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

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2011

or

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

For the transition period from __________ to __________

Commission file number 000-27823

Spanish Broadcasting System, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-3827791**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

2601 South Bayshore Drive, PH 2
Coconut Grove, Florida 33133
(Address of principal executive offices) (Zip Code)

(305) 441-6901
(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑

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

As of May 9, 2011, 41,669,805 shares of Class A common stock, par value $0.0001 per share, 23,403,500 shares of Class B common stock, par value $0.0001 per share and 380,000 shares of Series C convertible preferred stock, $0.01 par value per share, which are convertible into 7,600,000 shares of Class A common stock, were outstanding.

SPANISH BROADCASTING SYSTEM, INC.
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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events. These forward-looking statements generally can be identified by the use of statements that include phrases such as “believe”, “expect”, “anticipate”, “intend”, “estimate”, “plan”, “project”, “foresee”, “likely”, “will” or other words or phrases with similar meanings. Similarly, statements that describe our objectives, plans or goals are, or may be, forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be different from any future results, performance and anticipated achievements expressed or implied by these statements. We do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to those described in this report, in Part II, “Item 1A. Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2010, and those described from time to time in our future reports filed with the Securities and Exchange Commission (the SEC).

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements — Unaudited***

SPANISH BROADCASTING SYSTEM, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Balance Sheets

		March 31, 2011	December 31, 2010
		(In thousands, except share data)	
Assets			
Current assets:			
Cash and cash equivalents	$	62,206	55,140
Receivables, net of allowance for doubtful accounts of $849 in 2011 and $813 in 2010		21,518	26,160
Prepaid expenses and other current assets		2,567	3,219
Total current assets		86,291	84,519
Property and equipment, net of accumulated depreciation of $54,135 in 2011 and $52,819 in 2010		40,247	40,006
FCC broadcasting licenses		312,623	312,623
Goodwill		32,806	32,806
Other intangible assets, net of accumulated amortization of $258 in 2011 and $250 in 2010		1,176	1,184
Deferred financing costs, net of accumulated amortization of $6,351 in 2011 and $6,088 in 2010		1,251	1,514
Other assets		2,243	2,167
Total assets	$	476,637	474,819
Liabilities and Stockholders' Deficit			
Current liabilities:			
Accounts payable and accrued expenses	$	19,308	17,980
Accrued interest		3,059	4,057
Unearned revenue		1,143	745
Other liabilities		686	750
Current portion of the senior credit facility term loan due 2012		3,250	3,250
Current portion of other long-term debt		442	416
Series B cumulative exchangeable redeemable preferred stock dividends payable		16,960	14,478
Total current liabilities		44,848	41,676
Other liabilities, less current portion		824	985
Derivative instruments		763	829
Senior credit facility term loan due 2012, less current portion		302,250	303,063
Other long-term debt, less current portion		6,200	6,180
Deferred income taxes		79,988	78,247
Total liabilities		434,873	430,980
Commitments and contingencies (note 7)			
Cumulative exchangeable redeemable preferred stock:			
$10\frac{3}{4}$% Series B cumulative exchangeable redeemable preferred stock, $0.01 par value, liquidation value $1,000 per share. Authorized 280,000 shares; 92,349 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively		92,349	92,349
Stockholders' deficit:			
Series C convertible preferred stock, $0.01 par value and liquidation value. Authorized 600,000 shares; 380,000 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively		4	4
Class A common stock, $0.0001 par value. Authorized 100,000,000 shares; 41,669,805 and 41,639,805 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively		4	4
Class B common stock, $0.0001 par value. Authorized 50,000,000 shares; 23,403,500 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively		2	2
Additional paid-in capital		525,230	525,199
Accumulated other comprehensive loss		(763)	(829)

Accumulated deficit	(575,062)	(572,890)
Total stockholders' deficit	(50,585)	(48,510)
Total liabilities and stockholders' deficit	$ 476,637	474,819

See accompanying notes to the unaudited condensed consolidated financial statements.

SPANISH BROADCASTING SYSTEM, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Operations

	Three-Months Ended March 31, 2011	Three-Months Ended March 31, 2010
	(In thousands, except per share data)	
Net revenue	$ 30,775	30,846
Operating expenses:		
Engineering and programming	10,206	9,874
Selling, general and administrative	13,179	12,789
Corporate expenses	1,931	2,221
Depreciation and amortization	1,339	1,556
	26,655	26,440
Loss (gain) on the disposal of assets, net	(7)	—
Operating income	4,127	4,406
Other (expense) income:		
Interest expense, net	(2,036)	(6,303)
Change in fair value of derivative instrument	—	2,847
Income before income taxes	2,091	950
Income tax expense	1,781	1,778
Net income (loss)	310	(828)
Dividends on Series B preferred stock	(2,482)	(2,482)
Net loss applicable to common stockholders	$ (2,172)	(3,310)
Basic and diluted net loss per common share	$ (0.03)	(0.05)
Weighted average common shares outstanding:		
Basic & Diluted	72,673	72,600

See accompanying notes to the unaudited condensed consolidated financial statements.

