

HEMISPHERE MEDIA GROUP, INC.

Form 424B3

August 14, 2013

FILED PURSUANT TO RULE 424(B)(3)

File No. 333-186210

HEMISPHERE MEDIA GROUP, INC.

SUPPLEMENT NO. 4 TO

PROSPECTUS DATED MARCH 25, 2013

THE DATE OF THIS SUPPLEMENT IS AUGUST 14, 2013

This prospectus supplement (this Supplement No. 4) is part of the prospectus of Hemisphere Media Group, Inc. (the Company), dated March 25, 2013 (File No. 333-186210) (the Prospectus) as supplemented by Supplement No. 1, dated May 15, 2013 (Supplement No. 1), Supplement No. 2, dated May 15, 2013 (Supplement No. 2) and Supplement No. 3, dated July 31, 2013 (Supplement No. 3). This Supplement No. 4 supplements, modifies or supersedes certain information contained in the Prospectus, Supplement No. 1, Supplement No. 2 and Supplement No. 3. Any statement in the Prospectus, Supplement No. 1, Supplement No. 2 or Supplement No. 3 that is modified or superseded is not deemed to constitute a part of the Prospectus, Supplement No. 1, Supplement No. 2 or Supplement No. 3, except as modified or superseded by this Supplement No. 4. Except to the extent that the information in this Supplement No. 4 modifies or supersedes the information contained in the Prospectus, as previously supplemented, this Supplement No. 4 should be read, and will be delivered, with the Prospectus, Supplement No. 1, Supplement No. 2 and Supplement No. 3.

The purpose of this Supplement No. 4 is to update and supplement the information in the Prospectus, as previously supplemented, with the information contained in the Company's Quarterly Report on Form 10-Q, as filed with the Securities and Exchange Commission on August 14, 2013, and which is attached hereto.

**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 June 30, 2013

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: 001-35886

HEMISPHERE MEDIA GROUP, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of incorporation or organization)

80-0885255
(I.R.S. Employer Identification No.)

Hemisphere Media Group, Inc.

2000 Ponce de Leon Boulevard

Suite 500

Coral Gables, FL
(Address of principal executive offices)

33134
(Zip Code)

(305) 421-6364

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 Smaller reporting company

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

| Class of Stock | Shares Outstanding | as of August 10, 2013 |
|--|---------------------------|------------------------------|
| Class A common stock, par value \$0.0001 per share | | 12,060,553 shares |
| Class B common stock, par value \$0.0001 per share | | 33,000,000 shares |

HEMISPHERE MEDIA GROUP, INC. AND SUBSIDIARIES

INDEX TO FORM 10-Q

June 30, 2013

(Unaudited)

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STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this Form 10-Q, including the exhibits attached hereto, may contain certain statements about Hemisphere Media Group, Inc. (the Company) that are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

These forward-looking statements are necessarily estimates reflecting the best judgment and current expectations of our senior management and involve a number of risks and uncertainties, some of which may be beyond our control that could cause actual results to differ materially from those those expressed or implied in such forward-looking statements. Without limitation, any statements preceded or followed by or that include the words targets, plans, believes, expects, intends, will, likely, may, anticipates, estimates, projects, should, would, future, or words, phrases or terms of similar substance or the negative thereof, are forward-looking statements. In addition, these statements are based on a number of assumptions that are subject to change. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements are discussed in Item 1A Risk Factors in this report and under the heading Risk Factors and Forward-Looking Statements in our Registration Statement on Form S-4, as amended (File No. 333-186210) (the Registration Statement) and Post-Effective Amendment No. 1 to the Registration Statement, filed with the SEC, as they may be updated in any future reports filed with the Securities and Exchange Commission (SEC). If one or more of these factors materialize, or if any underlying assumptions prove incorrect, our actual results, performance, or achievements may vary materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition to the risk factors described in Item 1A Risk Factors in this report and our Registration Statement and Post-Effective Amendment No. 1, those factors include:

- the reaction by advertisers, programming providers, strategic partners, the Federal Communications Commission (the FCC) or other government regulators to the consummation of the mergers described in the Registration Statement (the Transaction);
- the potential for viewership of our cable networks and broadcast businesses programming to decline;
- the risk that we may fail to secure sufficient or additional advertising and/or subscription revenue;
- the benefits of the combination of WAPA Holdings, LLC (WAPA) and Cine Latino, Inc. (Cinelatino), including the prospects of the combined businesses;
- the ability to realize anticipated growth and growth strategies of the combined company since the completion of the Transaction;
- our ability to obtain additional financing in the future;
- our ability to successfully manage relationships with customers, distributors and other important relationships;

- the loss of key personnel and/or talent or expenditure of a greater amount of resources attracting, retaining and motivating key personnel than in the past;
- changes in technology;
- changes in pricing and availability of products and services;
- the ability to realize the anticipated benefits of the Transaction, which may be affected by, among other things, competition in the industry in which we operate;
- the deterioration of general economic conditions, either nationally or in the local markets in which we operate; and
- legislative or regulatory changes that may adversely affect our businesses.

The list of factors above is illustrative, but by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. All subsequent written and oral forward-looking statements concerning the matters addressed in this Quarterly Report on Form 10-Q and attributable to us or any person acting on our behalf are qualified by these cautionary statements.

The forward-looking statements are based on current expectations about future events and are not guarantees of future performance, and are subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking statements are reasonable, these expectations may not be achieved. We may change our intentions, beliefs or expectations at any time and without notice, based upon any change in our assumptions or otherwise. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****HEMISPHERE MEDIA GROUP, INC. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets****(unaudited)**

| | June 30, 2013 | December 31, 2012 |
|--|--------------------------|------------------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 81,020,220 | \$ 10,084,434 |
| Accounts receivable, net of allowance for doubtful accounts of \$206,406 and \$179,568, respectively | 14,151,304 | 10,510,978 |
| Due from related parties, net of allowance for doubtful accounts of \$376,039 and \$0, respectively | 1,455,027 | |
| Programming rights | 5,857,196 | 4,403,029 |
| Deferred taxes | 6,149,075 | 3,049,047 |
| Prepaid expenses and other current assets | 5,335,864 | 1,362,002 |
| Total current assets | 113,968,686 | 29,409,490 |
| Programming Rights | 7,823,078 | 2,664,100 |
| Property and Equipment, net | 25,604,327 | 26,861,359 |
| Deferred Taxes | 4,822,984 | 863,252 |
| Broadcast License | 41,355,700 | 41,355,700 |
| Goodwill | 124,803,456 | 10,982,586 |
| Other Intangibles, net | 24,416,071 | 1,677,500 |
| Other Assets | 2,712,432 | 2,043,703 |
| Total Assets | \$ 345,506,734 | \$ 115,857,690 |
| Liabilities and Stockholder's Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 3,881,108 | \$ 912,007 |
| Accrued expenses | 8,961,866 | 12,042,165 |
| Programming rights payable | 4,751,730 | 3,207,719 |
| Current portion of long-term debt | 9,761,102 | 4,608,000 |
| Total current liabilities | 27,355,806 | 20,769,891 |
| Programming Rights Payable | 1,455,563 | 926,984 |
| Long-Term Debt, net of current portion | 75,548,368 | 52,404,000 |
| Other Liabilities | 2,178,406 | 2,098,886 |
| Total Liabilities | 106,538,143 | 76,199,761 |

Commitments and Contingencies**Stockholder's Equity**

Preferred Stock, \$0.0001 par value; 50,000,000 shares authorized; 0 shares issued and outstanding as of June 30, 2013 and December 31, 2012

