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WASHINGTON, D.C. 20006  
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ROBERT L. PETTIT  
(202) 429-7019

FACSIMILE  
(202) 429-7049

June 8, 1998

The Honorable William E. Kennard  
The Honorable Susan Ness  
The Honorable Michael K. Powell  
The Honorable Harold W. Furchtgott-Roth  
The Honorable Gloria Tristani  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

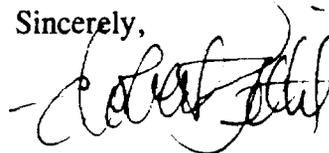
Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Enclosed please find the monthly status report of MobileMedia Corporation, filed pursuant to the Commission's stay order in the above-referenced proceeding.

Should any questions arise concerning this filing, please contact the undersigned counsel for MobileMedia Corporation.

Sincerely,



Robert L. Pettit

cc: service list on attached document

No. of Copies rec'd \_\_\_\_\_  
List A B C D E \_\_\_\_\_

**MOBILEMEDIA CORPORATION**  
**Fort Lee Executive Park**  
**One Executive Drive, Suite 500**  
**Fort Lee, New Jersey 07024**  
**(201) 969-4686**  
**Fax: (201) 969-4506**

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Re: MobileMedia Corporation et al. (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Pursuant to Paragraph 19 of the Stay Order entered by the Commission on June 6, 1997, MobileMedia submits this monthly report as to the progress of its bankruptcy proceedings during the month of May, 1998.

**I. PROGRESS TOWARD A CONFIRMED PLAN OF REORGANIZATION**

As reported in prior monthly reports, MobileMedia, the unsecured Creditors' Committee and the steering committee for MobileMedia's pre- and post-petition secured lenders have previously agreed to adjourn the hearing on the adequacy of the information contained in the Disclosure Statement because they are considering certain possible business combinations and standalone scenarios involving MobileMedia under a plan of reorganization. That hearing was most recently adjourned on June 2, 1998 to an as yet undetermined date.

Discussions regarding both a stand-alone reorganization and certain possible third-party business combinations involving MobileMedia continued during the month of May and are ongoing. Given the highly confidential nature of the considerations and the public nature of these

monthly reports to the Commission, MobileMedia is unfortunately constrained at this time from providing further detail herein as to its recent activity. MobileMedia will, of course, provide the Commission with further detail as soon as public disclosure is effected.

## **II. OTHER PROCEEDINGS IN THE BANKRUPTCY COURT**

On December 10, 1997, the Bankruptcy Court issued an order staying until May 31, 1998 certain discovery in connection with two MobileMedia-related securities law actions pending in California. On May 15, MobileMedia filed a motion seeking to extend that stay until September 30, 1998. Prior to the May 29, 1998 hearing set by the Bankruptcy Court for this motion, MobileMedia and the plaintiffs in these actions agreed to a form of order that stays certain discovery until September 15, 1998. This order was entered by the Bankruptcy Court at the May 29 hearing.

As addressed in last month's report, MobileMedia filed a motion (a copy of which was attached to that report) seeking authority to enter into those contracts necessary to, and to undertake, the buildout of its nationwide two-way NPSC network. Although the motion had originally sought authority for the full \$37 million MobileMedia expects to incur in connection with the buildout, MobileMedia, at the request of its senior secured creditors, agreed to revise its request to seek authority only for those obligations to be incurred in calendar year 1998. The relief requested was granted on May 12, 1998 pursuant to an order attached hereto as Exhibit A. This order authorizes the Debtors to incur up to \$16 million in NPSC-related obligations during calendar year 1998.

On May 12, the Bankruptcy Court also approved MobileMedia's previously filed motions to sell a parcel of real property and to settle litigation brought by a former (now deceased) employee.

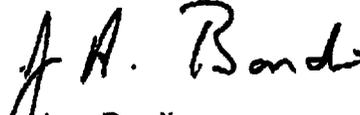
During the month of May, MobileMedia also filed a stipulation settling a claim with a creditor, a motion to reject certain leases and unexpired contracts and its fourth omnibus objection to pre-petition claims.