SPANISH BROADCASTING SYSTEM, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statement of Changes in Stockholders' Deficit
and Comprehensive Income for the Three-Months Ended March 31, 2011

	Class C preferred stock		Class A common stock		Class B common stock					
	Number of shares	Par value	Number of shares	Par value	Number of shares	Par value	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' deficit
					(In thousands, except share data)					
Balance at December 31, 2010	380,000	$ 4	41,639,805	$ 4	23,403,500	$ 2	$ 525,199	$ (829)	$ (572,890)	$ (48,510)
Issuance of Class A common stock from vesting of restricted stock	—	—	30,000	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	31	—	—	31
Series B preferred stock dividends	—	—	—	—	—	—	—	—	(2,482)	(2,482)
Comprehensive income:										
Net income	—	—	—	—	—	—	—	—	310	310
Unrealized gain on derivative instruments	—	—	—	—	—	—	—	66	—	66
Comprehensive income										376
Balance at March 31, 2011	380,000	$ 4	41,669,805	$ 4	23,403,500	$ 2	$ 525,230	$ (763)	$ (575,062)	$ (50,585)

See accompanying notes to the unaudited condensed consolidated financial statements.

SPANISH BROADCASTING SYSTEM, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Cash Flows

	Three-Months Ended March 31,	
	2011	2010
	(In thousands)	
Cash flows from operating activities:		
Net income (loss)	$ 310	(828)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
(Gain) loss on the sale of assets	(7)	—
Stock-based compensation	31	39
Depreciation and amortization	1,339	1,556
Net barter income	127	(46)
Provision for trade doubtful accounts	172	282
Amortization of deferred financing costs	263	266
Deferred income taxes	1,741	1,744
Unearned revenue	335	37
Change in fair value of derivative instrument	—	(1,819)
Changes in operating assets and liabilities:		
Trade receivables	4,406	3,560
Prepaid expenses and other current assets	652	451
Other assets	(76)	63
Accounts payable and accrued expenses	1,657	41
Accrued interest	(998)	3,256
Other liabilities	(225)	(270)
Net cash provided by operating activities	9,727	8,332
Cash flows from investing activities:		
Purchases of property and equipment	(1,737)	(385)
Proceeds from the sale of property and equipment and insurance recoveries	13	—
Net cash used in investing activities	(1,724)	(385)
Cash flows from financing activities:		
Payment of senior secured credit facility term loan 2012	(813)	(813)
Payments of other long-term debt	(124)	(111)
Net cash used in financing activities	(937)	(924)
Net increase in cash and cash equivalents	7,066	7,023
Cash and cash equivalents at beginning of period	55,140	53,580
Cash and cash equivalents at end of period	$ 62,206	60,603
Supplemental cash flows information:		
Interest paid	$ 1,758	1,758
Income taxes paid, net	$ 8	8
Noncash investing and financing activities:		
Accrual of Series B preferred stock cash dividends not declared	$ 2,482	2,482
Unrealized gain (loss) on derivative instruments	$ 66	(84)

See accompanying notes to the unaudited condensed consolidated financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of Spanish Broadcasting System, Inc. and its subsidiaries (the Company, we, us, our or SBS). All intercompany balances and transactions have been eliminated in consolidation. The accompanying unaudited condensed consolidated financial statements as of March 31, 2011 and December 31, 2010 and for the three-month periods ended March 31, 2011 and 2010 have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X. They do not include all information and notes required by U.S. GAAP for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with our consolidated financial statements as of, and for the fiscal year ended December 31, 2010, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, which are all of a normal and recurring nature, necessary for a fair presentation of the results of the interim periods. Additionally, we evaluated subsequent events after the balance sheet date of March 31, 2011 through the financial statements issuance date. The results of operations for the three-month period ended March 31, 2011 are not necessarily indicative of the results for a full year.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the financial statements. Significant items subject to such estimates and assumptions include: the useful lives of fixed assets, allowance for doubtful accounts, the valuation of derivatives, deferred tax assets, fixed assets, intangible assets, stock-based compensation, contingencies and litigation. These estimates and assumptions are based on management's best judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions as facts and circumstances dictate. Illiquid credit markets, volatile equity markets and reductions in advertising spending have combined to increase the uncertainty inherent in such estimates and assumptions. Actual results could differ from these estimates.

2. Stockholders' Deficit

(a) Series C Convertible Preferred Stock

On December 23, 2004, in connection with the closing of the merger agreement, dated October 5, 2004, with CBS Radio (formerly known as Infinity Media Corporation, CBS Radio), a division of CBS Corporation, Infinity Broadcasting Corporation of San Francisco (Infinity SF) and SBS Bay Area, LLC, a wholly-owned subsidiary of SBS (SBS Bay Area), we issued to CBS Radio (i) an aggregate of 380,000 shares of Series C convertible preferred stock, $0.01 par value per share (the Series C preferred stock), each of which is convertible at the option of the holder into twenty fully paid and non-assessable shares of our Class A common stock, $0.0001 par value per share (the Class A common stock). The shares of Series C preferred stock issued at the closing of the merger are convertible into 7,600,000 shares of our Class A common stock, subject to adjustment.

In connection with the closing of the merger transaction, we also entered into a registration rights agreement with CBS Radio, pursuant to which CBS Radio may instruct us to file up to three registration statements, on a best efforts basis, with the SEC providing for the registration for resale of the Class A common stock issuable upon conversion of the Series C preferred stock.

We are required to pay holders of Series C preferred stock dividends on parity with our Class A common stock and Class B common stock, $0.0001 par value per share (the Class B common stock), and each other class or series of our capital stock, if created, after December 23, 2004.

