

# SBCG

SINCLAIR BROADCAST GROUP

CREATING, INNOVATING,  
LEADING

Nasdaq Market Close & Analyst Day

June 5, 2015

# SAFE HARBOR

The following information contains, or may be deemed to contain, "forward-looking statements" (as defined in the U.S. Private Securities Litigation Reform Act of 1995). Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. We base these forward-looking statements on our expectations, assumptions, estimates and projections about our business and the industry in which we operate as of the date of this presentation. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and cannot be predicted, quantified or controlled, and as such these statements could cause actual results to differ materially from those set forth in, contemplated by or underlying any forward-looking statements. Statements made in these presentation materials and during this presentation and factors set forth under the title "Risk Factors" in our SEC filings, describe factors, among others, that could contribute to or cause any material difference in outcome from those set forth in, contemplated by or underlying any forward-looking statements. However, additional factors and risks not currently known to us or that we deem immaterial may also materially and adversely affect our financial condition and results of operation, and you should review the factors and risks we describe in reports we file with the Securities and Exchange Commission or that are provided to you by us from time to time.

You are cautioned not to place any undue reliance on any forward-looking statements, which speak only as of the date made. All subsequent forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referred to herein. We undertake no obligation to update these statements or publicly release revisions to these statements to reflect subsequent events, except as required by law.

# Company Overview

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David Smith  
President & Chief Executive Officer /

David Amy  
EVP & Chief Operating Officer

# Who We Are

- Television broadcast leader
- Diversified broadcaster
- Revenue innovator
- Original content creator
- Multi-platform distributor
- Technology innovator
- Free cash flow generator

