Radio's Annual Report on Form 10-K, filed with the Securities and Exchange Commission (SEC).

The results of operations for the three-month and six-month periods ended June 30, 2006 are not necessarily indicative of the results to be expected for the year ending December 31, 2006 or any other period.

2. Summary of Significant Accounting Policies

Revenue Recognition

Cox Radio's revenues are comprised primarily of local and national advertising revenue. Local revenues are comprised of advertising sales made within a station's local market or region either directly with the advertiser or through the advertiser's agency. National revenues represent sales made to advertisers or agencies that are purchasing advertising for multiple markets; these sales are typically facilitated by a national representation firm that serves as Cox Radio's sales agent in these transactions. Other revenues are comprised of Internet revenues, syndicated radio program revenues, network revenues and revenues from community events and sponsorships.

Cox Radio recognizes revenues when the following conditions are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the price is fixed or determinable; and collectibility is reasonably assured. These criteria are generally met for advertising revenue at the time an advertisement is broadcast. Advertising revenue is recorded net of advertising agency commissions. Agency commissions, when applicable, are calculated based on a stated percentage applied to gross revenues. Cox Radio records an allowance for doubtful accounts based on historical information, analysis of credit memo data and any other relevant factors. Internet revenue is recognized as ads are run over the Internet. Non-traditional event revenue is recognized when the event occurs.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed principally using the straight-line method at rates based upon estimated useful lives of 5 to 40 years for buildings and building improvements, 5 to 25 years for broadcast equipment, 7 to 10 years for furniture and fixtures and 2 to 5 years for computers, software and other equipment.

Expenditures for maintenance and repairs are charged to operating expense as incurred. At the time of retirements, sales or other dispositions of property, the original cost and related accumulated depreciation are written off.

Intangible Assets

Intangible assets consist primarily of Federal Communications Commission (FCC) broadcast licenses, but also include goodwill and certain other intangible assets acquired in purchase business combinations. In accordance with Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," Cox Radio does not amortize goodwill and FCC licenses, which are indefinite-lived intangible assets. Other intangible assets are amortized on a straight-line basis over the contractual lives of such assets.

Cox Radio evaluates its FCC licenses for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. FCC licenses are evaluated for impairment at the market level using the direct method. If the carrying amount of FCC licenses is greater than their estimated fair value in a given market, the carrying amount of FCC licenses in that market is reduced to its estimated fair value. Cox Radio also evaluates goodwill in each of its reporting units (markets) for impairment annually, or more frequently if certain circumstances are present, using the residual method. If the carrying amount of goodwill in a reporting unit is greater than the implied value of goodwill for that reporting unit determined from the estimated fair value of such reporting unit, the carrying amount of goodwill in that reporting unit is reduced to its estimated fair value.

Cox Radio utilizes independent appraisals in testing FCC licenses and goodwill for impairment. These appraisals principally use the discounted cash flow methodology. This income approach consists of a quantitative model, which incorporates variables such as market advertising revenues, market revenue share projections, anticipated operating profit margins and various discount rates. The variables used in the analysis reflect historical station and advertising market growth trends, as well as anticipated performance and market conditions. Multiples of operating cash flow are also considered. Cox Radio evaluates amortizing intangible assets for recoverability when circumstances indicate an impairment may have occurred, using an undiscounted cash flow methodology. If the future undiscounted cash flows for the intangible asset are less than net book value, net book value is reduced to the estimated fair value.

Other Assets

Other assets consist primarily of investments in signal upgrades. Signal upgrades represent Cox Radio's process of enhancing a selected station's signal strength, allowing it to reach a greater listening audience with a higher quality signal and thereby potentially improving ratings, future cash flows, and ultimately the value of the related FCC license. Upon completion of each signal upgrade, Cox Radio reclassifies the costs incurred for the upgrade to FCC licenses. The amount reclassified is validated based upon an independent appraisal of the FCC license after the upgrade is completed.

Impairment of Long-Lived Assets

Cox Radio accounts for long-lived assets in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Long-lived assets are required to be reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, with any impairment losses being reported in the period in which the recognition criteria are first applied based on the fair value of the asset. Cox Radio assesses the recoverability based on a review of estimated undiscounted cash flows. Long-lived assets to be disposed of are required to be reported at the lower of carrying amount or fair value less cost to sell.

Income Taxes

Cox Radio provides for income taxes using the liability method in accordance with SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires an asset and liability based approach in accounting for income taxes. Deferred income taxes reflect the net tax effect on future years of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes. Cox Radio evaluates its income tax rates regularly and adjusts rates when appropriate based on currently available information relative to statutory rates, apportionment factors and the applicable taxable income in the jurisdictions in which Cox Radio operates, among other factors.

Incentive Compensation Plans

During the six months ended June 30, 2006, Cox Radio had three stock-based employee compensation plans, the Third Amended and Restated Long-Term Incentive Plan (LTIP) and two Employee Stock Purchase Plans (each an ESPP). The 2004 ESPP terminated

during the first quarter of 2006, and shares were issued under this plan effective March 31, 2006. By June 30, 2006, the new 2006 ESPP had been announced. Prior to January 1, 2006, Cox Radio would have accounted for these plans under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25), and related interpretations, as permitted by SFAS No. 123 "Accounting for Stock-Based Compensation" (Statement 123). With the exception of restricted stock issued under the LTIP, no stock-based employee compensation cost was recognized in the Consolidated Statements of Income for the three-month and six-month periods ended June 30, 2005 as all options granted under those plans had either an exercise price equal to the market value of the underlying Class A common stock on the date of grant or, in the case of the 2004 ESPP, were issued in connection with a non-compensatory plan. Effective January 1, 2006, Cox Radio adopted the fair value recognition provisions of SFAS No. 123 (revised 2004), "Share Based Payment" (SFAS No. 123R), using the modified-prospective transition method. This transition method, discussed in further detail below, does not require results for prior periods to be restated.

Under the modified-prospective transition method, compensation cost recognized during the period of adoption should include: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of Statement 123; and (b) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123R. On October 31, 2005, the Compensation Committee of the Board of Directors approved the acceleration of the vesting of all unvested stock options granted under Cox Radio's LTIP from January 2001 through October 31, 2005. Unvested stock option awards with respect to approximately 4.7 million shares of Class A common stock were subject to this vesting acceleration. However, the Compensation Committee left the exercise date of these options, and all other terms of the awards, unchanged. The purpose of accelerating the vesting of these options was to allow Cox Radio to avoid recognition of compensation expense associated with these options in future periods as the exercise prices exceeded the market value of the underlying stock on the date of acceleration. Therefore, incremental compensation expense recognized in the Consolidated Statements of Income for the three-month and six-month periods ended June 30, 2006, as a result of the adoption of SFAS No. 123R, relates only to the 2004 ESPP as no new share-based payment awards, with the exception of restricted stock awards, have been granted subsequent to January 1, 2006. As indicated above, restricted stock awards were required to be expensed prior to the adoption of SFAS No. 123R. As a result of the adoption of SFAS No. 123R on January 1, 2006, Cox Radio's income before income taxes was \$0.1 million lower for both the three-month and six-month periods ended June 30, 2006 than if Cox Radio had continued to account for share-based compensation under APB 25.

SFAS No. 123R also requires the benefits of tax deductions in excess of recognized stock-based compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as previously required. For the three-month and six-month periods ended June 30, 2006, there was a \$0.7 million tax benefit resulting from tax deductions in excess of the related stock-based compensation cost.