(b) Class A and B Common Stock

The rights of the holders of shares of Class A common stock and Class B common stock are identical, except for voting rights and conversion provisions. The Class A common stock is entitled to one vote per share and the Class B common stock is entitled to ten votes per share. The Class B common stock is convertible to Class A common stock on a share-for-share basis at the option of the holder at any time, or automatically upon the transfer to a person or entity which is not a permitted transferee. Holders of each class of common stock are entitled to receive dividends and, upon liquidation or dissolution, are entitled to receive all assets available for distribution to stockholders. The holders of each class have no preemptive or other subscription rights and there are no redemption or sinking fund provisions with respect to such shares. Each class of common stock is subordinate to our 10 3/4% Series B cumulative exchangeable redeemable preferred stock, par value $0.01 per share and liquidation preference of $1,000 per share (the Series B preferred stock) and on parity with the Series C preferred stock with respect to dividend rights and rights upon liquidation, winding up and dissolution of SBS.

(c) Share-Based Compensation Plans

2006 Omnibus Equity Compensation Plan

In July 2006, we adopted an omnibus equity compensation plan (the Omnibus Plan) in which grants can be made to participants in any of the following forms: (i) incentive stock options, (ii) non-qualified stock options, (iii) stock appreciation rights, (iv) stock units, (v) stock awards, (vi) dividend equivalents, and (vii) other stock-based awards. The Omnibus Plan authorizes up to 3,500,000 shares of our Class A common stock for issuance, subject to adjustment in certain circumstances. The Omnibus Plan provides that the maximum aggregate number of shares of Class A common stock that may be granted, other than dividend equivalents, to any individual during any calendar year is 1,000,000 shares, subject to adjustments. In addition, the maximum aggregate number of shares of Class A common stock with respect to grants of stock units, stock awards and other stock-based awards that may be granted to any individual during a calendar year is also 1,000,000 shares, subject to adjustments.

1999 Stock Option Plans

In September 1999, we adopted an employee incentive stock option plan (the 1999 ISO Plan) and a non-employee director stock option plan (the 1999 NQ Plan, and together with the 1999 ISO Plan, the 1999 Stock Option Plans). Options granted under the 1999 ISO Plan vest according to the terms determined by the compensation committee of our board of directors, and have a contractual life of up to ten years from the date of grant. Options granted under the 1999 NQ Plan vest 20% upon grant and 20% each year for the first four years from the date of grant. All options granted under the 1999 ISO Plan and the 1999 NQ Plan vest immediately upon a change in control of SBS, as defined therein. A total of 3,000,000 shares and 300,000 shares of Class A common stock were reserved for issuance under the 1999 ISO Plan and the 1999 NQ Plan, respectively. In September 2009, our 1999 Stock Option Plans expired; therefore, no more options can be granted under these plans.

Stock Options and Nonvested Shares Activity

Stock options have only been granted to employees and directors. Our stock options have various vesting schedules and are subject to the employees and directors continuing their service to SBS. We recognize compensation expense based on the estimated grant date fair value using the Black-Scholes option pricing model and recognize the compensation expense using a straight-line amortization method. When estimating forfeitures, we consider voluntary termination behaviors, as well as trends of actual option forfeitures. Ultimately, our stock-based compensation expense is based on awards that vest. Our stock-based compensation has been reduced for estimated forfeitures.

A summary of the status of our stock options, as of December 31, 2010 and March 31, 2011, and changes during the three-months ended March 31, 2011, is presented below (in thousands, except per share data):

	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Life (Years)
Outstanding at December 31, 2010	1,918	$ 5.90		
Granted	—	—		
Exercised	—	—		
Forfeited	(6)	5.50		
Outstanding at March 31, 2011	1,912	$ 5.91	$ 169	4.5
Exercisable at March 31, 2011	1,862	$ 6.01	$ 169	4.4

During the three-months ended March 31, 2011 and 2010, no stock options were exercised; therefore, no cash payments were received. In addition, we did not recognize a tax benefit on our stock-based compensation expense due to our valuation allowance on substantially all of our deferred tax assets.

The following table summarizes information about stock options outstanding and exercisable at March 31, 2011 (in thousands, except per share data):

	Outstanding			Weighted Average Remaining Contractual Life (Years)	Exercisable	
Range of Exercise Prices	**Vested Options**	**Unvested Options**	**Weighted Average Exercise Price**		**Number Exercisable**	**Weighted Average Exercise Price**
$0.20 – 4.99	675	50	$ 1.64	7.6	675	$ 1.61
5.00 – 9.99	989	—	8.06	2.4	989	8.06
10.00 – 11.78	198	—	10.79	3.5	198	10.79
	1,862	50	$ 5.91	4.5	1,862	$ 6.01

Nonvested shares (restricted stock or restricted stock units) are awarded to employees under our Omnibus Plan. In general, nonvested shares will vest over three to five years and are subject to the employees continuing their service to us. The cost of nonvested shares is determined using the fair value of our common stock on the date of grant. The compensation expense is recognized over the vesting period.

A summary of the status of our nonvested shares, as of December 31, 2010 and March 31, 2011, and changes during the three-months ended March 31, 2011, is presented below (in thousands, except per share data):

	Shares	Weighted Average Grant-Date Fair Value (per Share)
Nonvested at December 31, 2010	30	$ 1.57
Awarded	—	—
Vested	(30)	1.57
Forfeited	—	—
Nonvested at March 31, 2011	—	$ —

3. Basic and Diluted Net Income (Loss) Per Common Share

Basic net income (loss) per common share was computed by dividing net income (loss) applicable to common stockholders by the weighted average number of shares of common stock and convertible preferred stock outstanding for each period presented, using the “if converted” method. Diluted net income (loss) per common share is computed by giving effect to common stock equivalents as if they were outstanding for the entire period.