# Leading Consolidator

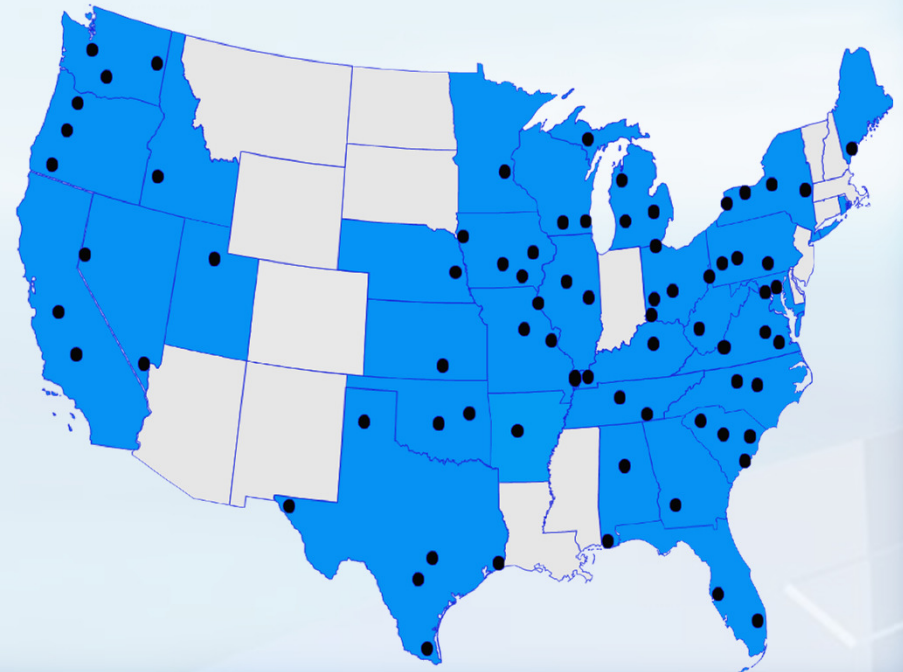
2008

- 58 TV stations
- 58 channels
- 35 markets
- 24M TV HHs
- 26 news markets



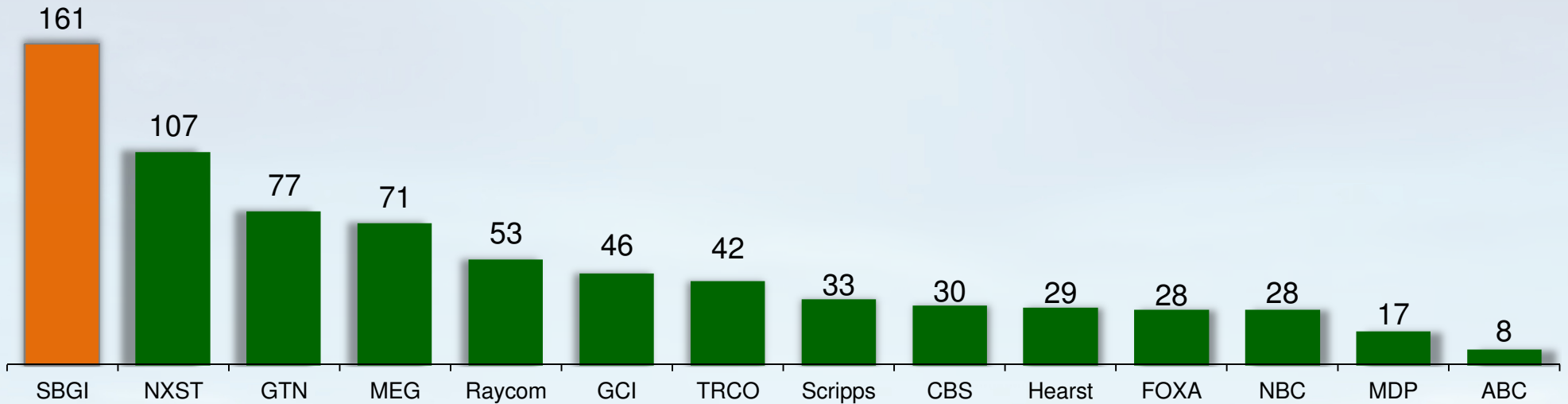
2015

- 161 TV stations
- 375 channels
- 79 markets
- 43M TV HHs
- 75 news markets

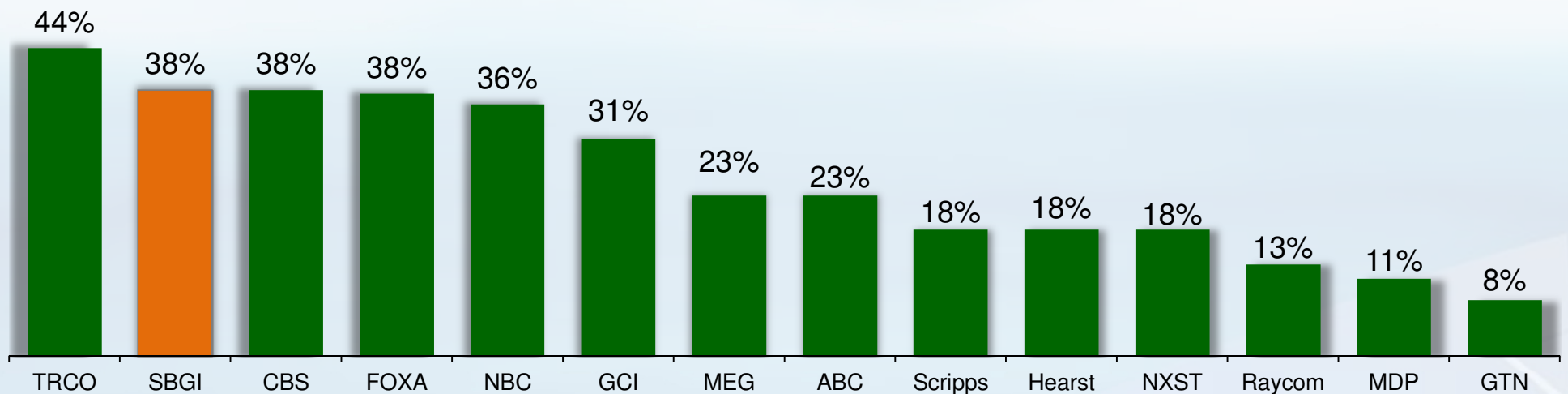


# Only Broadcaster With Scale & Reach

## Owned and Operated Television Stations



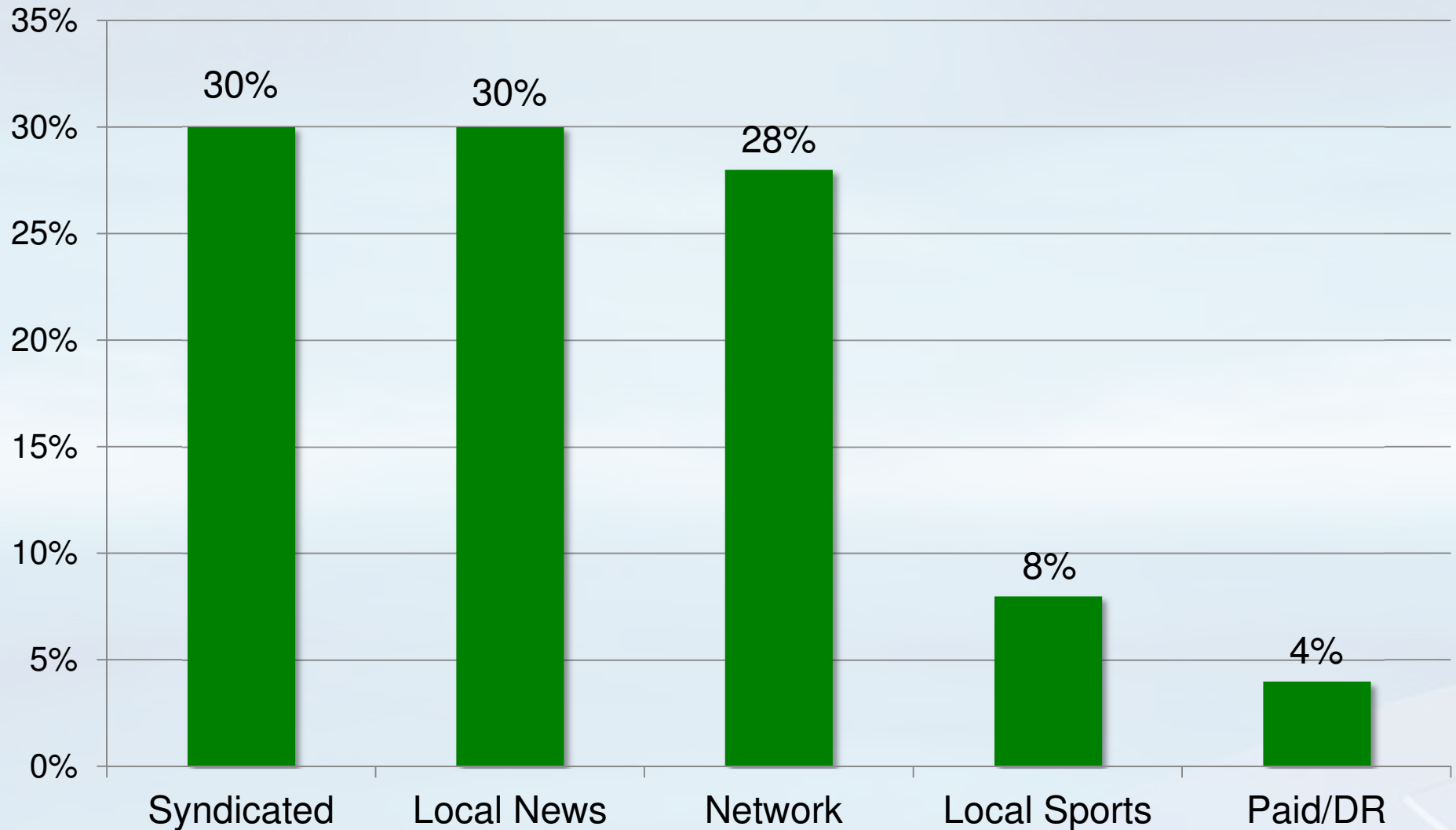
## U.S. TV Households Reached



Source: Company filings and presentations for public companies and websites for private companies