## **III. FINANCIAL PERFORMANCE**

As previously reported, MobileMedia is required to file Monthly Operating Reports with the United States Trustee. The Monthly Operating Report provides information relating to MobileMedia's financial performance for the prior month. MobileMedia's Monthly Operating Report for April 1998 is attached hereto as Exhibit B.

We hope that this information is helpful. If we can provide any additional information or if you have any questions with regard to the foregoing, please let me know.

Sincerely,



Joseph A. Bondi  
Chairman-Restructuring

cc Daniel Phythyon, Esq.  
David Solomon, Esq.  
Rosalind K. Allen, Esq.  
Gary Schonman, Esq.  
John J. Riffer, Esq.  
John Harwood, Esq.  
Philip Spector, Esq.  
Ky E. Kirby, Esq.  
David Spears, Esq.  
Ms. Magalie Roman Salas (for inclusion with WT Docket No. 97-115)

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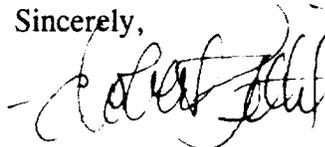
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On May 12, the Bankruptcy Court also approved MobileMedia's previously filed motions to sell a parcel of real property and to settle litigation brought by a former (now deceased) employee.

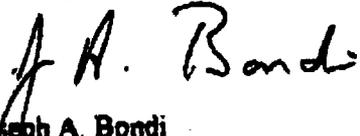
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David Spears, Esq.  
Ms. Magalie Roman Salas (for inclusion with WT Docket No. 97-115)



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**MobileComm MEMORANDUM**

---

**DATE:** June 1, 1998  
**TO:** Distribution  
**FROM:** Kevin Hausmann  
**RE:** April U.S. Trustee Report

Attached please find the U.S. Trustee Report for April 1998.

If you have any questions regarding this report, please feel free to contact me at 201/969-4680.

KH:sms

Enclosure

**External Distribution:**

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# OFFICE OF THE U.S. TRUSTEE - REGION 3 MONTHLY OPERATING REPORT

For the month ended April 30, 1998

**Debtor Name:** MobileMedia Corporation et al.

**Case Number:** 97-174 (PJW)

Required Attachments:	Document Attached	Previously Submitted	Explanation Attached
1. Tax Receipts	( )	(X)	(X)
2. Bank Statements	( )	( )	(X)
3. Most recently filed Income Tax Return	( )	(X)	( )
4. Most recent Annual Financial Statements prepared by accountant	( )	(X)	( )

**IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.**

**RESPONSIBLE PARTY:**

David R. Gibson / VP  
SIGNATURE OF RESPONSIBLE PARTY

Senior Vice President/Chief Financial Officer  
TITLE

David R. Gibson  
PRINTED NAME OF RESPONSIBLE PARTY

May 29, 1998  
DATE

**OFFICE OF THE U.S. TRUSTEE - REGION 3  
ATTACHMENT**

**For the month ended April 30, 1998**

**Debtor Name: MobileMedia Corporation et al.**

**Case Number: 97-174 (PJW)**

- 
1. Payroll tax filings and payments are made by Automated Data Processing, Inc. (an outside payroll processing company). Evidence of tax payments are available upon request. Previously, the Debtors filed copies of such evidence for the third quarter of 1996 with the US Trustee.

Please see the Status of Post Petition Taxes attached hereto for the month's activity.

2. The Debtors have 50 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP basis Statement of Cash Flows in the Monthly Operating Report. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**CONDENSED CONSOLIDATED**  
**STATEMENT OF OPERATIONS**

**For the month ended April 30, 1998**

**Debtor Name: MobileMedia Corporation et al.**

**Case Number: 97-174 (PJW)**

---

See Statement of Operations for reporting period attached.

**HEADNOTES:**

These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There could also be additional year end audit adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

(1) March 1998 Service, Rents & Maintenance Revenue and General & Administrative Expense include the favorable impact of quarter end adjustments to the allowance for doubtful accounts. The adjustments reflect the improvement in the Company's billing and collection processes. Billing reserves recorded against revenue included in Service, Rents & Maintenance Revenue, were \$1.0, \$(0.8) and \$1.7 million, respectively, in April, March and February. Bad debt expense included in General & Administrative expense was \$1.1, \$(0.8) and \$1.6 million, respectively, in April, March and February.