For the three-month periods ended March 31, 2011 and 2010, potential common shares were anti-dilutive due to a net loss applicable to common stockholders.

The following is a reconciliation of the shares used in the computation of basic and diluted net income (loss) per share for the three-month periods ended March 31, 2011 and 2010 (in thousands):

	Three-Months Ended March 31,	
	2011	**2010**
Basic weighted average shares outstanding	72,673	72,600
Effect of dilutive equity instruments	185	154
Dilutive weighted average shares outstanding	72,858	72,754
Options to purchase shares of common stock and other stock-based awards outstanding which are not included in the calculation of diluted net income (loss) per share because their impact is anti-dilutive	1,487	1,755

4. Operating Segments

We have two reportable segments: radio and television. The following summary table presents separate financial data for each of our operating segments (in thousands):

	Three-Months Ended March 31, 2011	Three-Months Ended March 31, 2010
	(In thousands)	
Net revenue:		
Radio	$ 26,441	27,080
Television	4,334	3,766
Consolidated	$ 30,775	30,846
Engineering and programming expenses:		
Radio	$ 6,409	5,790
Television	3,797	4,084
Consolidated	$ 10,206	9,874
Selling, general and administrative expenses:		
Radio	$ 10,836	10,871
Television	2,343	1,918
Consolidated	$ 13,179	12,789
Corporate expenses:	$ 1,931	2,221
Depreciation and amortization:		
Radio	$ 618	733
Television	575	562
Corporate	146	261
Consolidated	$ 1,339	1,556
(Gain) loss on the disposal of assets, net:		
Radio	$ (7)	—
Television	—	—
Corporate	—	—
Consolidated	$ (7)	—
Operating income (loss):		
Radio	$ 8,585	9,686
Television	(2,381)	(2,798)
Corporate	(2,077)	(2,482)
Consolidated	$ 4,127	4,406
Capital expenditures:		
Radio	$ 263	59
Television	1,423	295
Corporate	51	31
Consolidated	$ 1,737	385

	March 31, 2011	December 31, 2010
Total Assets:	(In thousands)	
Radio	$ 426,065	425,106
Television	46,643	45,707
Corporate	3,929	4,006
Consolidated	$ 476,637	474,819

5. Comprehensive Income (Loss)

Our total comprehensive income (loss), comprised of net income (loss), amounts reclassified to earnings during the period, and unrealized (loss) gain on derivative instruments, for the three-months ended March 31, 2011 and 2010, respectively, was as follows (in thousands):

	Three-Months Ended March 31, 2011	Three-Months Ended March 31, 2010
Net income (loss)	$ 310	(828)
Other comprehensive income (loss):		
Amounts reclassified to earnings during the period	—	1,028
Unrealized gain (loss) on derivative instruments	66	(84)
Total comprehensive income	$ 376	116

6. Income Taxes

We have determined that due to a variety of reasons, we are currently unable to estimate our annual effective tax rate during our interim periods, which would be applied to our pre-tax ordinary income. We are calculating our effective income tax rate using a year-to-date income tax calculation. Our income tax expense differs from the statutory federal tax rate of 35% and related statutory state tax rates, primarily as a result of the reversal of our deferred tax liabilities related to the tax amortization of our FCC broadcasting licenses, which could no longer be assured over our net operating loss carry forward period. Therefore, our effective tax rate is impacted by the establishment of a valuation allowance on substantially all of our deferred tax assets.

We file federal, state and local income tax returns in the United States and Puerto Rico. The tax years that remain subject to assessment of additional liabilities by the United States federal, state, and local tax authorities are 2007 through 2009. The tax years that remain subject to assessment of additional liabilities by the Puerto Rico tax authority are 2006 through 2010.

Based on our evaluation, we have concluded that there are no significant uncertain tax positions requiring recognition in our consolidated financial statements as of March 31, 2011 and December 31, 2010.

7. Litigation

We are subject to certain legal proceedings and claims that have arisen in the ordinary course of business and have not been fully adjudicated. In our opinion, we do not have a potential liability related to any current legal proceedings and claims that would individually or in the aggregate have a material adverse effect on our financial condition or operating results. However, the results of legal proceedings cannot be predicted with certainty. Should we fail to prevail in any of these legal matters or should all of these legal matters be resolved against us in the same reporting period, the operating results of a particular reporting period could be materially adversely affected.

8. Fair Value Measurement Disclosures

Fair Value of Financial Instruments

Cash and cash equivalents, receivables, accounts payable, and other current liabilities, as reflected in the unaudited condensed consolidated balance sheets, approximate fair value because of the short-term maturity of these instruments. The estimated fair value of our other long-term debt instruments, approximate their carrying amounts as the interest rates approximate our current borrowing rate for similar debt instruments of comparable maturity, or have variable interest rates.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The estimated fair values of our financial instruments are as follows (in millions):

	March 31, 2011		December 31, 2010	
Description	Gross Carrying Amount	Fair Value	Gross Carrying Amount	Fair Value
Senior credit facility term loan	$ 305.5	297.2	306.3	291.2
$10^3/_4$% Series B cumulative exchangeable redeemable preferred stock	92.3	71.4	92.3	69.3
Promissory note payable, included in other long-term debt	6.4	6.2	6.5	6.4

The fair value estimates of these financial instruments were based upon either: (a) market quotes from a major financial institution taking into consideration the most recent market activity, or (b) a discounted cash flow analysis taking into consideration current rates.