Had compensation cost for Cox Radio's stock-based compensation plans been determined based on the fair value at the grant or enrollment dates in accordance with the fair value provisions of Statement 123, Cox Radio's net income and net income per share for the three-month and six-month periods ended June 30, 2005 would have been the pro forma amounts indicated below. Actual results for the three-month and six-month periods ended June 30, 2006 have been determined in accordance with the fair value provisions of SFAS No. 123R and, therefore, pro forma results for such periods are not necessary.

	<u>Three Months</u> <u>Ended June 30,</u> <u>2005</u>	<u>Six Months</u> <u>Ended June 30,</u> <u>2005</u>
	(Amounts in thousands, except per share data)	
Net income, as reported	\$ 20,594	\$ 34,359
Add: Amortization of unearned compensation related to stock-based compensation plans, net of tax	(10)	81
Deduct: stock-based employee compensation expense determined under fair value based method for all awards, net of tax	<u>(1,764)</u>	<u>(3,190)</u>
Pro forma net income	<u>\$ 18,820</u>	<u>\$ 31,250</u>
Earnings per share:		
Basic – as reported	<u>\$ 0.20</u>	<u>\$ 0.34</u>
Basic – pro forma	<u>\$ 0.19</u>	<u>\$ 0.31</u>
Diluted – as reported	<u>\$ 0.20</u>	<u>\$ 0.34</u>
Diluted – pro forma	<u>\$ 0.19</u>	<u>\$ 0.31</u>

The fair value of the options granted during the three-month period ended June 30, 2005 was estimated on the date of grant using the Black-Scholes model with the following assumptions:

	<u>June 30, 2005</u>
Risk-free interest rate	3.97%
Expected life	6.0 years
Expected stock price volatility	24.61%
Expected dividend yield	n/a
Fair value at grant date	\$5.30

There were no options granted under the LTIP for the three-month period ended June 30, 2006.

The fair value of the employees' purchase rights granted under the 2006 ESPP and the 2004 ESPP was determined using the Black-Scholes model with the following assumptions as of the enrollment dates listed below:

	<u>June 16, 2006</u>	<u>August 1, 2005</u>	<u>February 1, 2005</u>	<u>August 1, 2004</u>	<u>January 15, 2004</u>
Risk-free interest rate	5.16%	3.77%	3.35%	2.20%	1.61%
Expected life	2.0 years	0.5 years	1.0 years	1.5 years	2.0 years
Expected stock price volatility	22.50%	22.47%	25.59%	32.90%	33.15%
Expected dividend yield	n/a	n/a	n/a	n/a	n/a
Fair value at enrollment date	\$4.22	\$2.49	\$4.36	\$3.79	\$5.93

Use of Estimates

The preparation of 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 as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Risk

A significant portion of Cox Radio's business historically has been conducted in the Atlanta market. Net revenues earned from radio stations located in Atlanta represented 23% of total revenues for the three-month and six-month periods ended June 30, 2006 and 2005.

Recent Accounting Pronouncements

In February 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments—an Amendment of FASB Statements No. 133 and 140." SFAS No. 155 allows financial instruments containing an embedded derivative that otherwise would require bifurcation to be accounted for as a whole on a fair value basis, at the holders' election. SFAS No. 155 also clarifies and amends certain other provisions of SFAS No. 133 and SFAS No. 140. This statement is effective for all financial instruments acquired or issued in fiscal years beginning after September 15, 2006. Cox Radio does not expect that the adoption of SFAS No. 155 will have a material impact on its consolidated financial condition or results of operations.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets—an Amendment of FASB Statement No. 140." SFAS No. 156 provides guidance on the accounting for servicing assets and liabilities when an entity undertakes an obligation to service a financial asset by entering into a servicing contract. This statement is effective for all transactions in fiscal years beginning after September 15, 2006. Cox Radio does not expect that the adoption of SFAS No. 156 will have a material impact on its consolidated financial condition or results of operations.

In June 2006, the FASB issued Financial Interpretation No. (FIN) 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109, Accounting for Income Taxes," which clarifies the accounting for uncertainty in tax positions. FIN 48 provides that the tax effects from an uncertain tax position be recognized in the financial statements only if the position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective beginning January 1, 2007, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. Cox Radio is currently evaluating the impact of adopting FIN 48 on its consolidated financial condition and results of operations.

Reclassifications

Certain prior year amounts have been reclassified for comparative purposes.

3. Earnings Per Common Share and Capital Structure

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	<i>(Amounts in thousands, except per share data)</i>			
Net income.....	\$ <u>25,668</u>	\$ <u>20,594</u>	\$ <u>39,651</u>	\$ <u>34,359</u>
Earnings per share – basic				
Weighted average common shares outstanding.....	<u>96,151</u>	<u>100,591</u>	<u>96,948</u>	<u>100,590</u>
Net income per common share – basic.....	\$ <u>0.27</u>	\$ <u>0.20</u>	\$ <u>0.41</u>	\$ <u>0.34</u>
Earnings per share – diluted				
Weighted average common shares outstanding.....	96,151	100,591	96,948	100,590
Effect of dilutive securities:				
Employee Stock Purchase Plan.....	-	149	-	150
Long-Term Incentive Plan.....	<u>304</u>	<u>26</u>	<u>319</u>	<u>26</u>
Shares applicable to earnings per share – diluted.....	<u>96,455</u>	<u>100,766</u>	<u>97,267</u>	<u>100,766</u>
Net income per common share – diluted.....	\$ <u>0.27</u>	\$ <u>0.20</u>	\$ <u>0.41</u>	\$ <u>0.34</u>

The options excluded from the computation of net income per common share – diluted for the three-month and six-month periods ended June 30, 2006 and 2005 are summarized below on a weighted average shares outstanding basis. The exercise price of these options was greater than the average market price of the Class A common stock during the three-month and six-month periods ended June 30, 2006 and 2005.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
	(Amounts in thousands)			
Weighted average options	6,554	6,945	6,794	6,808

4. Long-Term Debt, Commitments and Contingencies

Cox Radio's outstanding debt for the periods presented consists of the following:

	June 30, 2006	December 31, 2005
	(Amounts in thousands)	
6.625% notes payable, due in February 2006 ⁽¹⁾	\$ -	\$ 249,988
Revolving credit facility	<u>410,000</u>	<u>155,000</u>
Total long-term debt.....	<u>\$ 410,000</u>	<u>\$ 404,988</u>

(1) At December 31, 2005, the estimated aggregate fair value of the 6.625% notes was approximately \$250.6 million based on quoted market prices. On February 15, 2006, Cox Radio repaid the \$250.0 million principal amount of these notes at maturity using funds from the revolving credit facility.

On June 4, 2004, Cox Radio entered into a \$500 million, five-year senior unsecured revolving credit facility. As of July 26, 2006, in connection with entering into the new revolving credit facility described below, Cox Radio terminated this revolving credit facility. The old credit facility contained, among other provisions, specified leverage and interest coverage requirements. At June 30, 2006, Cox Radio was in compliance with these covenants. Cox Radio's old credit facility contained events of default based on (i) the failure to pay when due other debt, the outstanding amount of which exceeds \$25 million, after the expiration of applicable grace periods and (ii) the acceleration of other debt, the outstanding amount of which exceeds \$25 million. At June 30, 2006, Cox Radio was not in default under its credit facility. At June 30, 2006, Cox Radio had \$410 million of outstanding indebtedness under the credit facility with \$90 million available for borrowing. The interest rate applied to amounts due under the credit facility was 6.1% at June 30, 2006. At December 31, 2005, Cox Radio had approximately \$155 million of outstanding indebtedness under the credit facility with \$345 million available for borrowing. The interest rate applied to amounts due under the credit facility was 5.1% at December 31, 2005. Since the interest rate was variable, the recorded balance of the credit facilities approximates fair value. See Note 5 for a discussion of Cox Radio's interest rate swap agreement.