**MobileMedia Corporation and Subsidiaries**  
**Consolidated Statements of Operations**  
**For the Months Ended April 30, 1998, March 31, 1998 and February 28, 1998**  
(Unaudited)  
(in thousands)

	April 1998	March 1998	February 1998
<b>Paging Revenues</b>			
Service, Rents & Maintenance	\$36,251	\$37,103 (1)	\$35,198
<b>Equipment Sales</b>			
Product Sales	2,823	2,251	2,137
Cost of Products Sold	<u>2,186</u>	<u>1,806</u>	<u>1,671</u>
Equipment Margin	637	445	466
Net Revenue	36,889	37,548	35,664
<b>Operating Expense</b>			
Service, Rents & Maintenance	9,660	9,475	9,615
Selling	5,591	5,483	5,113
General & Administrative	12,292	9,979 (1)	12,305
Operating Expense Before Depr. & Amort.	<u>27,543</u>	<u>24,937</u>	<u>27,033</u>
EBITDA Before Reorganization Costs	9,346	12,612	8,631
Reorganization Costs	<u>1,493</u>	<u>1,518</u>	<u>1,444</u>
EBITDA after Reorganization Costs	7,853	11,093	7,187
Depreciation	7,329	7,897	7,770
Amortization	<u>8,244</u>	<u>8,245</u>	<u>8,245</u>
Total Depreciation and Amortization	15,573	16,142	16,015
Operating Loss	(7,720)	(5,049)	(8,828)
Interest Expense	4,751	4,913	4,576
Other (Income)Expense	(49)	0	0
Taxes	<u>0</u>	<u>(83)</u>	<u>42</u>
Net Loss	<u>(\$12,422)</u>	<u>(\$9,878)</u>	<u>(\$13,445)</u>

See Accompanying Notes.

**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
For the month ended April 30, 1998

**Debtor Name:** MobileMedia Corporation et al.

**Case Number:** 97-174 (PJW)

---

See balance sheet attached.

**HEADNOTES:**

These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There could also be additional year end audit adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

(1) Certain balance sheet reclassifications have been made to reflect year end audit adjustments.

**MobileMedia Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
 As of April 30, 1998, March 30, 1998 and February 28, 1998  
 (Unaudited)  
 (In thousands)