Fair Value of Derivative Instruments

The following table represents required quantitative disclosures regarding fair values of our derivative instruments (in thousands).

		Fair value measurements at March 31, 2011		
		Liabilities		
Description	**March 31, 2011 carrying value and balance sheet location of derivative instruments**	**Quoted prices in active markets for identical instruments (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Derivative designated as a cash flow hedging instrument:				
Interest rate swap	$ 763	—	763	—

		Fair value measurements at December 31, 2010		
		Liabilities		
Description	**December 31, 2010 carrying value and balance sheet location of derivative instruments**	**Quoted prices in active markets for identical instruments (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Derivative designated as a cash flow hedging instrument:				
Interest rate swap	$ 829	—	829	—

The interest rate swap fair value is derived from the present value of the difference in cash flows based on the forward-looking LIBOR yield curve rates, as compared to our fixed rate applied to the hedged amount through the term of the agreement, less adjustments for credit risk.

Interest rate swaps	Three-Months Ended March 31, 2011	2010
Gain (loss) gain recognized in other comprehensive loss (effective portion)	$ 66	(84)
Loss reclassified from accumulated other comprehensive loss into interest expense	—	1,028
Gain recognized in change in fair value of derivative instrument	—	2,847

9. Subsequent Events

Acquisition of Houston Television Station

On May 2, 2011, we entered into an asset purchase agreement (the "Purchase Agreement") with Channel 55/42 Operating, LP, a Texas limited partnership, USFR Tower Operating, LP, a Texas limited partnership, Humanity Interested Media, L.P., a Texas limited partnership, USFR Equity Drive Property LLC, a Texas limited partnership, and US Farm & Ranch Supply Company, Inc., a Texas corporation ("USFR"). Pursuant to the Purchase Agreement, we will acquire the assets, including licenses, permits and authorizations issued by the Federal Communications Commission ("FCC") used in or related to the operation of television station KTBU-TV (Digital 42 (Virtual Channel 55)) in Conroe, Texas. The purchase price is equal to $16 million, plus or minus certain customary prorations. At closing, we will pay up to $8 million (depending on the closing date) of immediately available funds and $8 million by delivery of a three-year promissory note from SBS to USFR. The Purchase Agreement contains customary representations, warranties and covenants. The closing of the sale is subject to certain conditions including FCC consent. The transaction is expected to close in the third quarter of 2011.

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

Overview

We own and/or operate 21 radio stations in markets that reach approximately 42% of the Hispanic population in the U.S., including Puerto Rico. In addition, we own and operate two television stations and have various affiliation, distribution and/or programming agreements, which allow us to reach approximately 5.6 million households throughout the U.S., including Puerto Rico.

The success of each of our stations depends significantly upon its audience ratings and its share of the overall advertising revenue within its market. The broadcasting industry is a highly competitive business, but some barriers to entry do exist. Each of our stations competes with both Spanish-language and English-language stations in its market, as well as with other advertising media, such as newspapers, cable television, the Internet, magazines, outdoor advertising, satellite radio and television, transit advertising and direct mail marketing. Factors which are material to our competitive position include management experience, our stations' rank in their markets, signal strength and frequency, and audience demographics, including the nature of the Spanish-language market targeted by a particular station.

Our primary source of revenue is the sale of advertising time on our stations to local and national advertisers. Revenue is affected primarily by the advertising rates that our stations are able to charge, as well as the overall demand for advertising time in each respective market. Seasonal net broadcasting revenue fluctuations are common in the broadcasting industry and are primarily due to fluctuations in advertising demand from local and national advertisers. Typically for the broadcasting industry, the first calendar quarter generally produces the lowest revenue. Our most significant operating expenses are usually compensation expenses, programming expenses, professional fees, and advertising and promotional expenses. Senior management strives to control these expenses, as well as other expenses, by working closely with local station management and others, including vendors.

Our radio stations are located in six of the top-ten Hispanic markets of Los Angeles, New York, Puerto Rico, Chicago, Miami and San Francisco. Los Angeles and New York have the largest and second largest Hispanic populations, and are also the largest and second largest radio markets in the United States in terms of advertising revenue, respectively. We format the programming of each of our radio stations to capture a substantial share of the U.S. Hispanic audience in their respective markets. The U.S. Hispanic population is diverse, consisting of numerous identifiable groups from many different countries of origin and each with its own musical and cultural heritage. The music, culture, customs and Spanish dialects vary from one radio market to another. We strive to maintain familiarity with the musical tastes and preferences of each of the various Hispanic ethnic groups and customize our programming to match the local preferences of our target demographic audience in each market we serve. Our radio revenue is generated primarily from the sale of local and national advertising.

Our television stations and related affiliates operate under the "MegaTV" brand. We have created a unique television format which focuses on entertainment, current events and variety with high-quality production. Our programming is formatted to capture shares of the U.S. Hispanic audience by focusing on our core strengths as an "entertainment" company, thus offering a new alternative compared to the traditional Latino channels. MegaTV's programming is based on a strategy designed to showcase a combination of programs, ranging from televised radio-branded shows to general entertainment programs, such as music, celebrity, debate, interviews and personality based shows. As part of our strategy, we have incorporated certain of our on-air personalities into our programming, as well as including interactive elements to complement our Internet websites. We develop and produce more than 70% of our programming and obtain other content from Spanish-language production partners. Our television revenue is generated primarily from the sale of local advertising and paid programming.