On July 26, 2006, Cox Radio replaced its existing \$500 million, five-year unsecured revolving credit facility with a \$600 million five-year unsecured revolving credit facility. The interest rate for the new facility is, at Cox Radio's option:

- the greater of the prime rate or the federal funds borrowing rate plus 0.5%;
- the LIBOR plus a spread based on the credit ratings of Cox Radio's senior long-term debt;
- the federal funds borrowing rate plus a spread based on the credit ratings of Cox Radio's senior long-term debt.

The new credit facility includes commitment fees on the unused portion of the total amount available, which fees range from 0.070% to 0.225% depending on the credit rating of Cox Radio's senior long-term debt. The new credit facility contains, among other provisions, specified leverage and interest coverage requirements. The credit facility also contains customary events of default, including, but not limited to, failure to pay principal or interest, failure to pay or acceleration of other material debt, misrepresentation or breach of warranty, violation of certain covenants and change of control.

In January 2005, Cox Radio paid \$2 million for an option to purchase certain radio stations for a fixed price. This option is exercisable at any time and expires in December 2007. According to the terms of the option, if Cox Radio exercises the option, the \$2 million option payment will be applied to the purchase price for the stations. In addition, as part of the option agreement, the seller has reserved the right at two distinct times during the option term to require Cox Radio to purchase the stations. If the seller exercises either of these put rights, Cox Radio may refuse to purchase the stations at that time and pay \$5 million as a put refusal payment, thereby retaining the option to purchase the stations through December 2007. Therefore, if both the put rights are exercised, Cox Radio would be required to pay up to \$10 million in put refusal payments. If during the option period, Cox Radio exercises its right to purchase the stations, any amounts previously paid as put refusal payments also will be applied to the purchase price of the stations. Under certain circumstances specified in the option agreement, Cox Radio may assign its option for value to a third party. During July 2006, the seller exercised its first put right, and Cox Radio paid the \$5 million put refusal payment. Cox Radio has accrued this payment and has classified it as a non-current asset in the Consolidated Balance Sheet at June 30, 2006. In addition, based on the

current facts and circumstances, Cox Radio has determined that the seller's exercise of its second put right is probable and, therefore, Cox Radio has accrued the \$5 million second put refusal payment at June 30, 2006 as well.

In February 2005, Cox Radio agreed to guarantee the borrowings of a third party of up to \$5 million to enable that party to purchase two stations and assist Cox Radio in a signal upgrade project for one of its stations. This guarantee expires in February 2008. If the Cox Radio signal upgrade is approved by the FCC, then Cox Radio is likely to purchase the stations and performance under the guarantee will not be necessary. If the signal upgrade is not approved, Cox Radio's guarantee will be extinguished either through sale of the stations or through new financing arranged by the owner of the stations. Cox Radio believes that while the value of the stations currently may be insufficient to repay the outstanding debt in full, any shortfall would be immaterial. At both June 30, 2006 and December 31, 2005, the carrying value of this guarantee was \$0.4 million.

On February 15, 2006, Cox Radio repaid the \$250.0 million principal amount of the 6.625% notes at maturity using funds from its revolving credit facility.

Cox Radio has an effective shelf registration statement under which Cox Radio may from time to time offer and issue debentures, notes, bonds and other indebtedness and forward contracts in respect of any such indebtedness, shares of preferred stock, shares of Class A common stock, warrants, stock purchase contracts, stock purchase units and stock purchase rights, and two financing trusts sponsored by Cox Radio may also offer and issue preferred securities of the trusts for an original maximum aggregate offering amount of up to \$300 million. Unless otherwise described in future prospectus supplements, Cox Radio intends to use the net proceeds from the sale of securities registered under this universal shelf registration statement for general corporate purposes, which may include additions to working capital, the repayment or redemption of existing indebtedness and the financing of capital expenditures and acquisitions.

In the normal course of business, Cox Radio's tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities, and Cox Radio accrues a liability when it believes an assessment is probable. In connection with the conclusion of a state income tax audit, current income tax expense during the second quarter of 2006 was reduced by \$2.5 million to reflect the difference between the settlement and previously accrued amounts.

Cox Radio is a party to various legal proceedings that are ordinary and incidental to its business. Management does not expect that any of these legal proceedings currently pending will have a material adverse impact on Cox Radio's consolidated financial position, consolidated results of operations or cash flows.

5. Derivative Instruments and Hedging Activities

Cox Radio is exposed to fluctuations in interest rates. Cox Radio actively monitors these fluctuations and uses derivative instruments from time to time to manage such risk. In accordance with its risk management strategy, Cox Radio uses derivative instruments only for the purpose of managing risk associated with an asset, liability, committed transaction or probable forecasted transaction that is identified by management. Cox Radio's use of derivative instruments may result in short-term gains or losses and may increase volatility in its earnings.

Cox Radio had one interest rate swap agreement outstanding at June 30, 2006, which is used to manage its exposure to the variability of future cash flows related to certain of its floating rate interest obligations that may result due to changes in interest rates. The counterparty to this interest rate swap agreement is a major financial institution. Cox Radio is exposed to credit loss in the event of nonperformance by this counterparty. However, Cox Radio does not anticipate nonperformance by this counterparty.

At June 30, 2006, a single interest rate swap agreement with a \$25 million notional principal amount, an annual fixed rate of 6.4% and a September 30, 2007 maturity date was outstanding. The estimated fair value of the swap agreement, based on current market rates, approximated a net payable of \$0.3 million and \$0.7 million at June 30, 2006 and December 31, 2005, respectively. The fair value of the swap agreement at June 30, 2006 is included in other long-term liabilities according to the maturity date of the swap.

Under SFAS No. 133, as amended, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of SFAS No. 133," SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," the accounting for changes in the fair values of derivative instruments at each

new measurement date is dependent upon their intended use. The effective portion of changes in the fair values of derivative instruments designated as hedges of forecasted transactions, referred to as cash flow hedges, are deferred and recorded as a component of accumulated other comprehensive income until the hedged forecasted transactions occur and are recognized in earnings. The ineffective portion of changes in the fair values of derivative instruments designated as cash flow hedges are immediately reclassified to earnings. The differential paid or received on the interest rate swap agreement is recognized as an adjustment to interest expense. Cox Radio's interest rate swap agreement qualifies as a cash flow hedge.

During the three-month period ended June 30, 2006, changes in fair value of the interest rate swap agreement resulted in a \$0.3 million credit to interest expense, before related tax effects, due to the ineffectiveness of this cash flow hedge. During the three-month period ended June 30, 2005, there was no ineffective portion. For both periods there were no amounts excluded from the measure of effectiveness. The balance of \$0.3 million recorded in accumulated other comprehensive income at June 30, 2006 is expected to be reclassified into future earnings, contemporaneously with and offsetting changes in interest expense on certain of Cox Radio's floating rate interest obligations. The estimated amount to be reclassified into future earnings as interest expense over the twelve months ending June 30, 2007 is approximately \$0.1 million, before related income tax effects. The actual amount that will be reclassified to future earnings over the next twelve months may vary from this amount as a result of changes in market conditions related to interest rates.

6. Goodwill and Other Intangible Assets

Cox Radio accounts for goodwill and intangible assets in accordance with SFAS No. 142, which requires that goodwill and certain intangible assets, including FCC licenses, not be amortized but instead be tested for impairment at least annually. Cox Radio's annual impairment testing date is December 31st.