# Diversified By Content Offerings

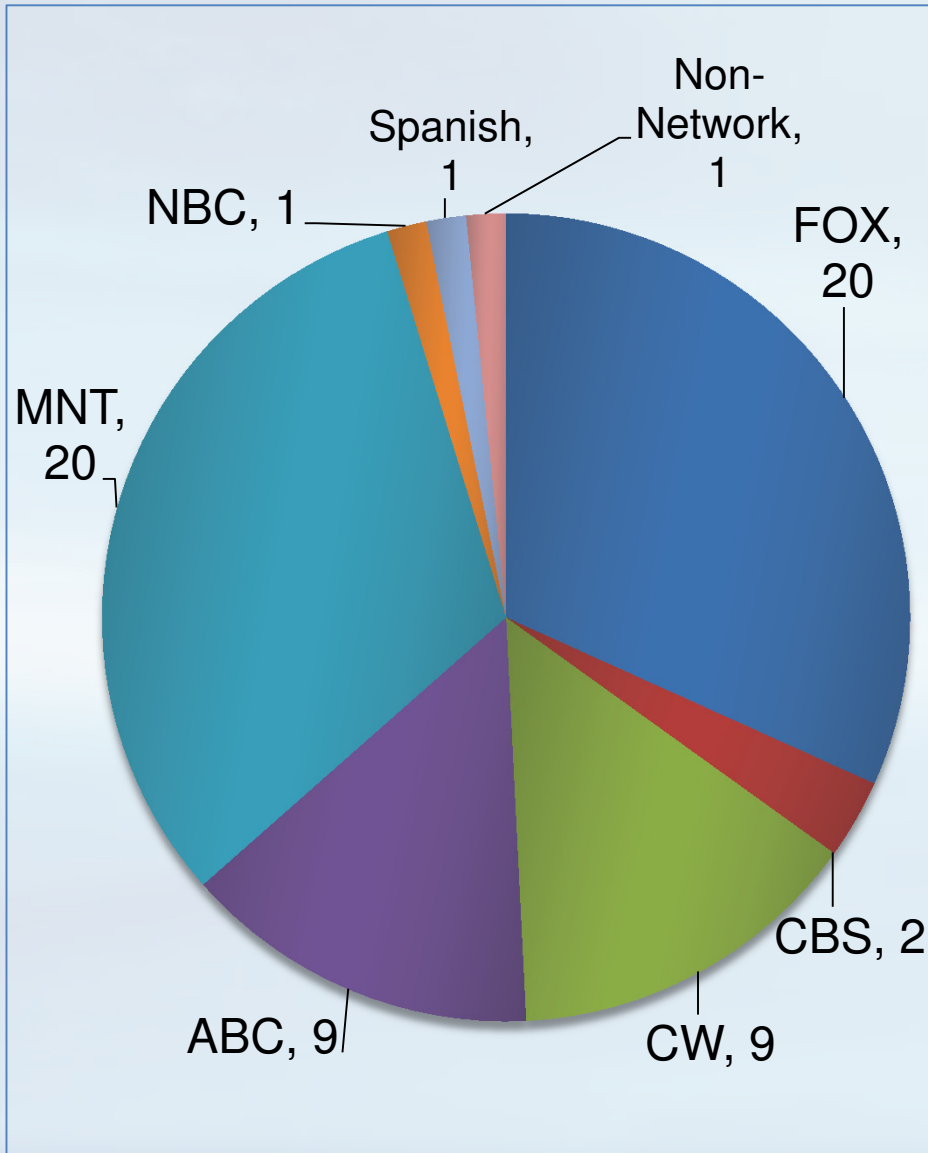
## 2014 Revenues By Content Type



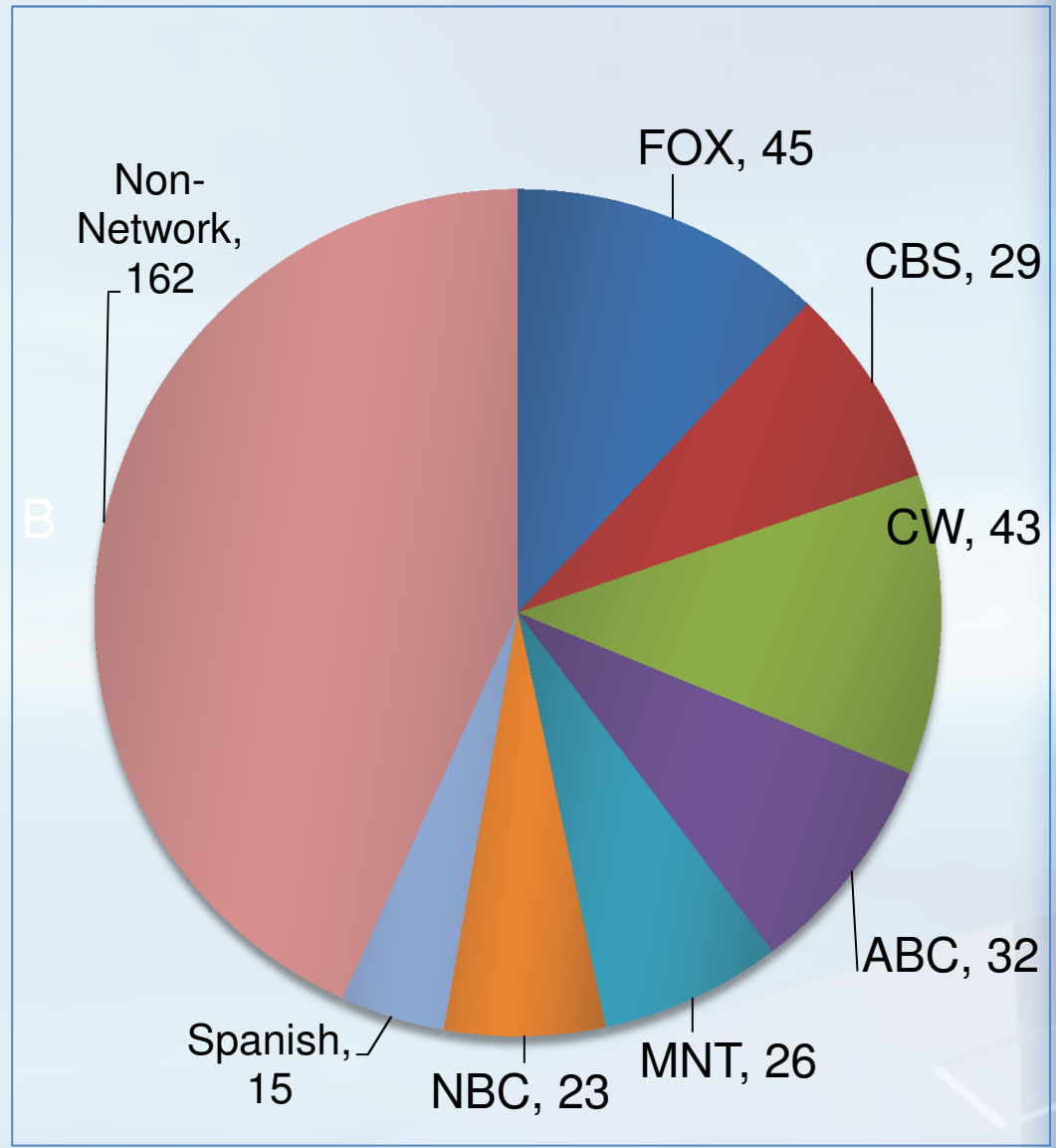
Net Time Sales by Content Type

# Diversified By Channel Offerings

2008



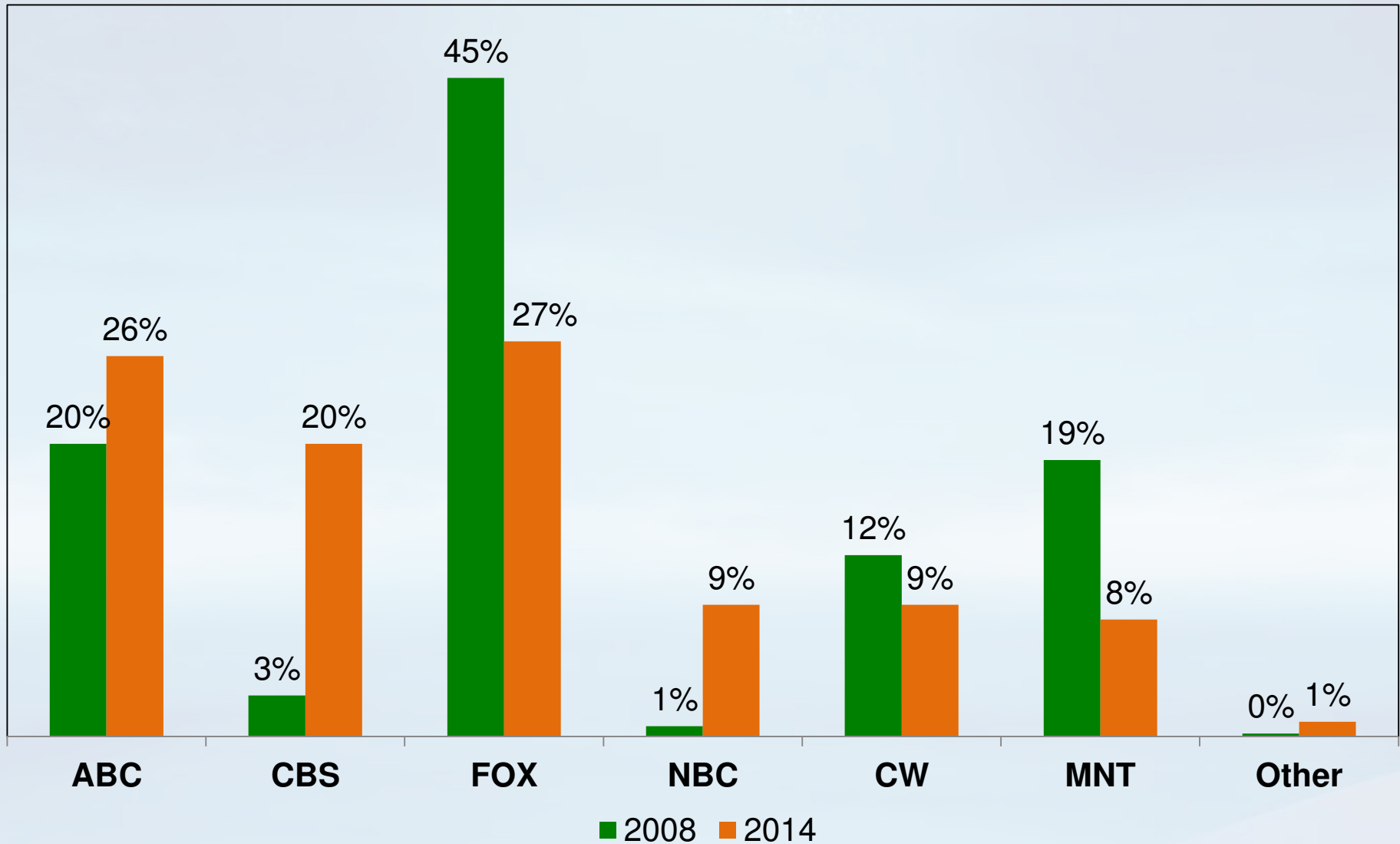
2014



Number of channels by affiliation



# Diversified By Affiliation Revenue Mix



Advertising Revenues by Affiliation

# Diversified Geographically

<b>Market</b>	<b>% of Total Revenue</b>
Washington DC	5%
San Antonio	4%
Columbus	4%
Seattle	4%
Cincinnati	4%
Baltimore	3%
Las Vegas	3%
Portland OR	2%
Nashville	2%
Salt Lake City	2%
	<b>34%</b>

\*\*Based on 2015 forecasted revenues, excluding retransmission revenues

# Benefits of Scale

- Negotiating power with vendors ranging from software to equipment to programming.
- Strategic advantage for marketing to political advertisers.
- Ability to create an unwired network using stations to compete with cable networks.
- Contiguous regional footprints to leverage regional programming and 360 marketing campaigns across local, state or regional target audiences.
- News interaction and integration across local, regional and national footprint to leverage like interests and to develop better stories with more input.
- Ability to attract talent by offering mobility and growth.
- Ability to partner with major programmers to launch Sinclair owned programming. Long term this plan not only lowers the cost of programming but creates recurrent revenue beyond ad sales.

# History of Creating, Innovating & Leading

- One of the first UHF stations in the country
- Introduced the first Local Marketing Agreement (LMA)
- Lead broadcasters' petition to FCC for a more robust and flexible standard for digital television technology
- Launched the first digital multichannel airing syndicated programming
- Pioneered retransmission consent fees
- Reopened and led the recent industry consolidation
- Building the Next Generation Broadcast Platform
- First non-network broadcaster to launch a full-scale deployment of aggregate audience impressions across the platform

# Our Strategic Focus

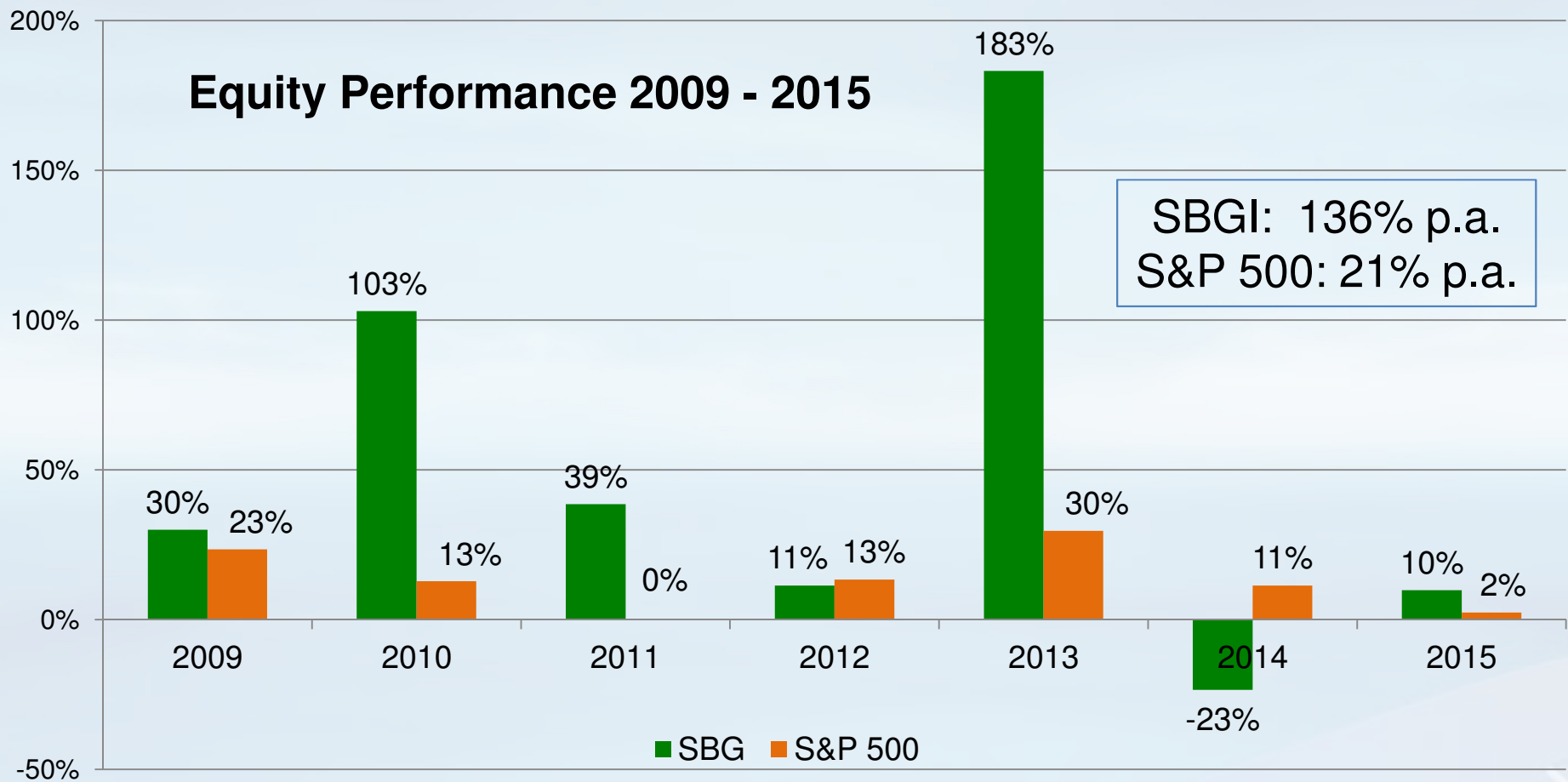
- Content Creation
  - News, sports, original content
- Multi-platform distribution
  - OTA, digital, cable
- National reach and local focus
- Consolidation
- Next Generation Broadcast Platform
- Deregulation
- Free cash flow generation