As part of our operating business, we also operate LaMusica.com, Mega.tv, and our radio station websites which are bilingual (Spanish — English) websites providing content related to Latin music, entertainment, news and culture. LaMusica.com and our network of station websites generate revenue primarily from advertising and sponsorship. In addition, the majority of our station websites simultaneously stream our stations' content, which has broadened the audience reach of our radio stations. We also occasionally produce live concerts and events throughout the United States, including Puerto Rico.

Comparison Analysis of the Operating Results for the Three-Months Ended March 31, 2011 and 2010

The following summary table presents financial data for each of our operating segments (in thousands):

	Three-Months Ended March 31, 2011	2010
	(In thousands)	
Net revenue:		
Radio	$ 26,441	27,080
Television	4,334	3,766
Consolidated	$ 30,775	30,846
Engineering and programming expenses:		
Radio	$ 6,409	5,790
Television	3,797	4,084
Consolidated	$ 10,206	9,874
Selling, general and administrative expenses:		
Radio	$ 10,836	10,871
Television	2,343	1,918
Consolidated	$ 13,179	12,789
Corporate expenses:	$ 1,931	2,221
Depreciation and amortization:		
Radio	$ 618	733
Television	575	562
Corporate	146	261
Consolidated	$ 1,339	1,556
(Gain) loss on the disposal of assets, net:		
Radio	$ (7)	—
Television	—	—
Corporate	—	—
Consolidated	$ (7)	—
Operating income (loss):		
Radio	$ 8,585	9,686
Television	(2,381)	(2,798)
Corporate	(2,077)	(2,482)
Consolidated	$ 4,127	4,406

The following summary table presents a comparison of our results of operations for the three-months ended March 31, 2011 and 2010. Various fluctuations in the table are discussed below. This section should be read in conjunction with our unaudited condensed consolidated financial statements and notes.

	Three-Months Ended March 31, 2011	2010
	(In thousands)	
Net revenue	$ 30,775	30,846
Engineering and programming expenses	10,206	9,874
Selling, general and administrative expenses	13,179	12,789
Corporate expenses	1,931	2,221
Depreciation and amortization	1,339	1,556
(Gain) loss on disposal of assets, net of disposal costs	(7)	—
Operating income	$ 4,127	4,406
Interest expense, net	(2,036)	(6,303)
Change in fair value of derivative instrument	—	2,847
Income tax expense	1,781	1,778

Net income	$ 310	(828)

Net Revenue

Our consolidated net revenue was flat compared to the prior year period. Our television segment net revenue increased $0.6 million or 15%, primarily due to an increase in national spot sales and paid programming sales, offset by a decrease in local spot sales. Our radio segment net revenue decreased $0.6 million or 2%, primarily due to local sales, offset by an increase in network sales. The decrease in local sales occurred in our New York and Miami markets. The increase in network sales occurred in all of our markets.

Engineering and Programming Expenses

The increase in our consolidated engineering and programming expenses of $0.3 million or 3% was due to the increase in our radio segment expenses. Our radio segment expenses increased $0.6 million or 11%, primarily related to an increase in legal settlements, offset by decreases in compensation and benefits for technical and programming personnel due to headcount reductions and music license fees. Our television segment expenses decreased $0.3 million or 7%, primarily due to a decrease in broadcasting rights fees for our Puerto Rico outlet, offset by increases in broadcasting rights fees for our New York outlet and original produced programming.

Selling, General and Administrative Expenses

The increase in our consolidated selling, general and administrative expenses of $0.4 million or 3% was due to the increase in our television segment expense. Our television segment expenses increased $0.4 million or 22%, primarily due to increases in promotions and professional fees. Our radio segment expenses were flat.

Corporate Expenses

The decrease in corporate expenses was primarily a result of decreases in compensation and benefits for our corporate personnel and rent expense related to the subleases entered in 2010, offset by an increase in professional fees.

Operating Income

The decrease in operating income was mainly due to the increases in our engineering and programming expenses and selling, general and administrative expenses, offset by a decrease in our corporate expenses.

Interest Expense, Net

In 2008, the counterparty to an interest rate swap related to the First Lien Credit Facility, Lehman Brothers Special Financing Inc., and its parent and credit support provider, Lehman Brothers Holdings Inc., each filed for bankruptcy. As a result of the Lehman bankruptcy filings, a dispute arose with respect to the outstanding payments under the swap agreement. On June 17, 2010, the parties successfully resolved the dispute under mediation and entered into a confidential settlement and release agreement. Under this swap agreement, we were paying a fixed interest rate of 5.98%. We are now paying interest at a floating rate equal to three-month LIBOR plus 175 basis points, resulting in a decrease in interest expense.

Income Taxes

The income tax expense of $1.8 million arose primarily from the income tax expense resulting from the tax amortization of our FCC broadcasting licenses.

Net Income

The increase in net income was primarily due to the decrease in interest expense.

Liquidity and Capital Resources

Our primary sources of liquidity are cash and cash equivalents ($62.2 million as of March 31, 2011) and cash expected to be provided by operations. Our cash flow from operations is subject to such factors as overall advertising demand, shifts in population, station listenership and viewership, demographics, audience tastes and fluctuations in preferred advertising media. Our ability to raise funds by increasing our indebtedness is limited by the terms of the certificates of designation governing our Series B preferred stock and the credit agreement governing our senior credit facility term loan. Additionally, our certificates of designation and credit agreement each place restrictions on us with respect to the sale of assets, liens, investments, dividends, debt repayments, capital expenditures, transactions with affiliates, and consolidations and mergers, among other things.

