

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

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 Or 15(d) of the  
Securities Exchange Act Of 1934

Date of Report (Date of earliest event reported): August 6, 2012

**SALEM COMMUNICATIONS CORPORATION**

(Exact Name of Registrant as Specified in its Charter)



**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-26497**  
(Commission  
File Number)

**77-0121400**  
(IRS Employer  
Identification No.)

**4880 Santa Rosa Road, Camarillo, California**  
(Address of Principal Executive Offices)

**93012**  
(Zip Code)

**Registrant's telephone number, including area code: (805) 987-0400**

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 6, 2012, Salem Communication Corporation issued a press release regarding its results of operations for the quarter ended June 30, 2012.

ITEM 7.01 REGULATION FD DISCLOSURE

On August 6, 2012, Salem Communications Corporation issued a press release regarding its results of operations for the quarter ended June 30, 2012.

ITEM 9.01  
FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits. The following exhibit is furnished with this report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release, dated August 6, 2012, of Salem Communications Corporation regarding its results of operations for the quarter ended June 30, 2012.

SIGNATURE

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.

SALEM COMMUNICATIONS  
CORPORATION

Date: August 6, 2012

By: /s/EVAN D. MASZR  
Evan D. Masyr  
Senior Vice President and Chief Financial  
Officer

EXHIBIT INDEX

Exhibit No.

Description

99.1

Press release, dated August 6, 2012, of Salem Communications Corporation regarding its results of operations for the quarter ended June 30, 2012.



**SALEM COMMUNICATIONS ANNOUNCES SECOND QUARTER 2012  
TOTAL REVENUE OF \$46.4 MILLION**

CAMARILLO, CA August 6, 2012 – Salem Communications Corporation (Nasdaq: SALM), a leading U.S. radio broadcaster, Internet content provider, and magazine and book publisher targeting audiences interested in Christian and conservative opinion content, released its results for the three and six months ended June 30, 2012.

**Second Quarter 2012 Results**

For the quarter ended June 30, 2012 compared to the quarter ended June 30, 2011:

Consolidated

- Total revenue increased 3.9% to \$57.6 million from \$55.4 million;
- Operating expenses increased 18.1% to \$53.8 million from \$45.5 million;
- Operating expenses excluding gain or loss on disposal of assets and impairment of long-lived assets increased 5.8% to \$48.0 million from \$45.4 million;
- Operating income decreased 61.1% to \$3.9 million from \$9.9 million;
- Net loss was \$1.8 million, or \$0.07 net loss per share, compared to net income of \$1.1 million, \$0.04 net income per diluted share, in the prior year;
- EBITDA decreased 48.2% to \$6.5 million from \$12.6 million; and
- Adjusted EBITDA decreased 3.3% to \$13.6 million from \$14.0 million.

Broadcast

- Net broadcast revenue increased 2.1% to \$46.4 million from \$45.4 million;
- Station operating income (“SOI”) decreased 3.1% to \$15.9 million from \$16.4 million;
- Same station net broadcast revenue increased 1.9% to \$46.2 million from \$45.4 million;
- Same station SOI decreased 3.1% to \$15.9 million from \$16.4 million; and
- Same station SOI margin decreased to 34.3% from 36.1%.

Internet

- Internet revenue increased 16.6% to \$8.0 million from \$6.9 million; and
- Internet operating income increased 42.8% to \$1.9 million from \$1.3 million.

Publishing

- Publishing revenue increased 2.4% to \$3.2 million from \$3.1 million; and
- Publishing operating income decreased 41.3% to \$0.2 million from \$0.4 million.