# Outperforming Equity Returns

Ticker: **SBGI**

Market Cap: \$2.9B

Enterprise Value: \$6.7B



Source: Yahoo Finance as of May 29, 2015

# Operating Strategy

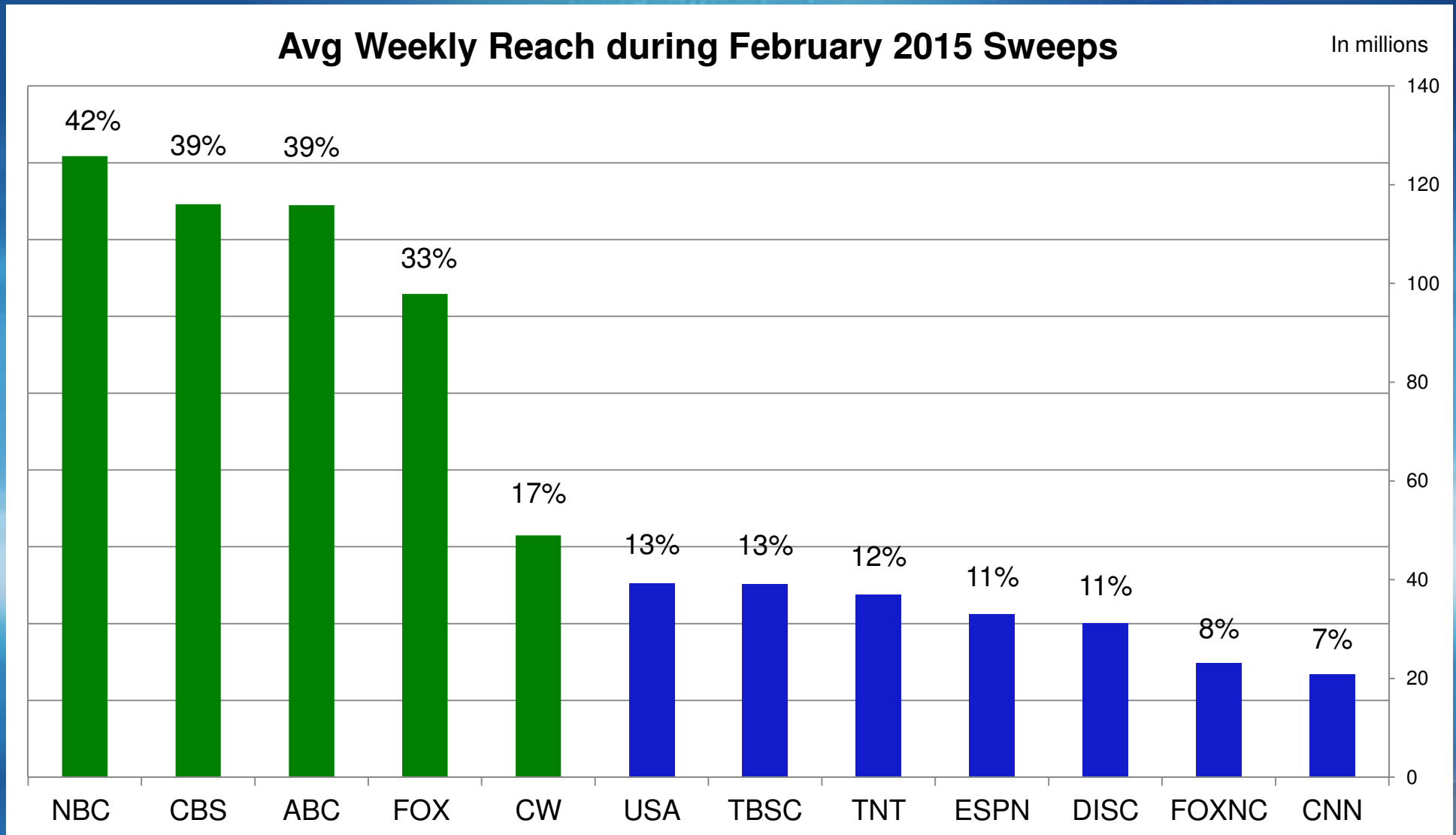
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Steve Marks and Steve Pruett  
Vice Presidents/Co-Chief Operating Officers  
Sinclair's Television Group

Steve Pruett  
VP/Co-Chief Operating Officer  
Sinclair's Television Group



# Broadcast Continues to Dominate Cable Audiences



Source: Nielsen Media Research

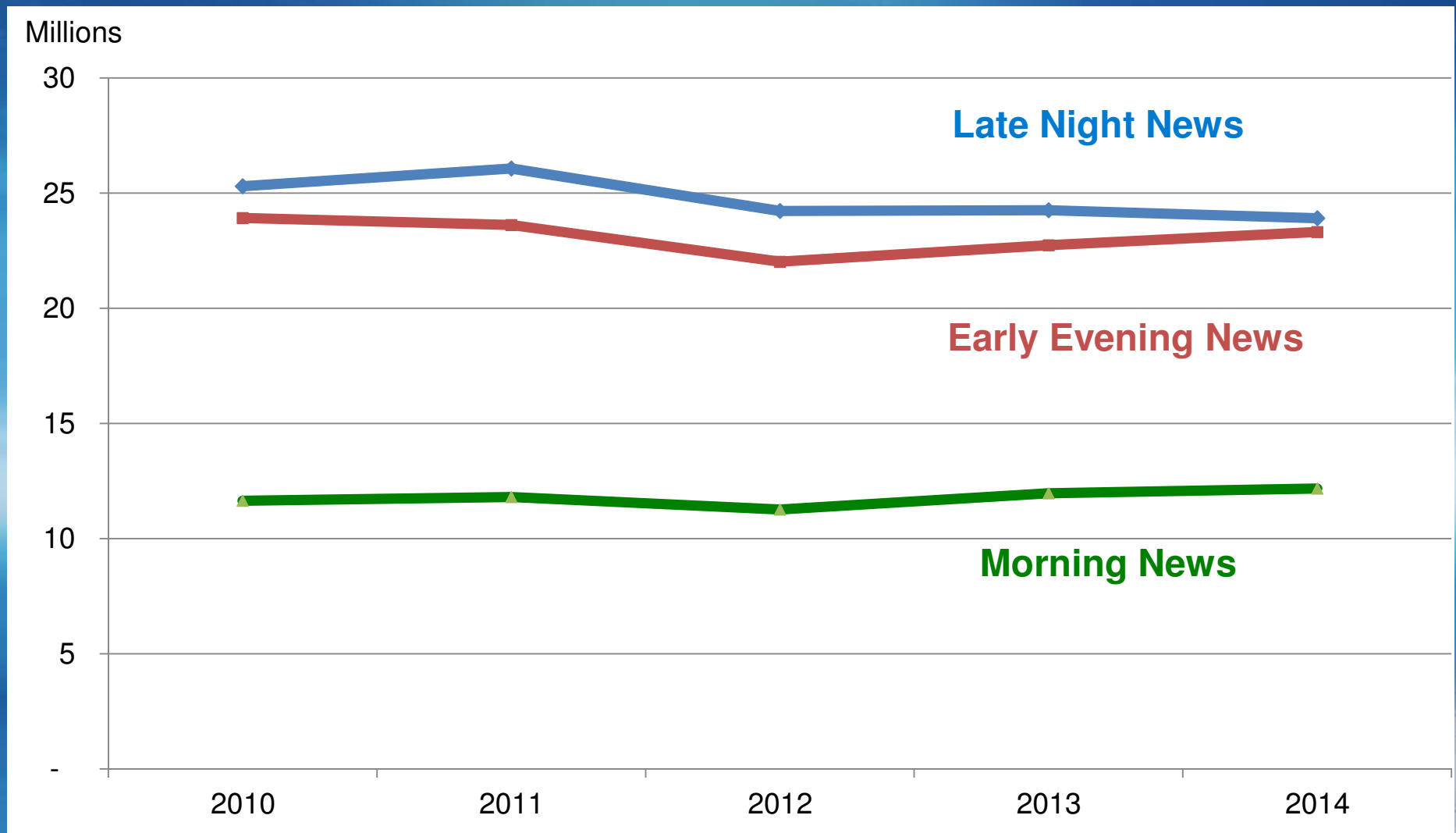
Note: Numbers represent the weekly reach in millions of people, age 2 and up based on the February 2015 sweeps (1/29/15 through 2/25/15). Numbers include Live+3 Days; Percentages represent the percentage of people, age 2 and up, that the particular channel reached on average during that week.

# Importance of Local News

- Local TV news combined with a digital platform is surpassing combined newspaper and newspaper digital as the primary source of local news.
- Critical to our stations' local brand, it drives our connection to local viewers.
- Responsible for much of our 40M+ unique web visits, 400M+ page views, and 7M+ Facebook fans.
- Our social media news product, Quickcast, has reached 3M monthly uniques in its first 2 months since launch.
- Cutting edge of linear and non-linear content integration across our platform of linear TV, Mobile and Online channels.
- Fully integrated multiscreen product with web, mobile and social included in the work flow from start to finish.
- We break news to Digital platforms first and drive the user through all of our screens.