The following table reflects the components of intangible assets for the periods indicated:

	<u>Gross</u> <u>Carrying Value</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net</u> <u>Carrying Value</u>
(Amounts in thousands)			
June 30, 2006			
FCC licenses and other intangible assets, net	\$1,869,436	\$ 571	\$1,868,865
Goodwill	217,921	-	217,921
December 31, 2005			
FCC licenses and other intangible assets, net	\$1,869,300	\$ 561	\$1,868,739
Goodwill	217,921	-	217,921

Amortization of amortizable intangible assets was less than \$0.1 million for each of the three-month and six-month periods ended June 30, 2006 and 2005.

During 2005, Cox Radio completed the acquisition of KRTR-AM (formerly KHNR-AM) and KKNE-AM (formerly KHCM-AM) in Honolulu, Hawaii and, in connection therewith, classified \$3.8 million to FCC licenses and less than \$0.1 million to goodwill.

During 2005, Cox Radio completed a signal upgrade for WBHJ-FM in Birmingham, Alabama and, in connection therewith, reclassified \$5.5 million from other assets to FCC licenses.

7. Shareholders' Equity

On August 24, 2005, Cox Radio's Board of Directors authorized a share repurchase program pursuant to which Cox Radio is authorized to repurchase up to \$100 million of its outstanding shares of Class A common stock. As of June 30, 2006, Cox Radio had purchased 5.6 million shares for an aggregate purchase price of approximately \$79.9 million, including commissions and fees, at an average price of \$14.19 per share. As of June 30, 2006, \$20.1 million remained authorized as available to repurchase outstanding shares. Depending on market conditions and other factors, these purchases may be commenced or suspended at any time or from time to time without prior notice.

8. Stock-Based Compensation and Long-Term Incentive Plans

In 2005, Cox Radio's LTIP consisted of a mix of stock options and performance awards to selected officers and senior executives. Performance awards are designed to increase in value based on Cox Radio's operating performance and are denominated as a number of units which are multiplied by the percentage increase in certain pre-established financial metrics over a five-year period. Performance awards vest 60% in the third year, 80% in the fourth year, and 100% in the fifth year from the date of grant. Cox Radio recognizes compensation expense related to the performance awards over the appropriate vesting period. Performance awards will be paid out in cash or, for certain employees, in Cox Radio stock, which will remain subject to restrictions on resale or transfer as long as the recipient is employed by Cox Radio or its affiliates.

In 2006, Cox Radio implemented a new LTIP that consists of a mix of performance awards (as described above) and restricted stock. Awards of restricted stock fully vest five years after the date of grant and are subject to a risk of forfeiture until the vesting date. Cox Radio recognizes compensation expense related to the restricted stock awards over the five-year vesting period.

During the six months ended June 30, 2006, Cox Radio had three stock-based employee compensation plans, the LTIP and two ESPPs. The 2004 ESPP terminated during the first quarter of 2006 and shares were issued under this plan effective March 31, 2006. By June 30, 2006, the new 2006 ESPP had been announced. As discussed in Note 2, prior to January 1, 2006, Cox Radio would have accounted for these plans under the recognition and measurement provisions of APB 25, and related interpretations, as permitted by Statement 123. Effective January 1, 2006, Cox Radio adopted the fair value recognition provisions of SFAS No. 123R using the modified-prospective transition method. The compensation cost charged against income for those plans was \$0.6 million and \$0.9 million for the three-month and six-month periods ended June 30, 2006, respectively, and less than \$0.1 million and \$0.1 million for the three-month and six-month periods ended June 30, 2005, respectively. The total income tax benefit recognized in the income statement for share-based compensation arrangements was \$0.2 million and \$0.3 million for the three-month and six-month periods ended June 30, 2006, respectively, and less than \$0.1 million each for the three-month and six-month periods ended June 30, 2005.

A summary of the status of Cox Radio's stock options granted under the LTIP as of June 30, 2006, and changes during the quarter then ended is presented below:

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at April 1, 2006.....	7,167,298	\$ 21.18	
Granted	-	-	
Exercised	(248,754)	8.10	
Forfeited	(235,282)	21.60	
Outstanding at June 30, 2006.....	<u>6,683,262</u>	\$ 21.65	\$ 486,894
Options exercisable at June 30, 2006.....	3,632,659	\$ 23.14	\$ 486,894

The following table summarizes information about stock options outstanding at June 30, 2006:

<u>Options Outstanding</u>				<u>Options Exercisable</u>			
<u>Range of Exercise Prices</u>	<u>Number of Options Outstanding</u>	<u>Weighted- Average Remaining Contractual Life</u>	<u>Weighted- Average Exercise Price</u>	<u>Number of Options Exercisable</u>	<u>Weighted- Average Remaining Contractual Life</u>	<u>Weighted- Average Exercise Price</u>	
\$ 6.17-\$ 8.46	40,837	0.4 years	\$ 6.73	40,837	0.4 years	\$ 6.73	
\$13.39-\$21.81	4,835,342	6.8 years	19.83	2,018,207	5.3 years	20.32	
\$22.51-\$24.66	1,234,044	5.5 years	24.63	1,000,576	5.5 years	24.62	
\$31.66	<u>573,039</u>	3.5 years	31.66	<u>573,039</u>	3.5 years	31.66	
	<u>6,683,262</u>	6.3 years	21.65	<u>3,632,659</u>	5.0 years	23.14	

A summary of the status of Cox Radio's restricted stock granted as of June 30, 2006, and changes during the quarter then ended is presented below:

	<u>Shares</u>	<u>Weighted Average Grant-Date Fair Value</u>
Restricted shares at April 1, 2006	472,813	\$ 15.94
Granted	6,514	14.23
Vested	(7,872)	21.87
Forfeited	<u>(5,364)</u>	18.51
Restricted shares at June 30, 2006	<u>466,091</u>	\$ 15.78

As of June 30, 2006, there was \$3.9 million of total unrecognized compensation cost related to restricted stock-based compensation arrangements. This cost is expected to be recognized over a weighted-average period of 4.1 years, as the awards vest. During the three-month period ended June 30, 2006, 7,872 shares of restricted stock vested. No shares vested during the three-month period ended June 30, 2005.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, among others, statements that relate to Cox Radio's future plans, earnings, objectives, expectations, performance, and similar projections, as well as any facts or assumptions underlying these statements or projections. Actual results may differ materially from the results expressed or implied in these forward-looking statements, due to various risks, uncertainties or other factors. These factors include competition within the radio broadcasting industry, advertising demand in our markets, the possibility that advertisers may cancel or postpone schedules in response to political events, competition for audience share, and our ability to generate sufficient cash flow to meet our debt service obligations and finance operations. For a more detailed discussion of these and other risk factors, see the Risk Factors section of Cox Radio's Annual Report on Form 10-K for the year ended December 31, 2005. Cox Radio assumes no responsibility to update any forward-looking statements as a result of new information, future events or otherwise.

General

Cox Radio is a leading national radio broadcasting company whose business is devoted to acquiring, developing and operating radio stations located throughout the United States. Cox Enterprises indirectly owns approximately 65% of the common stock of Cox Radio and has approximately 95% of the voting power of Cox Radio.

The primary source of Cox Radio's revenues is the sale of local and national advertising to be broadcast on its radio stations. Historically, approximately 71% and 22% of Cox Radio's net revenues have been generated from local and national advertising, respectively. Cox Radio's most significant station operating expenses are employees' salaries and benefits, commissions, programming expenses and advertising and promotional expenditures.

Cox Radio's revenues vary throughout the year. As is typical in the radio broadcasting industry, Cox Radio's revenues and operating income are generally lowest in the first quarter. Cox Radio's operating results in any period may be affected by the incurrence of advertising and promotional expenses that do not necessarily produce commensurate revenues until the impact of the advertising and promotion is realized in future periods.