Included in the results for the quarter ended June 30, 2012 are:

- A \$0.9 million loss (\$0.5 million, net of tax, or \$0.02 per share) on early retirement of long-term debt due to the repurchase of \$17.5 million of our 9<sup>5</sup>/<sub>8</sub>% senior secured second lien notes due in 2016;
- A \$0.1 million loss (\$0.1 million, net of tax) on disposal of assets;
- A \$5.6 million impairment loss (\$3.4 million, net of tax, or \$0.14 per share) on land in Covina, California; and
- A \$0.4 million non-cash compensation charge (\$0.2 million, net of tax, or \$0.01 per share) related to the expensing of stock options consisting of:
  - \$0.3 million non-cash compensation included in corporate expenses; and
  - \$0.1 million non-cash compensation included in broadcast operating expense.

Included in the results for the quarter ended June 30, 2011 are:

- A \$0.2 million loss (\$0.1 million, net of tax) of various fixed asset and equipment disposals;
- A \$1.1 million loss (\$0.7 million, net of tax, or \$0.03 per share) on early redemption of long-term debt due to the repurchase of \$17.5 million of our 9<sup>5</sup>/<sub>8</sub>% senior secured second lien notes due in 2016; and
- A \$0.2 million non-cash compensation charge (\$0.1 million, net of tax) related to the expensing of stock options primarily included in corporate expenses.

These results reflect the reclassification of the operations of Samaritan Fundraising to discontinued operations for the three months ended June 30, 2012 and 2011.

Per share numbers are calculated based on 24,356,298 weighted average shares for the quarter ended June 30, 2012, and 24,491,530 diluted weighted average shares for the quarter ended June 30, 2011.

**Year to Date 2012 Results**

For the six months ended June 30, 2012 compared to the six months ended June 30, 2011:

### Consolidated

- Total revenue increased 5.0% to \$111.9 million from \$106.6 million;
- Operating expenses increased 18.1% to \$100.1 million from \$84.8 million;
- Operating expenses excluding gain or loss on disposal of assets and impairment of long-lived assets increased 6.0% to \$94.5 million from \$89.1 million;
- Operating income decreased 46.0% to \$11.8 million from \$21.8 million;
- Net loss was \$0.9 million, or \$0.04 net loss per share, compared to net income of \$3.7 million, or \$0.15 net income per diluted share, in the prior year;
- EBITDA decreased 36.1% to \$18.1 million from \$28.3 million; and
- Adjusted EBITDA decreased 0.6% to \$25.3 million from \$25.4 million.

### Broadcast

- Net broadcast revenue increased 2.5% to \$90.3 million from \$88.1 million;
- SOI decreased 2.0% to \$30.7 million from \$31.3 million;
- Same station net broadcast revenue increased 2.4% to \$89.7 million from \$87.6 million;
- Same station SOI decreased 1.3% to \$30.6 million from \$31.0 million; and
- Same station SOI margin decreased to 34.1% from 35.4%.

### Internet

- Internet revenue increased 23.9% to \$15.5 million from \$12.5 million; and
- Internet operating income increased 63.2% to \$3.4 million from \$2.1 million.

### Publishing

- Publishing revenue increased 2.1% to \$6.1 million from \$6.0 million; and
- Publishing operating income decreased 57.8% to \$0.1 million from \$0.3 million.

Included in the results for the six months ended June 30, 2012 are:

- A \$0.9 million loss (\$0.5 million, net of tax, or \$0.02 per share) on early retirement of long-term debt due to the repurchase of \$17.5 million of our 9<sup>5</sup>/<sub>8</sub>% senior secured second lien notes due in 2016;
- A \$5.6 million impairment loss (\$3.4 million, net of tax, or \$0.14 per share) on land in Covina, California; and
- A \$0.7 million non-cash compensation charge (\$0.4 million, net of tax, or \$0.02 per share) related to the expensing of stock options consisting of:
  - \$0.4 million non-cash compensation included in corporate expenses;
  - \$0.2 million non-cash compensation included in broadcast operating expenses; and
  - \$0.1 million non-cash compensation included in internet operating expenses.