Our strategy is to primarily utilize cash flows from operations to meet our capital needs and contractual obligations. Management continually projects anticipated cash requirements and believes that cash from operating activities, together with cash on hand, should be sufficient to permit us to meet our operating obligations over the next twelve month period, including, among other things, required quarterly interest and principal payments pursuant to the First Lien Credit Facility due June 10, 2012 and capital expenditures, excluding the acquisitions of major FCC broadcasting licenses. We are seeking refinancing of our First Lien Credit Facility and believe that we will be able to do so on terms that are satisfactory to us. We expect to complete this process no later than April 2012. No assurance can be given that we will successfully refinance the First Lien Credit Facility before it becomes due and we lack sufficient existing capital resources to repay it.

While not significant to us to date, the disruptions in the capital and credit markets may result in increased borrowing costs associated with our short-term and long-term debt. Assumptions (none of which can be assured) which underlie management's beliefs, include the following:

- the demand for advertising within the broadcasting industry and economic conditions in general will not deteriorate further in any material respect;
- we will continue to successfully implement our business strategy; and
- we will not incur any material unforeseen liabilities, including but not limited to taxes, environmental liabilities, regulatory matters and legal judgments.

We evaluate strategic media acquisitions and/or dispositions and strive to expand our media content through distribution and affiliations in order to achieve a significant presence with clusters of stations in the top U.S. Hispanic markets. We engage in discussions regarding potential acquisitions and/or dispositions and expansion of our content through media outlets from time to time in the ordinary course of business. We anticipate that any future acquisitions would be financed through funds generated from permitted debt financing, equity financing, operations, asset sales or a combination of these or other available sources. However, there can be no assurance that financing from any of these sources, if necessary and available, can be obtained on favorable terms for future acquisitions.

The following summary table presents a comparison of our capital resources for the three-months ended March 31, 2011 and 2010, with respect to certain key measures affecting our liquidity. The changes set forth in the table are discussed below. This section should be read in conjunction with the unaudited condensed consolidated financial statements and notes.

	Three-Months Ended March 31,		**Change**
	2011	**2010**	**$**
		(In thousands)	
Capital expenditures:			
Radio	$ 263	59	204
Television	1,423	295	1,128
Corporate	51	31	20
Consolidated	$ 1,737	385	1,352
Net cash flows provided by operating activities	$ 9,726	8,332	1,394
Net cash flows used in investing activities	(1,723)	(385)	(1,338)
Net cash flows used in financing activities	(937)	(924)	(13)
Net increase in cash and cash equivalents	$ 7,066	7,023	

Capital Expenditures

The increase in our capital expenditures is primarily related to the build out of our Puerto Rico television studios and the relocation of a radio transmitter site in our San Francisco market.

Net Cash Flows Provided by Operating Activities

Changes in our net cash flows from operating activities were primarily a result of the increase in cash collected from trade sales.

Net Cash Flows Used in Investing Activities

Changes in our net cash flows from investing activities were a result of the increase in our capital expenditures.

Net Cash Flows Used in Financing Activities

There were no significant changes in our net cash flows from financing activities.

Recent Developments

Acquisition of Houston Television Station

On May 2, 2011, we entered into an asset purchase agreement (the "Purchase Agreement") with Channel 55/42 Operating, LP, a Texas limited partnership, USFR Tower Operating, LP, a Texas limited partnership, Humanity Interested Media, L.P., a Texas limited partnership, USFR Equity Drive Property LLC, a Texas limited partnership, and US Farm & Ranch Supply Company, Inc., a Texas corporation ("USFR"). Pursuant to the Purchase Agreement, we will acquire the assets, including licenses, permits and authorizations issued by the Federal Communications Commission ("FCC") used in or related to the operation of television station KTBU-TV (Digital 42 (Virtual Channel 55)) in Conroe, Texas. The purchase price is equal to $16 million, plus or minus certain customary prorations. At closing, we will pay up to $8 million (depending on the closing date) of immediately available funds and $8 million by delivery of a three-year promissory note from SBS to USFR. The Purchase Agreement contains customary representations, warranties and covenants. The closing of the sale is subject to certain conditions including FCC consent. The transaction is expected to close in the third quarter of 2011.

NASDAQ Delisting Letter

As initially announced on October 12, 2010, we received a written deficiency notice (the "Notice") from The Nasdaq Stock Market ("NASDAQ"), advising us that the closing bid price of our Class A common stock for the previous 30 consecutive business days had been below the minimum $1.00 per share required for continued listing on the NASDAQ Global Market pursuant to NASDAQ Listing Rule 5450(a)(1) (the "Rule"). The Notice also stated that, in accordance with NASDAQ Listing Rule 5810(c)(3)(A), we would be provided 180 calendar days, or until April 11, 2011, to regain compliance with the Rule. To regain compliance, the closing bid price of our common stock had to remain at or above $1.00 per share for a minimum of 10 consecutive business days prior to the market close on April 11, 2011.

We did not regain compliance with the $1.00 minimum bid price requirement by April 11, 2011. Accordingly, on April 12, 2011, we received written notification from NASDAQ (the "Staff Determination") that unless the Company requests a hearing before the NASDAQ Hearings Panel on or before 4:00 p.m. Eastern Time on April 19, 2011, our common stock will be delisted from the NASDAQ at the opening of business on April 21, 2011. We requested a hearing before the NASDAQ Hearings Panel to address the minimum bid price deficiency, which request has stayed any action with respect to the Staff Determination until the NASDAQ Hearings Panel renders a decision subsequent to the hearing. The hearing with the NASDAQ Hearings Panel took place on May 12, 2011, and we presented a compliance plan to regain compliance with the Rule through a reverse stock split of our common stock. As of the date hereof, the NASDAQ Hearings Panel has not rendered a decision regarding our compliance plan, and there can be no assurance that NASDAQ will grant our request for continued listing.