Acquisitions and Dispositions

Historically, Cox Radio has actively managed its portfolio of radio stations through selected acquisitions, dispositions and exchanges, as well as through the use of local marketing agreements, or LMAs, and joint sales agreements, or JSAs. Under an LMA or a JSA, the company operating a station provides programming or sales and marketing or a combination of such services on behalf of the owner of a station. The broadcast revenues and operating expenses of stations operated by us under LMAs and JSAs have been included in Cox Radio's operations since the respective effective dates of such agreements. All acquisitions discussed below have been accounted for using the purchase method. As such, the results of operations of the acquired stations have been included in the results of operations from the date of acquisition. Specific transactions entered into by Cox Radio during the past two years through July 31, 2006 are discussed below.

In January 2005, Cox Radio paid \$2 million for an option to purchase certain radio stations for a fixed price. This option is exercisable at any time and expires in December 2007. According to the terms of the option, if Cox Radio exercises the option, the \$2 million option payment will be applied to the purchase price for the stations. In addition, as part of the option agreement, the seller has reserved the right at two distinct times during the option term to require Cox Radio to purchase the stations. If the seller exercises either of these put rights, Cox Radio may refuse to purchase the stations at that time and pay \$5 million as a put refusal payment, thereby retaining the option to purchase the stations through December 2007. Therefore, if both the put rights are exercised, Cox Radio would be required to pay up to \$10 million in put refusal payments. If during the option period, Cox Radio exercises its right to purchase the stations, any amounts previously paid as put refusal payments also will be applied to the purchase price of the stations. Under certain circumstances specified in the option agreement, Cox Radio may assign its option for value to a third party. During July 2006, the seller exercised its first put right, and Cox Radio paid the \$5 million put refusal payment. Cox Radio has accrued this payment and has classified it as a non-current asset in the Consolidated Balance Sheet at June 30, 2006. In addition, based on the current facts and circumstances, Cox Radio has determined that the seller's exercise of its second put right is probable and, therefore, Cox Radio has accrued the \$5 million second put refusal payment at June 30, 2006 as well.

In June 2006, Cox Radio entered into a definitive agreement to acquire WBGB-FM serving the Jacksonville, Florida market from Salem Communications for approximately \$7.7 million in cash. Pending regulatory approvals, Cox Radio expects to complete this acquisition during the second half of 2006.

Results of Operations

Cox Radio's results of operations represent the operations of the radio stations owned or operated by Cox Radio, or for which it provides sales and marketing services, during the applicable periods. The following discussion should be read in conjunction with the accompanying consolidated financial statements and the related notes included in this report.

Three months ended June 30, 2006 compared to three months ended June 30, 2005:

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Net revenues:				
Local	\$ 83,625	\$ 83,157	\$ 468	0.6%
National.....	24,551	26,019	(1,468)	(5.6%)
Other	<u>8,975</u>	<u>8,077</u>	<u>898</u>	11.1%
Total net revenues	<u>\$ 117,151</u>	<u>\$ 117,253</u>	<u>\$ (102)</u>	(0.1%)

Net revenues are gross revenues less agency commissions. Local revenues are comprised of advertising sales made within a station's local market or region either directly with the advertiser or through the advertiser's agency. National revenues represent sales made to advertisers or agencies that are purchasing advertising for multiple markets; these sales are typically facilitated by our national representation firm, which serves as our sales agent in these transactions. Other revenues are comprised of Internet revenues, syndicated radio program revenues, network revenues and revenues from community events and sponsorships.

Net revenues for the second quarter of 2006 were \$117.2 million, down 0.1% from the second quarter of 2005. Local revenues increased 0.6% and national revenues decreased 5.6%, each as compared to the second quarter of 2005. Our stations in Orlando, Miami, Houston, Tulsa and Honolulu delivered solid growth during the second quarter of 2006. The revenue growth at these stations, however, was offset by results for our stations in Jacksonville, Richmond, Dayton and Louisville, whose revenues were down for the quarter.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Cost of services (exclusive of depreciation and amortization shown separately below)	\$ 20,956	\$ 20,546	\$ 410	2.0%

Cost of services is comprised of expenses incurred by our technical, news and programming departments. Cost of services increased \$0.4 million, or 2.0%, to \$21.0 million due to increased programming and technical expenses.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u> (Amounts in thousands)	<u>\$ Change</u>	<u>% Change</u>
Selling, general and administrative expenses	\$ 47,623	\$ 46,648	\$ 975	2.1%

Selling, general and administrative expenses are comprised of expenses incurred by our sales, promotion and general and administrative departments. Selling, general and administrative expenses increased \$1.0 million, or 2.1%, when compared to the second quarter of 2005. This increase was primarily attributable to additional expenses related to performance units and stock-based compensation awarded to employees in our sales, promotion and general and administrative departments under the LTIP in the first quarter of 2006.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u> (Amounts in thousands)	<u>\$ Change</u>	<u>% Change</u>
Corporate general and administrative expenses.....	\$ 5,495	\$ 5,043	\$ 452	9.0%
Depreciation and amortization	2,666	2,853	(187)	(6.6%)
Other operating expenses, net.....	271	14	257	*

* Change was not statistically meaningful

Corporate general and administrative expenses increased \$0.5 million to \$5.5 million, an increase of 9.0%, as compared to the second quarter of 2005. This increase was primarily a result of additional compensation expense related to performance units and other stock-based compensation awarded to corporate personnel under the LTIP in the first quarter of 2006. The changes in depreciation and amortization and other operating expenses, net, were not material to our operating results or financial condition.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u> (Amounts in thousands)	<u>\$ Change</u>	<u>% Change</u>
Operating income	\$ 40,140	\$ 42,149	\$ (2,009)	(4.8%)

Operating income for the second quarter of 2006 was \$40.1 million, a \$2.0 million decrease from the second quarter of 2005 for the reasons discussed above.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u> (Amounts in thousands)	<u>\$ Change</u>	<u>% Change</u>
Interest expense.....	\$ 6,142	\$ 6,950	\$ (808)	(11.6%)

Interest expense during the second quarter of 2006 totaled \$6.1 million, as compared to \$7.0 million for the second quarter of 2005. This decrease was primarily due to lower overall outstanding debt. The average interest rate on our credit facility was 6.0% during the second quarter of 2006 and 3.8% during the second quarter of 2005.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u> (Amounts in thousands)	<u>\$ Change</u>	<u>% Change</u>
Income tax expense:				
Current	\$ 6,321	\$ 8,660	\$ (2,339)	(27.0%)
Deferred	2,009	5,936	(3,927)	(66.2%)
Total income tax expense.....	<u>\$ 8,330</u>	<u>\$ 14,596</u>	<u>\$ (6,266)</u>	(42.9%)

Income tax expense decreased approximately \$6.3 million to \$8.3 million in the second quarter of 2006, as compared to \$14.6 million in the second quarter of 2005. This decrease was primarily due to a \$2.5 million decrease in current income taxes, reflecting the difference between a favorable state income tax audit settlement and previously accrued amounts, and a \$3.1 million decrease in deferred income taxes resulting from state income tax law changes. Our overall effective tax rate was 24.5% for the second quarter of 2006 and 41.5% for the second quarter of 2005.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Net income	\$ 25,668	\$ 20,594	\$ 5,074	24.6%

Net income for the second quarter of 2006 was \$25.7 million, as compared to \$20.6 million for the second quarter of 2005. This increase was attributable to the various factors discussed above.