	April 1998	March 1998	February 1998 (1)
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash	\$12,435	\$15,608	\$4,701
Accounts Receivable, Net	41,019	44,192	47,261
Inventory	540	461	609
Prepaid Expenses	6,155	4,381	5,072
Other Current Assets	5,210	5,198	5,182
<b>Total Current Assets</b>	<b>65,359</b>	<b>69,839</b>	<b>62,825</b>
<b>Noncurrent Assets:</b>			
Property and Equipment, Net	233,665	238,597	245,385
Deferred Financing Fees, Net	21,724	22,028	22,332
Investment in Net Assets Of Equity Affiliate	1,766	1,766	1,766
Intangible Assets, Net	974,054	982,199	990,411
Other Assets	430	475	495
<b>Total Noncurrent Assets</b>	<b>1,231,640</b>	<b>1,245,065</b>	<b>1,260,389</b>
<b>Total Assets</b>	<b>\$1,296,999</b>	<b>\$1,314,904</b>	<b>\$1,323,213</b>
<b>Liabilities and Stockholders' Equity:</b>			
<b>Liabilities Not Subject to Compromise:</b>			
DIP Credit Facility	\$0	\$0	\$0
Accrued Reorganization Costs	4,836	5,039	5,486
Accrued Wages, Benefits and Payroll Taxes	9,984	14,974	13,302
Accounts Payable - Post Petition	2,436	2,356	1,921
Accrued Interest (Chase & DIP Facilities)	4,477	4,630	4,280
Accrued Expenses and Other Current Liabilities	34,534	34,555	35,154
Advance Billings and Customer Deposits	34,404	34,600	34,467
<b>Total Liabilities Not Subject To Compromise</b>	<b>90,671</b>	<b>96,154</b>	<b>94,609</b>
<b>Liabilities Subject to Compromise:</b>			
Accrued Wages, Benefits and Payroll Taxes	3,093	3,093	3,093
Chase Credit Facility	649,000	649,000	649,000
Notes Payable - 10 1/2%	174,125	174,125	174,125
Notes Payable - 9 3/8%	250,000	250,000	250,000
Notes Payable - Yampol	986	986	986
Notes Payable - Dial Page 12 1/4%	1,570	1,570	1,570
Accrued Interest On Notes Payable	20,423	20,423	20,423
Accounts Payable - Pre Petition	19,701	19,694	19,694
Accrued Expenses and Other Current Liabilities - Pre Petition	21,518	21,518	21,519
Other Liabilities	4,762	4,769	4,745
<b>Total Liabilities Subject To Compromise</b>	<b>1,145,178</b>	<b>1,145,178</b>	<b>1,145,155</b>
<b>Deferred Tax Liability</b>	<b>72,097</b>	<b>72,097</b>	<b>72,097</b>
<b>Stockholders' Equity</b>			
Class A Common Stock	39	39	39
Class B Common Stock	2	2	2
Additional Paid-In Capital	671,459	671,459	671,459
Accumulated Deficit - Pre Petition	(437,127)	(437,127)	(437,127)
Accumulated Deficit - Post Petition	(239,198)	(226,776)	(216,899)
<b>Total Stockholders' Equity</b>	<b>(4,824)</b>	<b>7,598</b>	<b>17,474</b>
<b>Less:</b>			
Treasury Stock	(6,123)	(6,123)	(6,123)
<b>Total Stockholders' Equity</b>	<b>(10,947)</b>	<b>1,475</b>	<b>11,351</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$1,296,999</b>	<b>\$1,314,904</b>	<b>\$1,323,213</b>

See Accompanying Notes

**Footnotes to the Financial Statements:**

1. These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed Of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There could also be additional year end audit adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

In March 1995, the Financial Accounting Standards Board issued SFAS 121, which is effective for financial statements for fiscal years beginning after December 15, 1995. Under certain circumstances, SFAS 121 requires companies to write down the carrying value of long-lived assets recorded in the financial statements to the fair value of such assets. A significant amount of the assets of the Company, which were acquired as a result of the acquisitions of businesses, including the Dial Page and MobileComm acquisitions, were recorded in accordance with principles of purchase accounting at acquisition prices and constitute long-lived assets. The Company has determined, and its independent auditors have concurred, that SFAS 121 is applicable to the Company, and therefore the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write down will be material; however, it is not possible at this time to determine such amount. Since the Company cannot comply with SFAS 121 at this time, it is unable to issue audited financial statements in compliance with generally accepted accounting principles. Consequently, the Company will not file its Report on Form 10-K or its other periodic reports under the Securities Exchange Act of 1934, as amended.

2. On January 30, 1997 (the "Filing Date"), MobileMedia Corporation (the "Company"), MobileMedia Communications, Inc. ("MobileMedia Communications") and all seventeen of MobileMedia Communications' subsidiaries (collectively with the Company and MobileMedia Communications, the "Debtors"), filed for protection under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are operating as debtors-in-possession and are subject to the jurisdiction of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

The Bankruptcy Court has authorized the Debtors to pay certain pre-petition creditors. These permitted pre-petition payments include: (i) employee salary and wages; (ii) certain employee benefits and travel expenses; (iii) certain amounts owing to essential vendors; (iv) trust fund type sales and use taxes; (v) trust fund payroll taxes; (vi) property taxes; (vii) customer refunds; and (viii) customer rewards.