Included in the results for the six months ended June 30, 2011 are:

- A \$4.4 million gain (\$2.6 million, net of tax, or \$0.11 per diluted share) on disposal of assets comprised of a \$2.4 million pre-tax gain from the sale of KKMO-AM in Seattle, Washington and a \$2.1 million pre-tax gain from the sale of KXXM-AM in Los Angeles, California, partially offset by losses from various fixed asset and equipment disposals;
- A \$1.1 million loss (\$0.7 million, net of tax, or \$0.03 per share) on early redemption of long-term debt due to the repurchase of \$17.5 million of our 9<sup>5</sup>/<sub>8</sub>% senior secured second lien notes due in 2016; and
- A \$0.5 million non-cash compensation charge (\$0.3 million, net of tax, or \$0.01 per share) related to the expensing of stock options consisting of:
  - \$0.3 million non-cash compensation included in corporate expenses; and
  - \$0.2 million non-cash compensation included in broadcast operating expenses.

These results reflect the reclassification of the operations of Samaritan Fundraising to discontinued operations for the six months ended June 30, 2012 and 2011.

Per share numbers are calculated based on 24,460,623 weighted average shares for the six months ended June 30, 2012, and 24,625,391 diluted weighted average shares for the six months ended June 30, 2011.

### **Balance Sheet**

As of June 30, 2012, the company had \$217.5 million of 9<sup>5</sup>/<sub>8</sub>% senior secured second lien notes outstanding, \$36.6 million drawn on its revolver, \$10.0 million subordinated debt and \$9.0 million subordinated debt payable to related parties. The company was in compliance with the covenants of its credit facility and bond indenture. The company's bank leverage ratio was 5.10 versus a compliance covenant of 6.25.

### **Cash Distribution**

Salem paid a cash distribution of \$0.035 per share on its Class A and Class B common stock on June 29, 2012 to shareholders of record as of June 15, 2012. The distribution totaled approximately \$0.9 million. For the year, Salem has paid \$1.7 million, or \$0.07 per share, in cash distributions.

### **Acquisitions and Divestitures**

The following transactions were completed since April 1, 2012:

- On April 10, 2012, we completed the acquisition of radio station WKDL-AM in Warrenton, Virginia for \$30,000;
- On May 15, 2012, we purchased Churchangel.com and rchurch.com for \$0.2 million; and
- On May 29, 2012, we acquired an FM translator in Detroit, Michigan for \$0.3 million.

The following transaction is currently pending:

- On May 23, 2012 we entered into an agreement to acquire radio station WLCC-AM, Tampa, Florida for \$1.2 million.

**Conference Call Information**

Salem will host a teleconference to discuss its results on August 6, 2012 at 2:00 p.m. Pacific Time. To access the teleconference, please dial (719) 325-4933, passcode 7595304 or listen via the investor relations portion of the company's website, located at [www.salem.cc](http://www.salem.cc). A replay of the teleconference will be available through August 20, 2012 and can be heard by dialing (719) 457-0820, passcode 7595304 or on the investor relations portion on the company's website, located at [www.salem.cc](http://www.salem.cc).



### Third Quarter 2012 Outlook

For the third quarter of 2012, Salem is projecting total revenue to increase 3% to 5% over third quarter 2011 total revenue of \$54.5 million. Salem is also projecting operating expenses before gain or loss on disposal of assets, terminated transaction costs and abandoned license upgrades and impairments to increase 2% to 5% as compared to the third quarter of 2011 operating expenses of \$45.2 million.

Salem Communications Corporation is the largest commercial U.S. radio broadcasting company that provides programming targeted at audiences interested in Christian and conservative opinion radio content, as measured by the number of stations and audience coverage. Upon completion of all announced transactions, the company will own and/or operate a national portfolio of 97 radio stations in 37 markets, including 61 stations in 22 of the top 25 markets. We also program the [Family Talk™ Christian-themed talk format on SiriusXM Channel 131](#).

Salem also owns [Salem Radio Network](#), a national radio network that syndicates talk, news and music programming to approximately 2,300 affiliated radio stations and Salem Media Representatives, a national media advertising sales firm with offices across the country.