Six months ended June 30, 2006 compared to six months ended June 30, 2005:

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Net revenues:				
Local	\$ 152,660	\$ 154,436	\$ (1,776)	(1.1%)
National.....	46,273	47,052	(779)	(1.7%)
Other	<u>15,824</u>	<u>14,334</u>	<u>1,490</u>	10.4%
Total net revenues	<u>\$ 214,757</u>	<u>\$ 215,822</u>	<u>\$ (1,065)</u>	(0.5%)

Net revenues for the first six months of 2006 decreased \$1.1 million to \$214.8 million, a 0.5% decrease compared to the first six months of 2005. Local revenues decreased 1.1% and national revenues decreased 1.7%, each as compared to the first six months of 2005. Our stations in Orlando, Miami, Tulsa and Honolulu delivered solid growth during the first six months of 2006. Those increases were partially offset by results for our stations in Jacksonville, Long Island, Richmond, Dayton and Louisville whose revenues were down for the first six months of 2006.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Cost of services (exclusive of depreciation and amortization shown below).....	\$ 41,972	\$ 42,887	\$ (915)	(2.1%)

Cost of services is comprised of expenses incurred by our technical, news and programming departments. Cost of services decreased \$0.9 million, or 2.1%, to \$42.0 million compared to the first six months of 2005 primarily due to lower broadcast program rights related to our decision not to renew the Atlanta Hawks broadcasting agreement for the 2005-2006 season.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Selling, general and administrative expenses	\$ 86,943	\$ 85,940	\$ 1,003	1.2%

Selling, general and administrative expenses are comprised of our sales, promotion and general and administrative departments. Selling, general and administrative expenses increased \$1.0 million, or 1.2%, to \$86.9 million compared to the first six months of 2005. This increase was primarily attributable to additional expenses related to performance units and stock-based compensation awarded to employees in our sales, promotion and general and administrative departments under the LTIP in the first quarter of 2006.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Corporate general and administrative expenses.....	\$ 10,635	\$ 9,750	\$ 885	9.1%
Depreciation and amortization	5,308	5,701	(393)	(6.9%)
Other operating expenses, net	350	(126)	476	*

* Change was not statistically meaningful

Corporate general and administrative expenses increased \$0.9 million, or 9.1%, to \$10.6 million compared to the first six months of 2005 as a result of additional compensation expense related to the issuance of restricted stock and performance units awarded to

corporate personnel under the LTIP in the first quarter of 2006. The changes in depreciation and amortization and other operating expenses, net, were not material to our overall operating results or financial condition.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Operating income	\$ 69,549	\$ 71,670	\$ (2,121)	(3.0%)

Operating income for the first six months of 2006 was \$69.5 million, a \$2.1 million decrease over the first six months of 2005 for the reasons discussed above.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Interest expense	\$ 12,300	\$ 14,235	\$ (1,935)	(13.6%)

Interest expense during the first six months of 2006 totaled \$12.3 million, as compared to \$14.2 million for the first six months of 2005. This decrease was the result of lower overall outstanding debt and a slightly lower overall average borrowing rate due to the repayment at maturity of the \$100.0 million principal amount of our 6.375% notes in May 2005 and the repayment at maturity of the \$250.0 million principal amount of our 6.625% notes in February 2006. Both series of notes were repaid with proceeds from our revolving credit facility. The average rate on our credit facility was 5.8% during the first six months of 2006 and 3.6% during the first six months of 2005.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Income tax expense:				
Current	\$ 12,259	\$ 13,201	\$ (942)	(7.1%)
Deferred	5,343	9,851	(4,508)	(45.8%)
Total income tax expense	<u>\$ 17,602</u>	<u>\$ 23,052</u>	<u>\$ (5,450)</u>	(23.6%)

Income tax expense decreased approximately \$5.5 million to \$17.6 million in the first six months of 2006 compared to \$23.1 million in the first six months of 2005. This decrease was primarily due to a \$2.5 million decrease in current income taxes, reflecting the difference between a favorable state income tax audit settlement and previously accrued amounts, and a \$3.1 million decrease in deferred income taxes resulting from state income tax law changes. The effective tax rate for the first six months of 2006 and 2005 was 30.7% and 40.2%, respectively.

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>	<u>\$ Change</u>	<u>% Change</u>
	(Amounts in thousands)			
Net income	\$ 39,651	\$ 34,359	\$ 5,292	15.4%

Net income for the first six months of 2006 was \$39.7 million, as compared to \$34.4 million for the first six months of 2005, for the reasons discussed above.

Liquidity and Capital Resources

Sources and Uses of Liquidity

Cox Radio's primary sources of liquidity are cash provided by operations and cash borrowed under our bank credit facility. Net cash from operations results primarily from net income adjusted for non-cash items, including depreciation and amortization, deferred income taxes, gains or losses on sales of radio stations, goodwill impairment and changes in working capital accounts. In comparing the six months ended June 30, 2006 to the six months ended June 30, 2005, net cash provided by operating activities decreased \$5.0 million due primarily to a decrease in working capital. Cox Radio expects future net cash provided by operating activities to provide sufficient funding for operations in the near term. Primary uses of liquidity include debt service, acquisitions, capital expenditures, common stock repurchases and investment in signal upgrades.

Cox Radio has an effective shelf registration statement under which Cox Radio may from time to time offer and issue debentures, notes, bonds and other indebtedness and forward contracts in respect of any such indebtedness, shares of preferred stock, shares of Class A common stock, warrants, stock purchase contracts, stock purchase units and stock purchase rights, and two financing trusts sponsored by Cox Radio may also offer and issue preferred securities of the trusts for an original maximum aggregate offering amount of up to \$300 million. Unless otherwise described in future prospectus supplements, Cox Radio intends to use the net proceeds from the sale of securities registered under this universal shelf registration statement for general corporate purposes, which may include additions to working capital, the repayment or redemption of existing indebtedness and the financing of capital expenditures and acquisitions.

In addition, daily cash management needs have been funded through intercompany advances from Cox Enterprises. Any borrowings from Cox Enterprises are due on demand, but typically repaid within 30 days. Cox Enterprises continues to perform day-to-day cash management services for Cox Radio. Amounts due to and from Cox Enterprises accrue interest at Cox Enterprises' current commercial paper borrowing rate or a London Interbank Offered Rate (LIBOR) based rate (5.5% and 3.5% at June 30, 2006 and 2005, respectively) dependent upon Cox Radio's credit rating. Cox Radio owed Cox Enterprises approximately \$11.2 million and \$9.9 million at June 30, 2006 and December 31, 2005, respectively.

In June 2006, Cox Radio entered into a definitive agreement to acquire WBGB-FM serving the Jacksonville, Florida market from Salem Communications for approximately \$7.7 million in cash. Pending regulatory approvals, Cox Radio expects to complete this acquisition during the second half of 2006.

Future cash requirements are expected to include capital expenditures, principal and interest payments on indebtedness and funds for acquisitions. Cox Radio expects its operations to generate sufficient cash to meet its capital expenditures and debt service requirements. Additional cash requirements, including funds for acquisitions, will be funded from various sources, including proceeds from bank financing, intercompany advances from Cox Enterprises and, if or when appropriate, issuances of securities.

Debt Service

On June 4, 2004, Cox Radio entered into a \$500 million, five-year senior unsecured revolving credit facility. As of July 26, 2006, in connection with entering into the new revolving credit facility described below, Cox Radio terminated this credit facility. The old credit facility contained, among other provisions, specified leverage and interest coverage requirements. At June 30, 2006, Cox Radio was in compliance with these covenants. Cox Radio's old credit facility contained events of default based on (i) the failure to pay when due other debt, the outstanding amount of which exceeds \$25 million, after the expiration of applicable grace periods and (ii) the acceleration of other debt, the outstanding amount of which exceeds \$25 million. At June 30, 2006, Cox Radio was not in default under its credit facility. At June 30, 2006, Cox Radio had \$410 million of outstanding indebtedness under the credit facility with \$90 million available for borrowing. The interest rate applied to amounts due under the credit facility was 6.1% at June 30, 2006. At December 31, 2005, Cox Radio had approximately \$155 million of outstanding indebtedness under the facility with \$345 million available for borrowing. The interest rate applied to amounts due under the credit facility was 5.1% at December 31, 2005. Since the interest rate was variable, the recorded balance of the credit facilities approximates fair value. See "Qualitative and Quantitative Disclosures About Market Risk" under Part II, Item 3 of this Form 10-Q for a discussion of Cox Radio's interest rate swap agreement.