# Positive News Viewing Trends

## Local News Viewership Increasing in Early Evening and Morning News



Source: Nielsen Media Research

Note: Numbers represent average daily viewership of all Industry ABC, CBS, FOX and NBC newscasts

# Sinclair is the Local News Leader

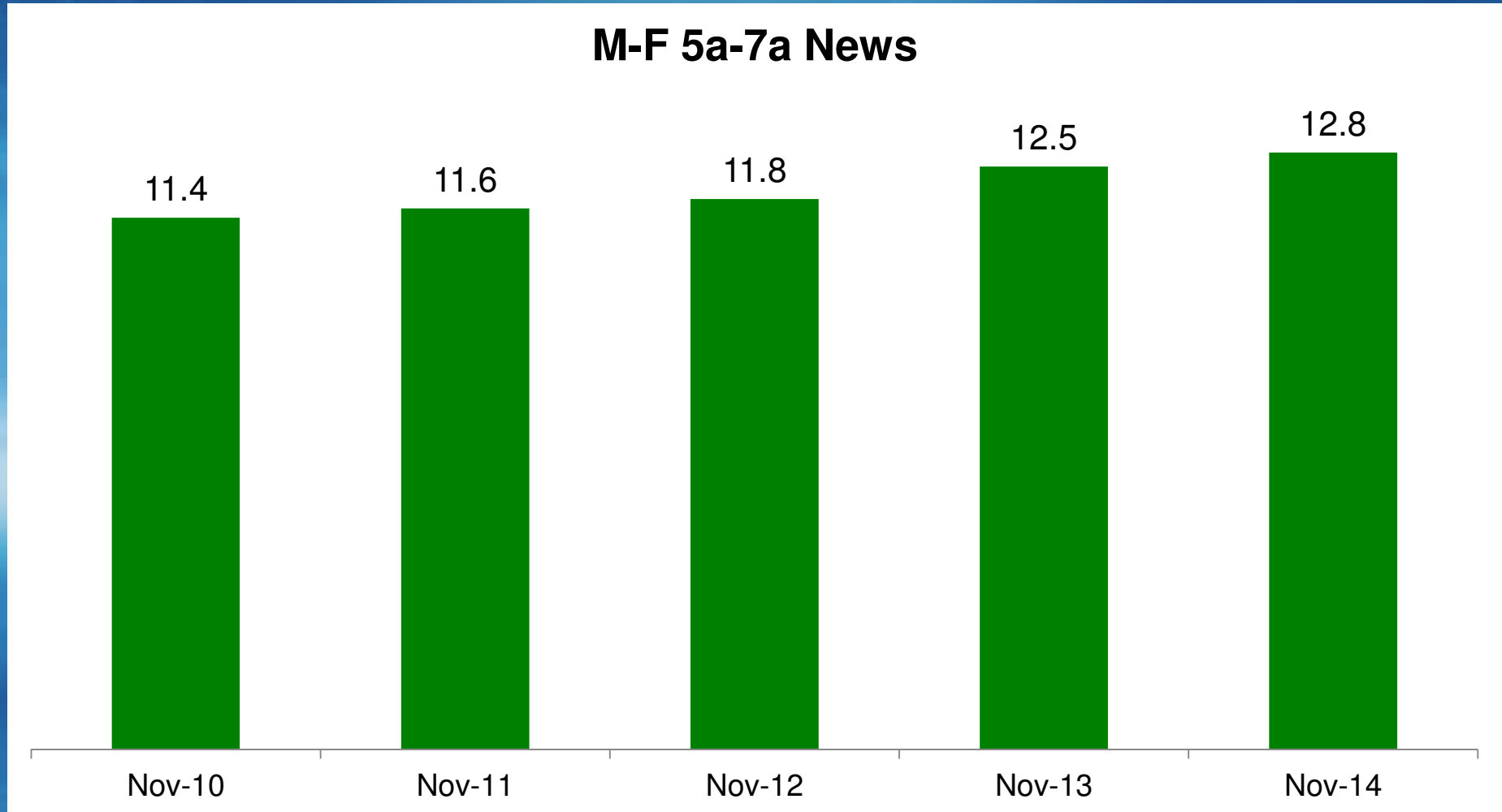
- 2,200 hours of local news produced per week
- 75 markets
- 35% - 40% 2-year avg. News EBITDA margins

## SBG Newscasts Ranked #1 or #2 in their markets\*

- 36 newscasts in morning news
- 37 newscasts in early evening news
- 38 newscasts in late news

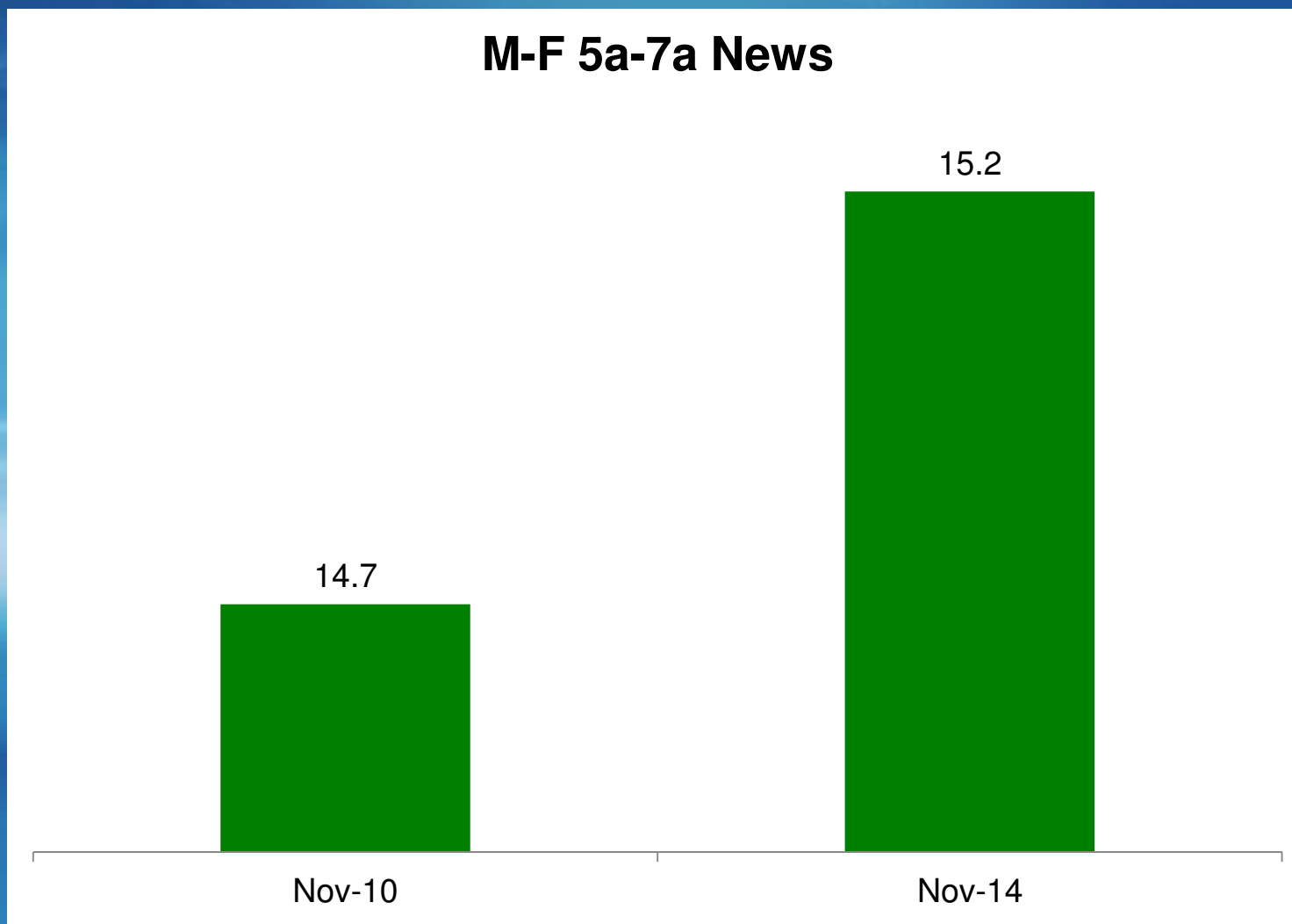
\*Source: Nielsen

# SBG Legacy Stations Growing Morning News Share



Source: Nielsen, Sweeps as Indicated. Average P25-54 share for Big 4 news stations owned and/or operated prior to 2012.

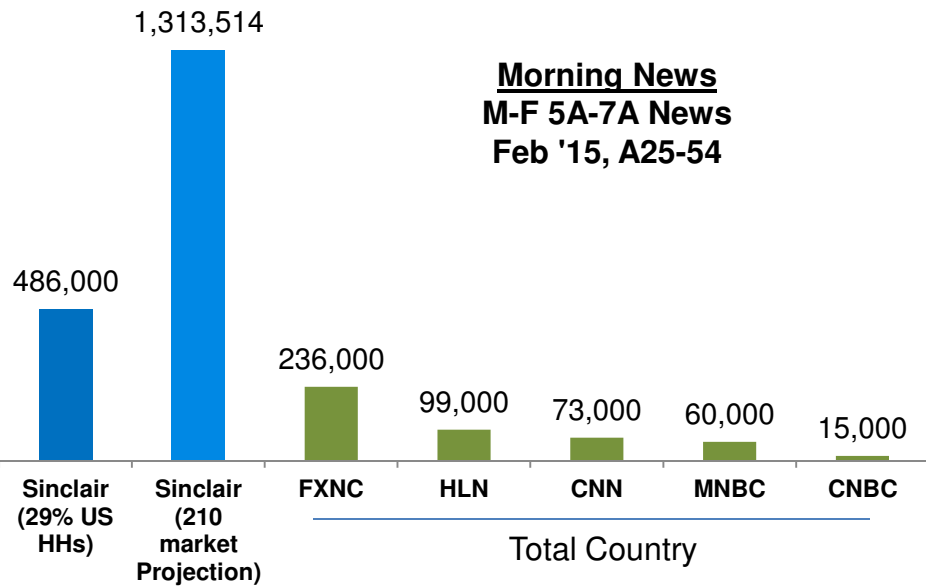
# SBG Acquired Stations Growing Morning News Share