In addition to its radio broadcast business, Salem owns an Internet and a publishing division. Salem Web Network is a provider of online Christian and conservative-themed content and streaming and includes websites such as Christian faith focused Christianity.com, Questions and Answers about [Jesus Christ](#) at Jesus.org, [Christian living](#) focused Crosswalk.com®, online [Bible](#) at BibleStudyTools.com, [Christian videos](#) at GodTube.com, a leading website providing [church media](#) at WorshipHouseMedia.com and [Christian radio](#) ministries online at OnePlace.com. Additionally Salem owns [conservative](#) news leader Townhall.com® and [conservative political blog](#) HotAir.com, providing conservative commentary, news and blogging. Salem Publishing™ circulates Christian and conservative magazines such as Homecoming® The Magazine, YouthWorker Journal™, The Singing News, FaithTalk Magazine, Preaching and Townhall Magazine™. Xulon Press™ is a provider of [self publishing](#) services targeting the Christian audience.

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### Forward-Looking Statements

Statements used in this press release that relate to future plans, events, financial results, prospects or performance are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those anticipated as a result of certain risks and uncertainties, including but not limited to the ability of Salem to close and integrate announced transactions, market acceptance of Salem's radio station formats, competition from new technologies, adverse economic conditions, and other risks and uncertainties detailed from time to time in Salem's reports on Forms 10-K, 10-Q, 8-K and other filings filed with or furnished to the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Salem undertakes no obligation to update or revise any forward-looking statements to reflect new information, changed circumstances or unanticipated events.

### Regulation G

Station operating income, non-broadcast operating income, EBITDA and Adjusted EBITDA are financial measures not prepared in accordance with generally accepted accounting principles ("GAAP"). Station operating income is defined as net broadcast revenues minus broadcast operating expenses. Non-broadcast operating income is defined as non-broadcast revenue minus non-broadcast operating expenses. EBITDA is defined as net income before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before impairment of long-lived assets, gain or loss on the disposal of assets and non-cash compensation expense. In addition, Salem has provided supplemental information as an attachment to this press release, reconciling these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. The company believes these non-GAAP financial measures, when considered in conjunction with the most directly comparable GAAP financial measures, provide useful measures of the company's operating performance.

Station operating income, non-broadcast operating income, EBITDA and Adjusted EBITDA are generally recognized by the broadcast industry as important measures of performance and are used by investors as well as analysts who report on the industry to provide meaningful comparisons between broadcast. Station operating income, non-broadcast operating income, EBITDA and Adjusted EBITDA are not a measure of liquidity or of performance in accordance with GAAP, and should be viewed as a supplement to and not a substitute for, or superior to, the company's results of operations presented on a GAAP basis such as operating income and net income. In addition, Salem's definitions of station operating income, non-broadcast operating income, EBITDA and Adjusted EBITDA are not necessarily comparable to similarly titled measures reported by other companies.

### Salem Communications Corporation Condensed Consolidated Statements of Operations (in thousands, except share, per share data and margin data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2012	2011	2012
	<i>(Unaudited)</i>			
Net broadcast revenue	\$ 45,406	\$ 46,372	\$ 88,136	\$ 90,329
Internet revenue	6,890	8,035	12,482	15,469
Publishing revenue	3,144	3,219	5,985	6,112
Total revenue	55,440	57,626	106,603	111,910
Operating expenses:				
Broadcast operating expenses	29,054	30,519	56,856	59,661
Internet operating expenses	5,541	6,109	10,377	12,033
Publishing operating expenses	2,771	3,000	5,651	5,971
Corporate expenses	4,204	4,804	8,755	9,671
Depreciation and amortization	3,800	3,579	7,501	7,198
Impairment of long-lived assets	—	5,608	—	5,608
(Gain) loss on disposal of assets	150	145	(4,375)	(24)
Total operating expenses	45,520	53,764	84,765	100,118