On February 15, 2006, Cox Radio repaid the \$250.0 million principal amount of the 6.625% notes at maturity using funds from the revolving credit facility.

On July 26, 2006, Cox Radio entered into a new senior unsecured revolving credit facility with up to \$600 million in total borrowing capacity. On July 26, 2006, Cox Radio borrowed \$420 million under the new credit facility, of which \$410 million was used to repay amounts outstanding under its old credit facility. As a result of its business operations, Cox Radio may generate excess cash which could from time to time be used to repay amounts outstanding under the new revolving credit facility. The lending commitments under the new credit facility are scheduled to terminate on July 26, 2011. The interest rate for the new facility is, at Cox Radio's option:

- the greater of the prime rate or the federal funds borrowing rate plus 0.5%;
- the LIBOR plus a spread based on the credit ratings of Cox Radio's senior long-term debt;
- the federal funds borrowing rate plus a spread based on the credit ratings of Cox Radio's senior long-term debt.

The new credit facility includes commitment fees on the unused portion of the total amount available, which fees range from 0.070% to 0.225% depending on the credit rating of Cox Radio's senior long-term debt. The new credit facility contains, among other provisions, specified leverage and interest coverage requirements, the terms of which are defined within the credit facility. The credit facility also contains customary events of default, including, but not limited to, failure to pay principal or interest, failure to pay or acceleration of other material debt, misrepresentation or breach of warranty, violation of certain covenants and change of control.

Off-Balance Sheet Arrangements

Cox Radio's off-balance sheet arrangements consist primarily of lease commitments and contracts for sports programming and on-air personalities and the guarantee discussed below. Cox Radio does not have any majority-owned subsidiaries that are not included in its consolidated financial statements, nor does Cox Radio have any interests in or relationships with any variable interest entities.

In January 2005, Cox Radio paid \$2 million for an option to purchase certain radio stations for a fixed price. This option is exercisable at any time and expires in December 2007. According to the terms of the option, if Cox Radio exercises the option, the \$2 million option payment will be applied to the purchase price for the stations. In addition, as part of the option agreement, the seller has reserved the right at two distinct times during the option term to require Cox Radio to purchase the stations. If the seller exercises either of these put rights, Cox Radio may refuse to purchase the stations at that time and pay \$5 million as a put refusal payment, thereby retaining the option to purchase the stations through December 2007. Therefore, if both the put rights are exercised, Cox Radio would be required to pay up to \$10 million in put refusal payments. If during the option period, Cox Radio exercises its right to purchase the stations, any amounts previously paid as put refusal payments also will be applied to the purchase price of the stations. Under certain circumstances specified in the option agreement, Cox Radio may assign its option for value to a third party. During July 2006, the seller exercised its first put right, and Cox Radio paid the \$5 million put refusal payment. Cox Radio has accrued this payment and has classified it as a non-current asset in the Consolidated Balance Sheet at June 30, 2006. In addition, based on the current facts and circumstances, Cox Radio has determined that the seller's exercise of its second put right is probable and, therefore, Cox Radio has accrued the \$5 million second put refusal payment at June 30, 2006 as well.

In February 2005, Cox Radio agreed to guarantee the borrowings of a third party of up to \$5 million to enable that party to purchase two stations and assist Cox Radio in a signal upgrade project for one of its stations. This guarantee expires in February 2008. If the Cox Radio signal upgrade is approved by the FCC, then Cox Radio is likely to purchase the stations and performance under the guarantee will not be necessary. If the signal upgrade is not approved, Cox Radio's guarantee will be extinguished either through sale of the stations or through new financing arranged by the owner of the stations. Cox Radio believes that while the value of the stations currently may be insufficient to repay the outstanding debt in full, any shortfall would be immaterial. At both June 30, 2006 and December 31, 2005, the carrying value of this guarantee was \$0.4 million.

Impact of Inflation

The impact of inflation on our operations has not been significant to date. However, there can be no assurance that a high rate of inflation in the future would not have an adverse impact on our operating results.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Cox Radio is exposed to a number of financial market risks in the ordinary course of business. Cox Radio has examined exposures to these risks and concluded that none of the exposures are material to cash flows or earnings; however, Cox Radio's primary financial market risk exposure pertains to changes in interest rates.

Cox Radio's indebtedness under its various financing arrangements creates interest rate risk. Cox Radio has engaged in several strategies to manage these interest rate risks. As part of this strategy, Cox Radio has entered into an interest rate swap agreement with a major financial institution for purposes of managing borrowing costs.

Pursuant to the interest rate swap agreement, Cox Radio has exchanged its floating rate interest obligations on \$25 million in notional principal amount of debt for a fixed interest rate. This agreement has an annual fixed rate of 6.4% and matures on September 30, 2007. Concurrently with the adoption of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," in January 2001, Cox Radio formally designated this agreement as a cash flow hedge as discussed in Note 5 to the consolidated financial statements included herein. Cox Radio is exposed to a credit loss in the event of nonperformance by the counterparty to the interest

rate swap agreement. However, Cox Radio does not anticipate nonperformance by such counterparty, and no material loss would be expected in the event of the counterparty's nonperformance. The estimated fair value of the swap agreement, based on current market rates, approximated a net payable of \$0.3 million at June 30, 2006 and \$0.7 million at December 31, 2005. The fair value of the swap agreement at June 30, 2006 is included in other long-term liabilities according to the maturity date of the swap. The market risk for the interest rate swap is mitigated as the fixed rate received is hedged to the variable rate paid on the credit facility.

The determination of the estimated fair value of Cox Radio's fixed-rate debt is subject to the effects of interest rate risk. On February 15, 2006, the \$250.0 million principal amount of Cox Radio's 6.625% fixed-rate notes was repaid with proceeds from the variable-rate credit facility. At December 31, 2005, the estimated fair value of fixed-rate debt instruments (our 6.625% notes) was \$250.6 million, compared to a carrying amount of \$250.0 million. The effect of a hypothetical one percentage point decrease in interest rates would have been to increase the estimated fair value of Cox Radio's fixed-rate debt instruments from \$250.6 million to \$250.9 million at December 31, 2005.

The estimated fair values of debt instruments are based on discounted cash flow analyses using Cox Radio's borrowing rates for similar types of borrowing arrangements and dealer quotations. The revolving credit facility and Cox Enterprises' borrowings bear interest based on current market rates and, thus, approximate fair value. Cox Radio is exposed to interest rate volatility with respect to variable rate debt instruments. If the LIBOR borrowing rates were to increase 1% above the rates at June 30, 2006, Cox Radio's interest expense on the revolving credit facility would increase approximately \$4.1 million on an annual basis, including any interest expense associated with the use of derivative rate hedging instruments as described above.

With respect to financial instruments, Cox Radio has estimated the fair values of such instruments using available market information and valuation methodologies that it believes to be appropriate. Considerable judgment, however, is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that Cox Radio would realize or pay in a current market exchange.