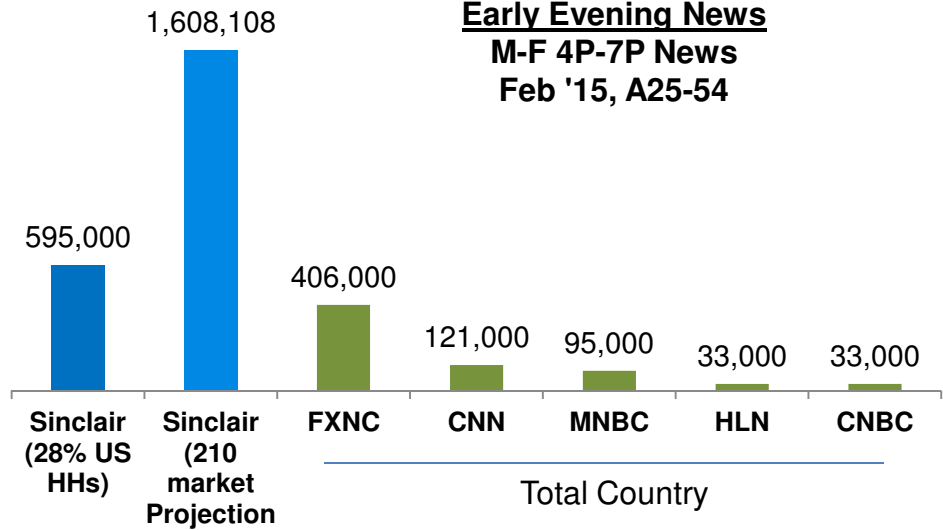
Source: Nielsen, Sweeps as Indicated. Average P25-54 share for Big 4 news stations acquired in 2012 (Four Points, Freedom and Newport),

# Sinclair Local News Outperforms Cable News in All Dayparts

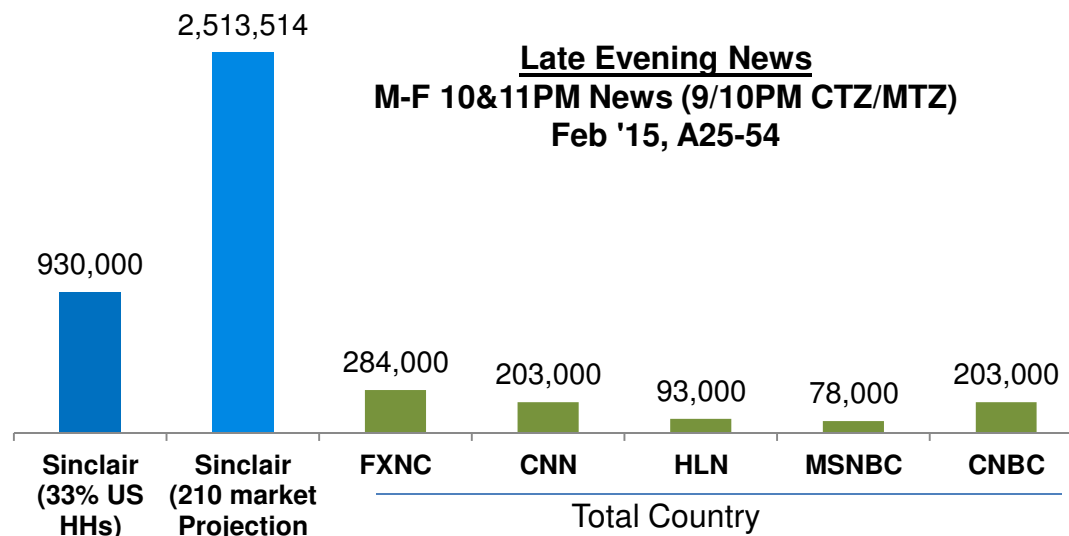
**Morning News**  
M-F 5A-7A News  
Feb '15, A25-54



**Early Evening News**  
M-F 4P-7P News  
Feb '15, A25-54

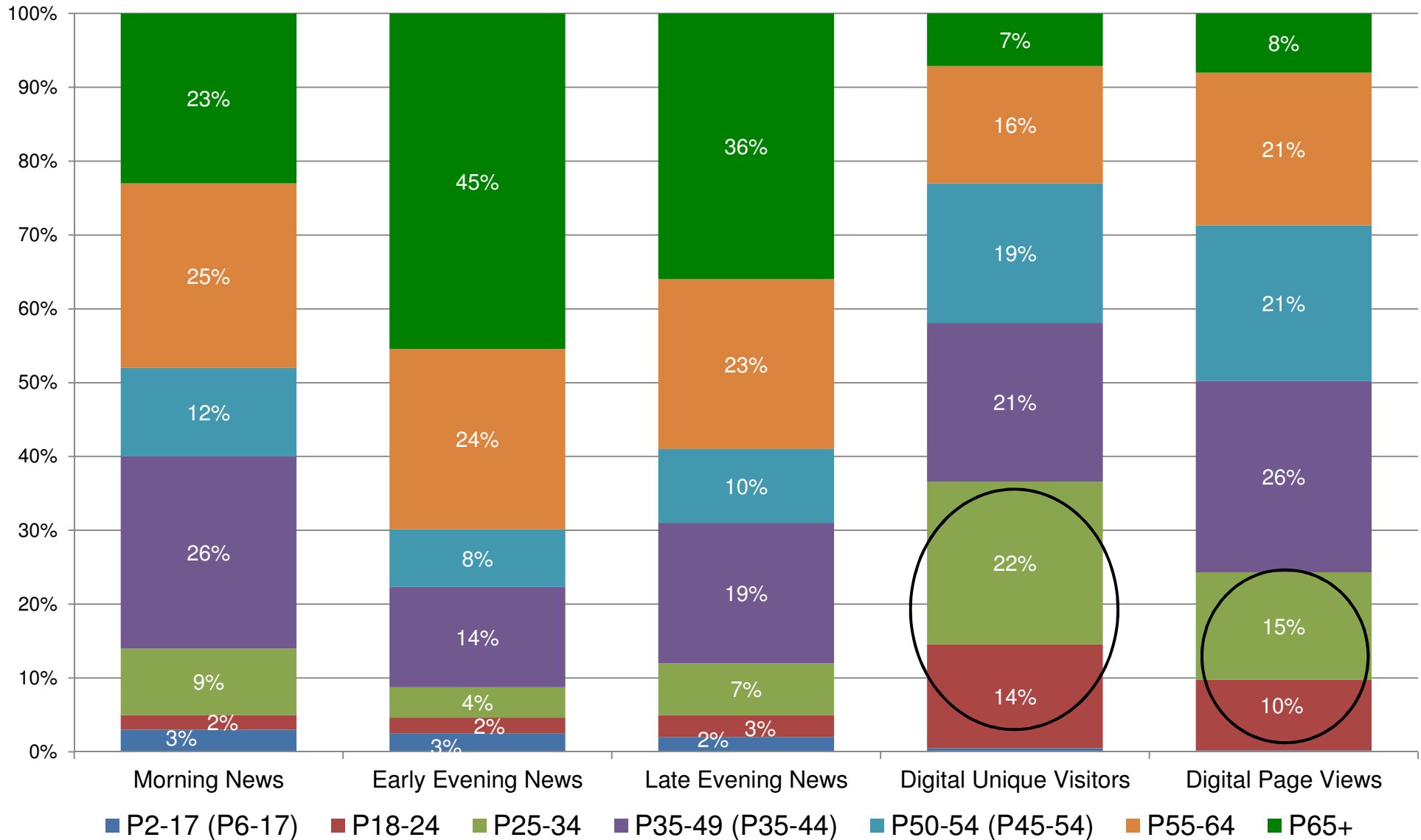


**Late Evening News**  
M-F 10&11PM News (9/10PM CTZ/MTZ)  
Feb '15, A25-54



# SBG News Reaching Millennials on Digital Platforms

## Sinclair News Audience Composition by Daypart



TV Source: Nielsen (Feb 2015). Digital Source: ComScore (Apr 2015). ComScore demo ages in parenthesis above



# Local News Important to Advertisers

- Large audience delivery and key demographics yield significant value to advertisers
- Informed viewers of importance to politicians
- Creating innovative news advertising products
  - Quickcast
  - Vignettes
  - Town Halls
  - Connect to Congress
  - National News Show