*Footnotes to the Financial Statements (continued):*

On January 27, 1998, the Company filed its Joint Plan of Reorganization with the Bankruptcy Court. On February 2, 1998, the Company filed its Disclosure Statement with the Bankruptcy Court. The Debtors, the Steering Committee for the Debtors' secured creditors and the Official Committee of Unsecured Creditors agreed to adjourn a hearing concerning the adequacy of information contained in the Disclosure Statement that had been scheduled for April 14, 1998. The Debtors and such Committees are considering certain possible business combinations and standalone scenarios involving the Debtors under a plan of reorganization. There can be no assurance that the parties will reach agreement on a plan of reorganization or that any business combination will be effected.

3. Since the Filing Date, the Debtors have continued to manage their business as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code. During the pendency of the Chapter 11 cases, the Bankruptcy Court has jurisdiction over the assets and affairs of the Debtors, and their continued operations are subject to the Bankruptcy Court's protection and supervision. The Debtors have sought, obtained, and are in the process of applying for, various orders from the Bankruptcy Court intended to stabilize and reorganize their business and minimize any disruption caused by the Chapter 11 cases.
4. March 1998 Service, Rents & Maintenance Revenue and General & Administrative Expense include the favorable impact of quarter end adjustments to the allowance for doubtful accounts. The adjustments reflect the improvement in the Company's billing and collection processes. Billing reserves recorded against revenue included in Service, Rents & Maintenance Revenue, were \$1.0, \$(0.8) and \$1.7 million, respectively, in April, March and February. Bad debt expense included in General & Administrative Expense was \$1.1, \$(0.8) and \$1.6 million, respectively, in April, March and February.
5. Certain balance sheet reclassifications were made in February to reflect year end audit adjustments.
6. The Company is one of the largest paging companies in the U.S., with approximately 3.3 million units in service at April 30, 1998, and offers local, regional and national paging services to its subscribers. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company's business is conducted primarily through the Company's principal operating subsidiary, MobileMedia Communications, and its subsidiaries. The Company markets its services primarily under the "MobileComm" brand name. All significant intercompany accounts and transactions have been eliminated.

**Footnotes to the Financial Statements (continued):**

7. As previously announced in its September 27, 1996 and October 21, 1996 releases, the Company discovered misrepresentations and other violations which occurred during the licensing process for as many as 400 to 500, or approximately 6% to 7%, of its approximately 8,000 local transmission one-way paging stations. The Company caused an investigation to be conducted by its outside counsel, and a comprehensive report regarding these matters was provided to the FCC in the fall of 1996. In cooperation with the FCC, outside counsel's investigation was expanded to examine all of the Company's paging licenses, and the results of that investigation were submitted to the FCC on November 8, 1996. As part of the cooperative process, the Company also proposed to the FCC that a Consent Order be entered which would result, among other things, in the return of certain local paging authorizations then held by the Company, the dismissal of certain pending applications for paging authorizations, and the voluntary acceptance of a substantial monetary forfeiture.

On January 13, 1997, the FCC issued a Public Notice relating to the status of certain FCC authorizations held by the Company. Pursuant to the Public Notice, the FCC announced that it had (i) automatically terminated approximately 185 authorizations for paging facilities that were not constructed by the expiration date of their construction permits and remained unconstructed, (ii) dismissed approximately 94 applications for fill-in sites around existing paging stations (which had been filed under the so-called "40-mile rule") as defective because they were predicated upon unconstructed facilities and (iii) automatically terminated approximately 99 other authorizations for paging facilities that were constructed after the expiration date of their construction permits. With respect to the approximately 99 authorizations where the underlying station was untimely constructed, the FCC granted the Company interim operating authority subject to further action by the FCC.

On April 8, 1997, the FCC adopted an order commencing an administrative hearing into the qualification of the Company to remain a licensee. The order directed an Administrative Law Judge to take evidence and develop a full factual record on directed issues concerning the Company's filing of false forms and applications. The Company was permitted to operate its licensed facilities and provide service to the public during the pendency of the hearing.