ITEM 4. Controls and Procedures

Evaluation of Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of Cox Radio (its principal executive officer and principal financial officer, respectively) have concluded, based on their evaluation as of June 30, 2006, the end of the fiscal quarter to which this report relates, that Cox Radio's disclosure controls and procedures: are effective to ensure that information required to be disclosed by Cox Radio in the reports filed or submitted by it under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and include controls and procedures designed to ensure that information required to be disclosed by Cox Radio in such reports is accumulated and communicated to Cox Radio's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Cox Radio's disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching Cox Radio's desired disclosure objectives and are effective in reaching that level of reasonable assurance.

Changes in Internal Controls

There were no changes in Cox Radio's internal control over financial reporting during the period covered by this report that materially affected, or were reasonably likely to materially affect, Cox Radio's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

Cox Radio is a party to various legal proceedings that are ordinary and incidental to its business. Management does not expect that any of these legal proceedings currently pending will have a material adverse impact on Cox Radio's consolidated financial position, consolidated results of operations or cash flows.

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

(a) None

(b) None

(c) On August 24, 2005, Cox Radio announced that its Board of Directors had authorized a repurchase program for the purchase of up to \$100.0 million of Cox Radio's Class A common stock. Repurchased shares are held in treasury, and the program does not have an expiration date. Cox Radio may terminate the repurchase program at any time, without prior notice, depending upon market conditions and various other factors. The following table sets forth certain information concerning the repurchase of Cox Radio's Class A common stock during the three-month period ended June 30, 2006.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2006 to April 30, 2006	812,800	\$13.28	812,800	\$36.2 million
May 1, 2006 to May 31, 2006	591,600	14.38	591,600	\$27.7 million
June 1, 2006 to June 30, 2006	552,145	13.91	549,900	\$20.1 million

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

Cox Radio held its Annual Meeting of Stockholders on May 11, 2006. Two matters were voted upon at the meeting: the election of a Board of Directors of eight members to serve until the 2007 Annual Meeting or until their successors are duly elected and qualified; and approval of Cox Radio's 2006 Employee Stock Purchase Plan.

The following directors were elected, and they received the votes indicated:

<u>Nominee</u>	<u>Votes in Favor</u>	<u>Votes Withheld</u>
James C. Kennedy	611,505,927	11,042,050
Juanita P. Baranco	618,017,213	4,530,764
G. Dennis Berry	611,900,113	10,647,864
Jimmy W. Hayes	611,443,212	11,104,765
Paul M. Hughes	617,374,865	5,173,112
Marc W. Morgan	611,441,931	11,106,046
Robert F. Neil	611,516,944	11,031,033
Nicholas D. Trigony	616,135,470	6,412,507

The 2006 Employee Stock Purchase Plan was approved, with 618,672,835 votes in favor, 40,228 votes in opposition, 931,688 abstentions, and 2,903,226 broker non-votes.

ITEM 6. Exhibits

Listed below are the exhibits, which are filed as part of this report (according to the number assigned to them in Item 601 of Regulation S-K):

<u>Exhibit Number</u>	<u>Description</u>
(1) 3.1	— Amended and Restated Certificate of Incorporation of Cox Radio, Inc.

- (²) 3.2 — Certificate of Amendment to Certificate of Incorporation of Cox Radio, Inc.
- (³) 3.3 — Amended and Restated Bylaws of Cox Radio, Inc.
- (⁴) 4.1 — Indenture dated as of May 26, 1998 by and among Cox Radio, Inc. The Bank of New York, WSB, Inc. and WHIO, Inc.
- (⁵) 4.2 — First Supplemental Indenture dated as of February 1, 1999 by and among The Bank of New York, Cox Radio, Inc. and CXR Holdings, Inc.
- (⁶) 4.3 — Agreement of Resignation, Appointment and Acceptance, effective March 1, 2005, by and among Cox Radio, Inc., The Bank of New York and The Bank of New York Trust Company, N.A.
- (⁷) 4.4 — Form of Specimen Class A common stock certificate.
- (⁸) 10.1 — Five Year Credit Agreement, dated as of June 4, 2004, among Cox Radio, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent for the Lenders, Wachovia Bank, National Association, as Co-Syndication Agent, Bank of America, N.A., as Co-Syndication Agent, J.P. Morgan Securities Inc., as Co-Lead Arranger and Joint Bookrunner, and Wachovia Capital Markets, LLC, as Co-Lead Arranger and Joint Bookrunner.
- (⁹) 10.2 — Credit Agreement, dated as of July 26, 2006, by and among Cox Radio, Inc., the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders, Lehman Brothers Inc. and Citibank, N.A., as Syndication Agents, Wachovia Capital Markets, LLC and Bank of Tokyo-Mitsubishi UFJ Trust Company, as Documentation Agents and J.P. Morgan Securities Inc., Lehman Brothers Inc. and Citigroup Global Markets Inc., as Joint Lead Arranger and Joint Bookrunners.
- 31.1 — Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- 31.2 — Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- 32.1 — Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934.

(1) Incorporated by reference to the corresponding exhibit of Cox Radio's Registration Statement on Form S-1 (SEC File No. 333-08737).

(2) Incorporated by reference to Exhibit 3.2 of Cox Radio's Form 8-A/A filed February 15, 2002.

(3) Incorporated by reference to Exhibit 3.2 of Cox Radio's Registration Statement on Form S-1 (SEC File No. 333-08737).

(4) Incorporated by reference to Exhibit 4.1 of Cox Radio's Form 10-Q for the period ended June 30, 2004.

(5) Incorporated by reference to Exhibit 4.2 of Cox Radio's Form 10-Q for the period ended June 30, 1999.

(6) Incorporated by reference to Exhibit 4.3 of Cox Radio's Registration Statement on Form S-3 (SEC File No. 333-124114).

(7) Incorporated by reference to Exhibit 4.1 of Cox Radio's Form 8-A/A filed February 15, 2002.

(8) Incorporated by reference to Exhibit 10.1 of Cox Radio's Form 10-Q for the period ended June 30, 2004.

(9) Incorporated by reference to Exhibit 10.1 of Cox Radio's Form 8-K dated July 26, 2006 and filed July 31, 2006.

SIGNATURES

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

Cox Radio, Inc.

August 4, 2006

/s/ Neil O. Johnston

Neil O. Johnston
Vice President and Chief Financial
Officer (Principal Financial Officer,
Principal Accounting Officer and
duly authorized officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934**

I, Robert F. Neil, Chief Executive Officer of Cox Radio, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cox Radio, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2006

/s/ Robert F. Neil
Robert F. Neil
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934**

I, Neil O. Johnston, Chief Financial Officer of Cox Radio, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cox Radio, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2006

/s/ Neil O. Johnston
Neil O. Johnston
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(b) OF THE SECURITIES EXCHANGE ACT OF 1934

In connection with the quarterly report on Form 10-Q of Cox Radio, Inc. (the "Company") for the period ended June 30, 2006 as filed with the Securities and Exchange Commission as of the date hereof, I, Robert F. Neil, Chief Executive Officer of the Company, and I, Neil O. Johnston, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. §1350, that to the best of our knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert F. Neil

Name: Robert F. Neil
Title: Chief Executive Officer
Date: August 4, 2006

/s/ Neil O. Johnston

Name: Neil O. Johnston
Title: Chief Financial Officer
Date: August 4, 2006

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act, or other documentation authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906 of the Sarbanes-Oxley Act, has been provided to Cox Radio and will be retained by Cox Radio and furnished to the Securities and Exchange Commission or its staff upon request.

This certification "accompanies" the quarterly report on Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission, and is not to be incorporated by reference into any filing of Cox Radio under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the quarterly report on Form 10-Q, irrespective of an general incorporation language contained in such filing).