Operating income from continuing operations	9,920	3,862	21,838	11,792
Other income (expense):				
Interest income	54	28	97	59
Interest expense	(7,064)	(6,264)	(14,299)	(12,660)
Loss on early retirement of long-term debt	(1,090)	(893)	(1,090)	(893)
Other income (expense), net	(12)	4	(23)	11
Income (loss) from continuing operations before income taxes	1,808	(3,263)	6,523	(1,691)
Provision for (benefit from) income taxes	723	(1,484)	2,879	(797)
Income (loss) from continuing operations	1,085	(1,779)	3,644	(894)
Income (loss) from discontinued operations, net of tax	15	(13)	43	(55)
Net income (loss)	\$ 1,100	\$ (1,792)	\$ 3,687	\$ (949)
Basic income (loss) per share before discontinued operations	\$ 0.04	\$ (0.07)	\$ 0.15	\$ (0.04)
Loss from discontinued operations, net of tax	—	—	—	—
Basic income (loss) per share after discontinued operations	0.05	(0.07)	0.15	(0.04)
Diluted income (loss) per share before discontinued operations	\$ 0.04	\$ (0.07)	\$ 0.15	\$ (0.04)
Loss from discontinued operations, net of tax	—	—	—	—
Diluted income (loss) per share after discontinued operations	0.04	(0.07)	0.15	(0.04)
Dividends per share	\$ —	\$ 0.04	\$ —	\$ 0.07
Basic weighted average shares outstanding	24,279,251	24,356,298	24,400,054	24,460,623
Diluted weighted average shares outstanding	25,491,530	24,356,298	24,625,391	24,460,623
<b>Other Data:</b>				
Station operating income	\$ 16,352	\$ 15,853	\$ 31,280	\$ 30,668
Station operating margin	36.0%	34.2%	35.5%	34.0%

**Salem Communications Corporation**  
**Condensed Consolidated Balance Sheets**  
(in thousands)

	December 31, 2011	June 30, 2012
		<i>(Unaudited)</i>
<b>Assets</b>		
Cash	\$ 67	\$ 299
Restricted cash	110	—
Trade accounts receivable, net	31,001	32,189
Deferred income taxes	6,403	9,797
Other current assets	4,385	6,792
Property, plant and equipment, net	111,222	102,341
Intangible assets, net	399,942	399,705
Deferred financing costs	5,489	4,687
Other assets	2,691	3,490
<b>Total assets</b>	<b>\$ 561,310</b>	<b>\$ 559,300</b>
<b>Liabilities and Stockholders' equity</b>		
Current liabilities	36,515	35,769
Long-term debt and capital lease obligations	265,679	263,880
Deferred income taxes	48,077	50,430
Other liabilities	7,991	8,069
Stockholders' equity	203,048	201,152
<b>Total liabilities and stockholders' equity</b>	<b>\$ 561,310</b>	<b>\$ 559,300</b>

Salem Communications Corporation

Supplemental Information  
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2012	2011	2012
<i>(Unaudited)</i>				
<b>Capital expenditures</b>				
Acquisition related / income producing	\$ 432	\$ 165	\$ 1,386	\$ 1,085
Maintenance	1,480	1,920	2,938	3,761
<b>Total capital expenditures</b>	<b>\$ 1,912</b>	<b>\$ 2,085</b>	<b>\$ 4,324</b>	<b>\$ 4,846</b>
<b>Reconciliation of Same Station Net Broadcast Revenue to Total Net Broadcast Revenue</b>				
Net broadcast revenue - same station	\$ 45,352	\$ 46,211	\$ 87,596	\$ 89,735
Net broadcast revenue - acquisitions	—	161	117	447
Net broadcast revenue - dispositions	54	—	276	6
Net broadcast revenue - format changes	—	—	147	141
<b>Total net broadcast revenue</b>	<b>\$ 45,406</b>	<b>\$ 46,372</b>	<b>\$ 88,136</b>	<b>\$ 90,329</b>
<b>Reconciliation of Same Station Broadcast Operating Expenses to Total Broadcast Operating Expenses</b>				
Broadcast operating expenses - same station	\$ 28,989	\$ 30,359	\$ 56,567	\$ 59,115
Broadcast operating expenses - acquisitions	—	159	109	331
Broadcast operating expenses - dispositions	69	—	27	69
Broadcast operating expenses - format changes	(4)	1	153	146
<b>Total broadcast operating expenses</b>	<b>\$ 29,054</b>	<b>\$ 30,519</b>	<b>\$ 56,856</b>	<b>\$ 59,661</b>
<b>Reconciliation of Same Station Operating Income to Total Station Operating Income</b>				
Station operating income - same station	\$ 16,363	\$ 15,852	\$ 31,029	\$ 30,620
Station operating income - acquisitions	—	2	8	116
Station operating income - dispositions	(15)	—	249	(63)
Station operating income - format changes	4	(1)	(6)	(5)
<b>Total station operating income</b>	<b>\$ 16,352</b>	<b>\$ 15,853</b>	<b>\$ 31,280</b>	<b>\$ 30,668</b>