On June 6, 1997, the FCC issued an order staying the hearing proceeding for ten months in order to allow the Company to develop and consummate a plan of reorganization that provides for a change of control of the Company and a permissible transfer of the Company's FCC licenses. The order, which is based on an FCC doctrine known as *Second Thursday*, provides that if there is a change of control that meets the conditions of *Second Thursday*, the Company's FCC issues will be resolved by the transfer of the Company's FCC licenses to the new owners of the Company and the hearing will not proceed. The Company believes that a reorganization plan that provides for either a conversion of certain existing debt to equity, in which case existing MobileMedia shares will be substantially diluted or eliminated

***Footnotes to the Financial Statements (continued):***

or a sale of the Company will result in a change of control. The Company has requested that the FCC grant an extension of the order staying the hearing for an additional six months to October 6, 1998. In the event that the Company were unable to consummate a plan of reorganization that satisfies the conditions of *Second Thursday*, or should the FCC not grant an extension of the stay of the hearing, the Company would be required to proceed with the hearing, which, if adversely determined, could result in the loss of the Company's licenses or substantial monetary fines, or both. Such an outcome would have a material adverse effect on the Company's financial condition and results of operations.

**OFFICE OF THE U.S. TRUSTEE - REGION 3  
CONSOLIDATED STATEMENT OF CASH  
RECEIPTS AND DISBURSEMENTS**

**For the month ended April 30, 1998**

**Debtor Name: MobileMedia Corporation et al.**

**Case Number: 97-174 (PJW)**

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The Debtors have 50 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP basis Statement of Cash Flows for the reporting period which is attached. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

**HEADNOTES:**

*These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There could also be additional year end audit adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.*

*(1) Certain reclassifications have been made to reflect year end audit adjustments.*

**MobileMedia Corporation and Subsidiaries**  
**Consolidated Statements Of Cash Flows**  
**For The Months Ended April 30, 1998, March 31, 1998 and February 28, 1998**  
**(Unaudited)**  
**(in thousands)**

	<u>April 1998</u>	<u>March 1998</u>	<u>February 1998 (1)</u>
<b>Operating Activities</b>			
Net Loss	(\$12,422)	(\$9,878)	(\$13,446)
Adjustments To Reconcile Net Loss To Net Cash Provided By (Used In) Operating Activities:			
Depreciation And Amortization	15,573	16,142	16,015
Provision For Uncollectible Accounts And Returns	2,128	(1,619)	3,300
Undistributed Earnings Of Affiliate	0	0	0
Deferred Financings Fees, Net	304	304	304
Change In Operating Assets and Liabilities:			
Accounts Receivable	1,045	4,688	(946)
Inventory	(79)	149	103
Prepaid Expenses And Other Assets	(1,842)	662	(145)
Accounts Payable, Accrued Expenses and Other	(5,483)	1,569	(235)
Net Cash Provided By (Used In) Operating Activities	<u>(776)</u>	<u>12,017</u>	<u>4,950</u>
<b>Investing Activities</b>			
Construction And Capital Expenditures, Including Net Change In Pagar Assets	(2,397)	(1,110)	(2,085)
Net Cash Used In Investing Activities	<u>(2,397)</u>	<u>(1,110)</u>	<u>(2,085)</u>
<b>Financing Activities</b>			
Borrowings (Repayments) of DIP Credit Facility	0	0	(3,000)
Net Cash Provided By (Used In) Financing Activities	<u>0</u>	<u>0</u>	<u>(3,000)</u>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(3,173)</b>	<b>10,907</b>	<b>(135)</b>
Cash And Cash Equivalents At Beginning Of Period	<u>15,608</u>	<u>4,701</u>	<u>4,837</u>
Cash And Cash Equivalents At End Of Period	<u><u>\$12,435</u></u>	<u><u>\$15,608</u></u>	<u><u>\$4,701</u></u>

See Accompanying Notes

**OFFICE OF THE U.S. TRUSTEE - REGION 3  
STATEMENT OF ACCOUNTS RECEIVABLE AGING AND  
AGING OF POSTPETITION ACCOUNTS PAYABLE**