Dividend Payment on the Series B Preferred Stock

Under the terms of our Series B preferred stock, the holders of the outstanding shares of the Series B preferred stock are entitled to receive, when, as and if declared by the Board of Directors, dividends on the Series B preferred stock at a rate of 10 3/4% per year, of the $1,000 liquidation preference per share, payable quarterly.

In determining whether to declare and pay any prior or future cash dividends, our Board of Directors will consider management's recommendation, our financial condition, as well as whether, under Delaware law, sufficient surplus or net profits exist to pay such dividends.

Our Board of Directors, under management's recommendation, determined that based on the circumstances at the time, among other things, the then current economic environment and future cash requirements of the Company, it was not prudent to declare or pay the January 15, 2011 dividend.

On April 5, 2011, the Board of Directors declared a cash dividend for the dividend due April 15, 2011 to the holders of the Company's 10 3/4% Series B Cumulative Exchangeable Redeemable Preferred Stock of record as of April 1, 2011. The cash dividend of $26.875 per share was paid in cash on April 15, 2011.

Our Board of Directors has not yet determined whether to pay the scheduled June 15, 2011 dividend.

Investment Banker Engagement Letter

On January 21, 2011, we entered into an engagement letter agreement (the "Engagement Letter") with Lazard Frères & Co. LLC ("Lazard"), to act as our investment banker in connection with exploring potential strategic transactions, including the refinancing of our existing First Lien Credit Facility due June 2012. The term of the Engagement Letter is from the date thereof until it expires or is earlier terminated pursuant to the terms thereof. Pursuant to the terms of the Engagement Letter, Lazard will be entitled to certain fees upon the consummation of certain strategic transactions, as well as other fees in connection with services rendered under the Engagement Letter and reimbursement for expenses incurred in connection with its performance thereunder.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 4. *Controls and Procedures*

Evaluation Of Disclosure Controls And Procedures. Our management, including our principal executive and financial officers, have conducted an evaluation of the effectiveness of the design and operation of our "disclosure controls and procedures," as such term is defined under Rules 13a-15(e) and 15d-15(e) of the Exchange Act, to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act 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 we are required to disclose in such reports is accumulated and communicated to management, including our principal executive and financial officers, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our principal executive and financial officers concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes In Internal Control Over Financial Reporting. In February 2011, Management concluded that the design of internal controls over the independent review, validation and approval of reimbursable expenses were not fully effective and constituted a material weakness in internal control over financial statements for the year ended December 31, 2010.

During the quarter ended March 31, 2011, Management improved its procedures with respect to design of internal controls over the independent review, validation and approval of reimbursable expenses. Except as described above, there has been no change in our internal control over financial reporting during the fiscal quarter ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings*

The information set forth under Note 7 contained in the "Notes to Unaudited Condensed Consolidated Financial Statements" of this Quarterly Report on Form 10-Q is incorporated by reference in answer to this Item.

Item 6. *Exhibits*

(a) Exhibits

The following exhibits, which are numbered in accordance with Item 601 of Regulation S-K, are filed herewith or, as noted, incorporated by reference herein:

Exhibit Number	**Exhibit Description**
31.1*	Chief Executive Officer’s Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Chief Financial Officer’s Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Chief Executive Officer’s Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Chief Financial Officer’s Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

** Furnished herewith

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.

SPANISH BROADCASTING SYSTEM, INC.

By: /s/ JOSEPH A. GARCÍA

JOSEPH A. GARCÍA
Chief Financial Officer,
Chief Administrative Officer, Senior
Executive Vice President and Secretary
(principal financial and accounting officer
and duly authorized officer of the registrant)

Date: May 16, 2011

EXHIBIT INDEX

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32.2**	Chief Financial Officer's Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

** Furnished herewith

Exhibit 31.1

CERTIFICATION

I, Raúl Alarcón, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spanish Broadcasting System, 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 controls 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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 registrant's board of directors (or persons performing the equivalent function):

(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.

/s/ RAÚL ALARCÓN, JR.
Name: Raúl Alarcón, Jr.
Title: Chairman of the Board of Directors,
Chief Executive Officer and President

Date: May 16, 2011

Exhibit 31.2

CERTIFICATION

I, Joseph A. García, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spanish Broadcasting System, 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 controls 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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 registrant's board of directors (or persons performing the equivalent function):

(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.

/s/ JOSEPH A. GARCÍA

Name: Joseph A. García

Title: Chief Financial Officer,
Chief Administrative Officer,
Senior Executive Vice President and
Secretary

Date: May 16, 2011

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Spanish Broadcasting System, Inc. (the "Company") for the quarterly period ended March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Raúl Alarcón, Jr., Chairman of the Board of Directors, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); 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/ RAÚL ALARCÓN, JR.
Name: Raúl Alarcón, Jr.
Title: Chairman of the Board of Directors,
President and Chief Executive Officer

Date: May 16, 2011

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Spanish Broadcasting System, Inc. (the “Company”) for the quarterly period ended March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joseph A. García, Chief Financial Officer, Executive Vice President and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); 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/ JOSEPH A. GARCÍA
Name: Joseph A. García
Title: Chief Financial Officer, Chief Administrative Officer, Senior Executive Vice President and Secretary

Date: May 16, 2011