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| | | |
|---|----------------|----------------|
| Class A Common Stock, \$0.0001 par value; 100,000,000 shares authorized; 11,241,000 and 0 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively | 1,124 | |
| Class B Common Stock, \$0.0001 par value; 33,000,000 shares authorized; 33,000,000 and 0 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively | 3,300 | |
| Additional Paid In Capital | 241,316,389 | 34,608,586 |
| Fair Value of Contingent Consideration | (2,030,333) | |
| Treasury Stock, at cost; 65,549 shares | (938,016) | |
| Accumulated Earnings | 1,392,603 | 5,837,331 |
| Accumulated Comprehensive Loss | (776,476) | (787,988) |
| Total Stockholder s Equity | 238,968,591 | 39,657,929 |
| Total Liabilities and Stockholder s Equity | \$ 345,506,734 | \$ 115,857,690 |

See Notes to Condensed Consolidated Financial Statements.

HEMISPHERE MEDIA GROUP, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|---------------------|---------------------------|---------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Net Revenues | \$ 22,929,281 | \$ 17,227,640 | \$ 36,424,175 | \$ 30,733,059 |
| Operating Expenses: | | | | |
| Cost of revenues | 7,671,847 | 7,439,854 | 13,527,389 | 14,023,949 |
| Selling, general and administrative | 11,644,388 | 3,325,613 | 15,073,633 | 6,605,990 |
| Depreciation and amortization | 1,848,472 | 921,228 | 2,859,037 | 1,822,389 |
| Other expenses | 1,380,353 | 85,613 | 4,672,388 | 85,613 |
| Loss (gain) on disposition of assets | 43,042 | (1,500) | 67,577 | (50,000) |
| Total operating expenses | 22,588,102 | 11,770,808 | 36,200,024 | 22,487,941 |
| Operating income | 341,179 | 5,456,832 | 224,151 | 8,245,118 |
| Other Expenses: | | | | |
| Interest expense, net | (1,154,775) | (771,009) | (1,913,338) | (1,906,404) |
| Other (expense) income, net | (12,500) | (12,499) | (25,000) | 8,060 |
| | (1,167,275) | (783,508) | (1,938,338) | (1,898,344) |
| (Loss) income before income taxes | (826,096) | 4,673,324 | (1,714,187) | 6,346,774 |
| Income tax (expense) benefit | (357,011) | (2,022,287) | 6,136 | (2,822,544) |
| Net (loss) income | \$ (1,183,107) | \$ 2,651,037 | \$ (1,708,051) | \$ 3,524,230 |
| (Loss) earnings per share: | | | | |
| Basic | \$ (0.03) | \$ 2,651,037 | \$ (0.08) | \$ 3,524,230 |
| Diluted | \$ (0.03) | \$ 2,651,037 | \$ (0.08) | \$ 3,524,230 |
| Weighted average shares outstanding: | | | | |
| Basic | 40,710,542 | 1 | 20,467,732 | 1 |
| Diluted | 40,710,542 | 1 | 20,467,732 | 1 |

See Notes to Condensed Consolidated Financial Statements.

HEMISPHERE MEDIA GROUP, INC. AND SUBSIDIARIES**Condensed Consolidated Statements of Comprehensive (Loss) Income****(unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|------------------------------------|--------------|----------------------------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| Net (loss) income: | \$ (1,183,107) | \$ 2,651,037 | \$ (1,708,051) | \$ 3,524,230 |
| Other comprehensive income: | | | | |
| Net unrealized gain on interest rate swap agreement | 38,434 | | 38,434 | |
| Comprehensive (loss) income | \$ (1,144,673) | \$ 2,651,037 | \$ (1,669,617) | \$ 3,524,230 |

See Notes to Condensed Consolidated Financial Statements.

HEMISPHERE MEDIA GROUP, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Stockholder s Equity

Six Months Ended June 30, 2013

(unaudited)

| Preferred Stock | Class A Common | Class B Common | Class A Treasury | Additional Paid In | Accumulated Earnings | Accumulated Comprehensive |
|----------------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|--------------------------------------|
|----------------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|--------------------------------------|