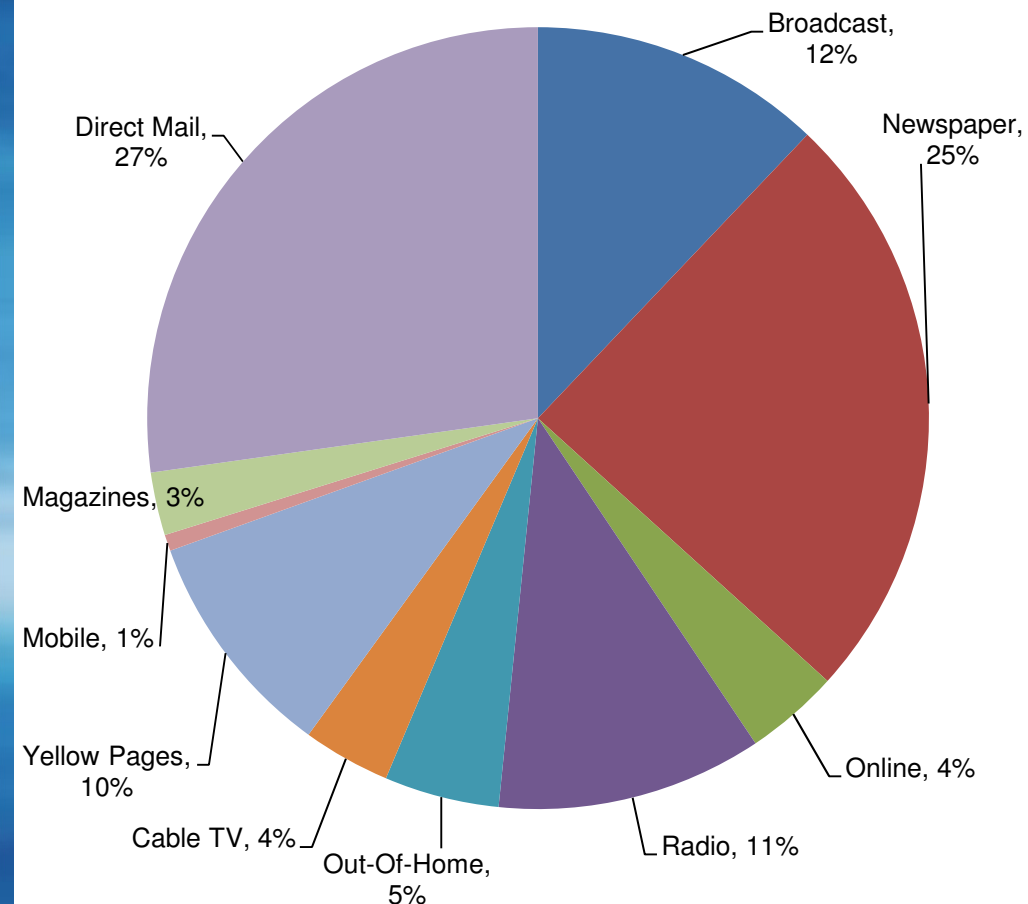
# SBG Expanding Into Higher Growth Media

**Annual Revenue (\$Millions) by Media-  
2014-2019 in Sinclair Markets**

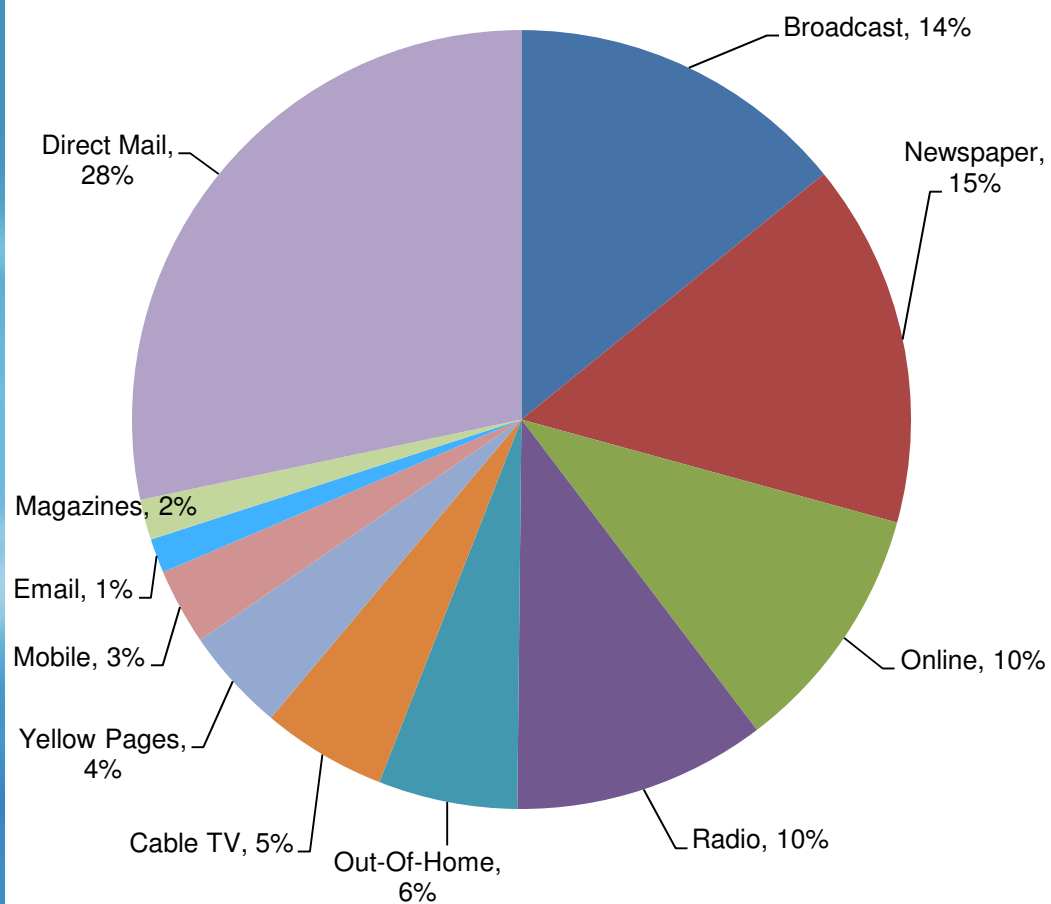
	2014	2015	2016	2017	2018	2019	CAGR (2014-2019)
Mobile	1,540	2,377	3,285	4,374	5,459	6,482	33.3%
Television Online	345	393	446	497	553	610	12.0%
Online	5,059	5,397	5,756	6,164	6,626	7,174	7.2%
Email	695	740	788	837	893	950	6.5%
Internet YP	758	799	846	890	936	985	5.4%
Out-Of-Home	2,809	2,900	3,000	3,103	3,211	3,321	3.4%
Television Broadcast	6,527	6,411	7,091	6,892	7,340	7,283	2.2%
Cable TV	2,515	2,465	2,693	2,653	2,830	2,770	2.0%
Radio	5,097	5,169	5,273	5,361	5,479	5,574	1.8%
Direct Mail	13,751	13,795	13,834	13,868	13,896	13,921	0.2%
Magazines	810	784	765	748	736	726	-2.2%
Newspaper	7,338	7,030	6,757	6,516	6,304	6,119	-3.6%
Print YP	1,330	1,091	899	745	617	504	-17.6%
<b>TOTAL</b>	<b>48,574</b>	<b>49,351</b>	<b>51,433</b>	<b>52,650</b>	<b>54,879</b>	<b>56,417</b>	<b>3.0%</b>

# Growth Opportunities in Our Local Markets

## 2008 Revenues by Media in Sinclair TV Markets



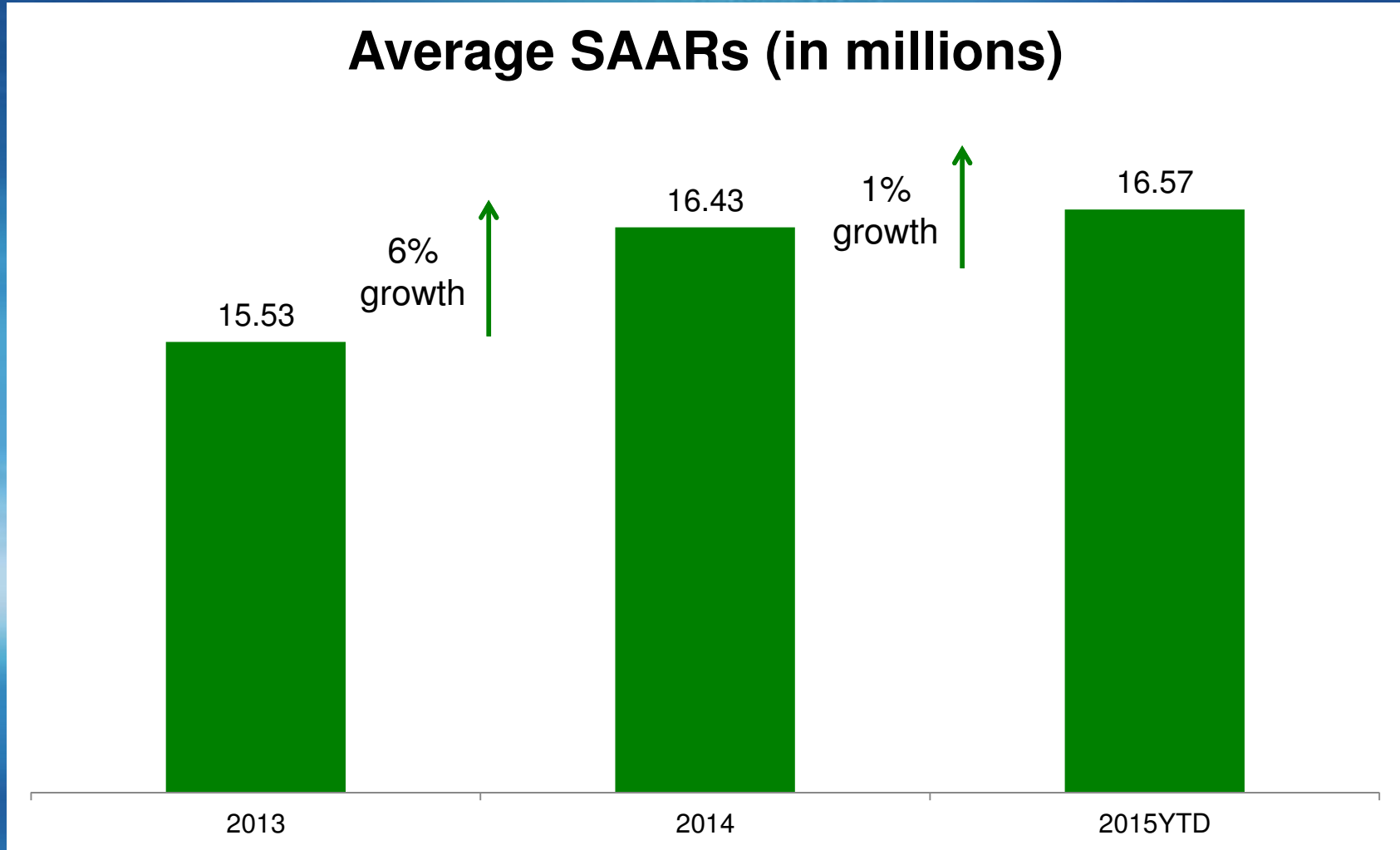
## 2014 \$49.4B Estimated Revenues in Sinclair TV Markets