For the month ended April 30, 1998

**Debtor Name:** MobileMedia Corporation et al.

**Case Number:** 97-174 (PJW)

<b>ACCOUNTS RECEIVABLE AGING</b>	
\$ 26,488,384	0 - 30 days old
12,374,261	31 - 60 days old
7,518,269	61 - 90 days old
17,427,347	91+ days old
63,808,261	TOTAL TRADE ACCOUNTS RECEIVABLE
( 23,336,482)	ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS
40,471,779	TRADE ACCOUNTS RECEIVABLE (NET)
547,039	OTHER NON-TRADE RECEIVABLES
\$ 41,018,818	ACCOUNTS RECEIVABLE, NET

<b>AGING OF POSTPETITION ACCOUNTS PAYABLE</b>					
	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
<b>ACCOUNTS PAYABLE</b>	<b>\$ 2,156,573</b>	279,473	0	0	<b>\$ 2,436,046</b>

**OFFICE OF THE U.S. TRUSTEE - REGION 3  
STATEMENT OF OPERATIONS, TAXES,  
INSURANCE AND PERSONNEL**

For the month ended April 30, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

STATUS OF POSTPETITION TAXES					
	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	DELINQUENT TAXES
<b>FEDERAL</b>					
WITHHOLDING	\$ 9,347	\$ 2,682,074	\$ 2,681,234	\$ 10,187	\$ 0
FICA-EMPLOYEE	20,688	(20,688)	0	0	0
FICA-EMPLOYER	221,947	2,347,024	2,097,744	471,227	0
UNEMPLOYMENT	11,600	27,792	28,672	10,720	0
INCOME	0	0	0	0	0
<b>TOTAL FEDERAL TAXES</b>	<b>263,582</b>	<b>5,036,202</b>	<b>4,807,650</b>	<b>492,134</b>	<b>0</b>
<b>STATE AND LOCAL</b>					
WITHHOLDING	18,040	422,879	367,660	73,259	0
SALES	705,022	1,280,720	1,320,258	665,484	0
UNEMPLOYMENT	57,750	150,290	170,926	37,114	0
REAL PROPERTY	5,162,697	383,695	300	5,546,092	0
OTHER	(201,011)	1,569,042	673,651	694,380	0
<b>TOTAL STATE AND LOCAL</b>	<b>5,742,498</b>	<b>3,806,626</b>	<b>2,532,795</b>	<b>7,016,329</b>	<b>0</b>
<b>TOTAL TAXES</b>	<b>\$ 6,006,080</b>	<b>\$ 8,842,828</b>	<b>\$ 7,340,445</b>	<b>\$ 7,508,463</b>	<b>\$ 0</b>

**PAYMENTS TO INSIDERS AND PROFESSIONALS****For the month ended April 30, 1998**

<b>INSIDERS</b>				
<b>Payee Name</b>	<b>Position</b>	<b>Salary/Bonus/ Auto Allowance</b>	<b>Reimbursable Expenses</b>	<b>Total</b>
Alvarez & Marsal Inc. - Joseph A. Bondi	Chairman - Restructuring	\$ 56,196	\$ 4,965	\$ 61,161
Boykin, Roberta	Assistant Corporate Counsel	24,600(1)	-	24,600
Burdette, H. Stephen	Senior VP Corporate Development and Senior VP Operations	145,462(1)	4,833	150,295
Cross, Andrew	Executive VP Sales and Marketing	171,712(1)	3,925	175,637
Grawert, Ron	Chief Executive Officer	30,769	6,806	37,575
Gray, Patricia	Secretary/Acting General Counsel	77,785(1)	687	78,471
Gross, Steven	Senior VP Strategic Planning	155,390(1)	5,076	160,466
Hilson, Debra	Assistant Secretary	16,862(1)	3,723	20,585
Hughes, Curtis	Assistant VP Mgmt. Information Systems	47,356(1)	768	48,124
Pascucci, James	Treasurer	38,369(1)	1,630	39,999
Panzella, Vito	VP / Controller	40,346(1)	-	40,346
Witsaman, Mark	Senior VP and Chief Technology Officer	156,069(1)	2,516	158,585
<b>TOTAL PAYMENTS TO INSIDERS</b>				<b>\$ 995,844</b>

(1) Payments made in April include 1997 management incentive plan payments, which plan was approved by the Bankruptcy Court.