Salem Communications Corporation

Supplement Information  
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2012	2011	2012
<i>(Unaudited)</i>				
<b>Reconciliation of SOI and Internet Operating Income and Publishing Operating Income (Loss) to Operating Income</b>				
Station operating income	\$ 16,352	\$ 15,853	\$ 31,280	\$ 30,668
Internet operating income	1,349	1,926	2,105	3,436
Publishing operating income	373	219	334	141
Less:				
Corporate expenses	(4,204)	(4,804)	(8,755)	(9,671)
Depreciation and amortization	(3,800)	(3,579)	(7,501)	(7,198)
Impairment of long-lived assets	—	(5,608)	—	(5,608)
(Gain) loss on disposal of assets	(150)	(145)	4,375	24
<b>Operating income</b>	<b>\$ 9,920</b>	<b>\$ 3,862</b>	<b>\$ 21,838</b>	<b>\$ 11,792</b>
<b>Reconciliation of Adjusted EBITDA to EBITDA to Net Income</b>				
Adjusted EBITDA	\$ 14,033	\$ 13,567	\$ 25,422	\$ 25,281
Less:				
Stock-based compensation	(175)	(369)	(481)	(696)
Loss on early retirement of long-term debt	(1,090)	(893)	(1,090)	(893)
Discontinued operations, net of tax	15	(13)	43	(55)
Impairment of long-lived assets	—	(5,608)	—	(5,608)
(Gain) loss on disposal of assets	(150)	(145)	4,375	24
EBITDA	12,633	6,539	28,269	18,053
Plus:				
Interest income	54	28	97	59
Less:				
Depreciation and amortization	(3,800)	(3,579)	(7,501)	(7,198)
Interest expense	(7,064)	(6,264)	(14,299)	(12,660)
Provision for (benefit from) income taxes	(723)	1,484	(2,879)	797
<b>Net income (loss)</b>	<b>\$ 1,100</b>	<b>\$ (1,792)</b>	<b>\$ 3,687</b>	<b>\$ (949)</b>
<b>Reconciliation of Adjusted EBITDA to Free Cash Flow</b>				
Adjusted EBITDA	\$ 14,033	\$ 13,567	\$ 25,422	\$ 25,281
Less:				
Cash interest	(13,144)	(11,527)	(13,497)	(11,937)
Cash taxes	(220)	(198)	(233)	(206)
Capital Expenditures	(1,912)	(2,085)	(4,324)	(4,846)
<b>Free Cash Flow</b>	<b>\$ (1,243)</b>	<b>\$ (243)</b>	<b>\$ 7,368</b>	<b>\$ 8,292</b>
	<b>Outstanding at June 30, 2012</b>	<b>Applicable Interest Rate</b>		
<b>Selected Debt Data</b>				
9 <sup>5</sup> / <sub>8</sub> % senior subordinated notes	\$ 217,500	9.63%		
Revolving credit facility	36,587	3.30%		
Subordinated debt	10,000	4.25%		
Subordinated debt due to related parties	9,000	5.00%		