# Creating Advertising Product Strategies

- Sinclair addressing other advertising media to grow share
- NTR 360 marketing packages – integrate multi-screen and sponsorship
- State, regional and national ad networks – leverage our scale and concentration for targeted integrated marketing plans
- New Digital NTR products to expand into Internet platforms
- Visible World to expand into network platforms

# Growth in Largest Ad Category - Auto



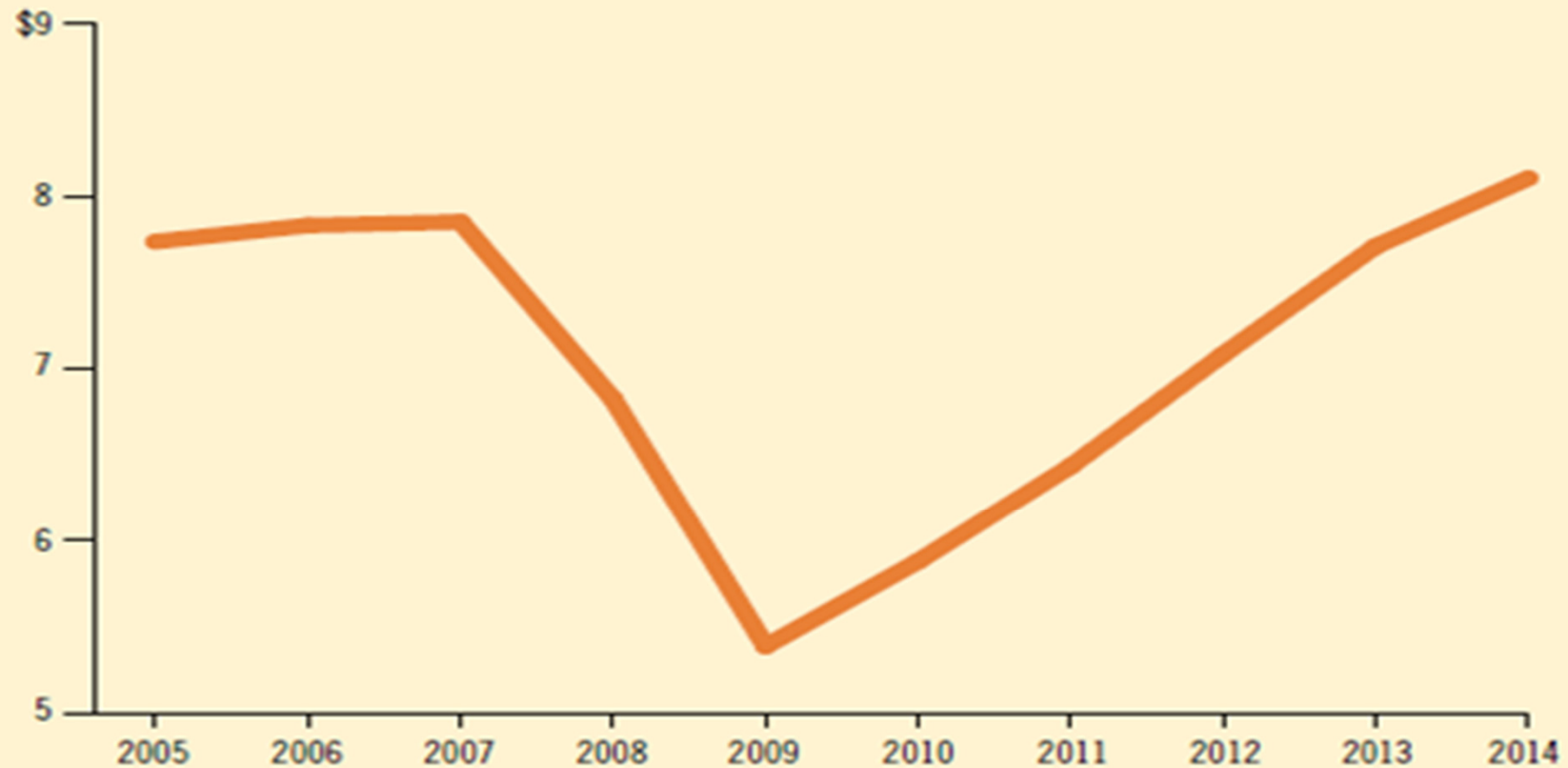
Source: Wards Auto (2013 and 2014); NADA.org (Jan through April 2015)

Shows the Seasonally Adjusted Annual Rate (“SAARs”) (in millions) of U.S. Light Vehicle Sales for the full year 2013 and 2014 and the 4 months ended April 30, 2015

# Dealership Spending is Growing

## Total dealership advertising expenditures

In billions of dollars

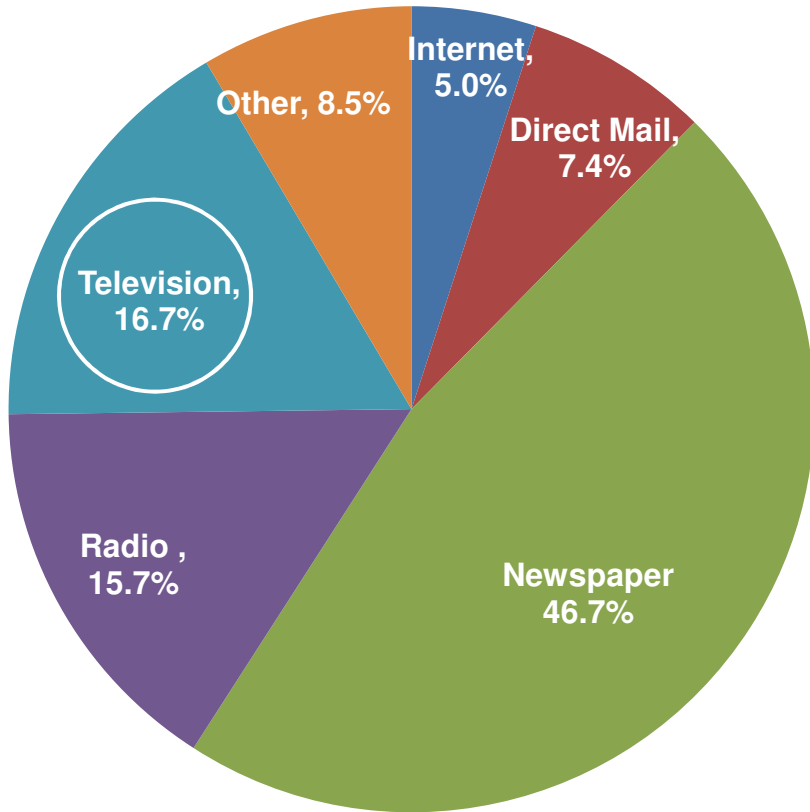


Source: NADA

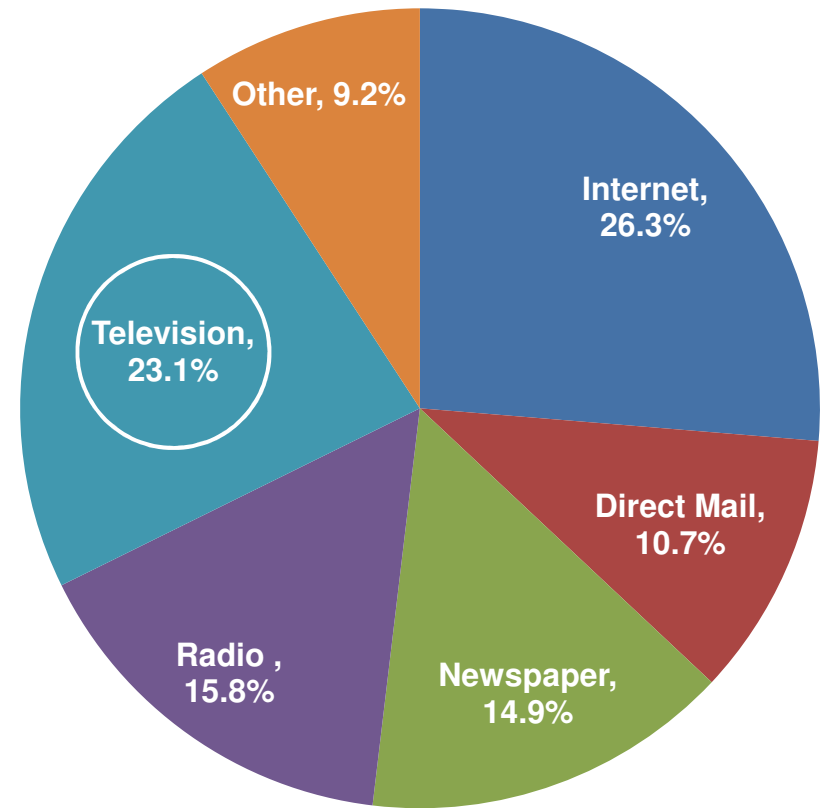
Source: NADA

# Auto Shifting Ad Money to TV

2002



2014

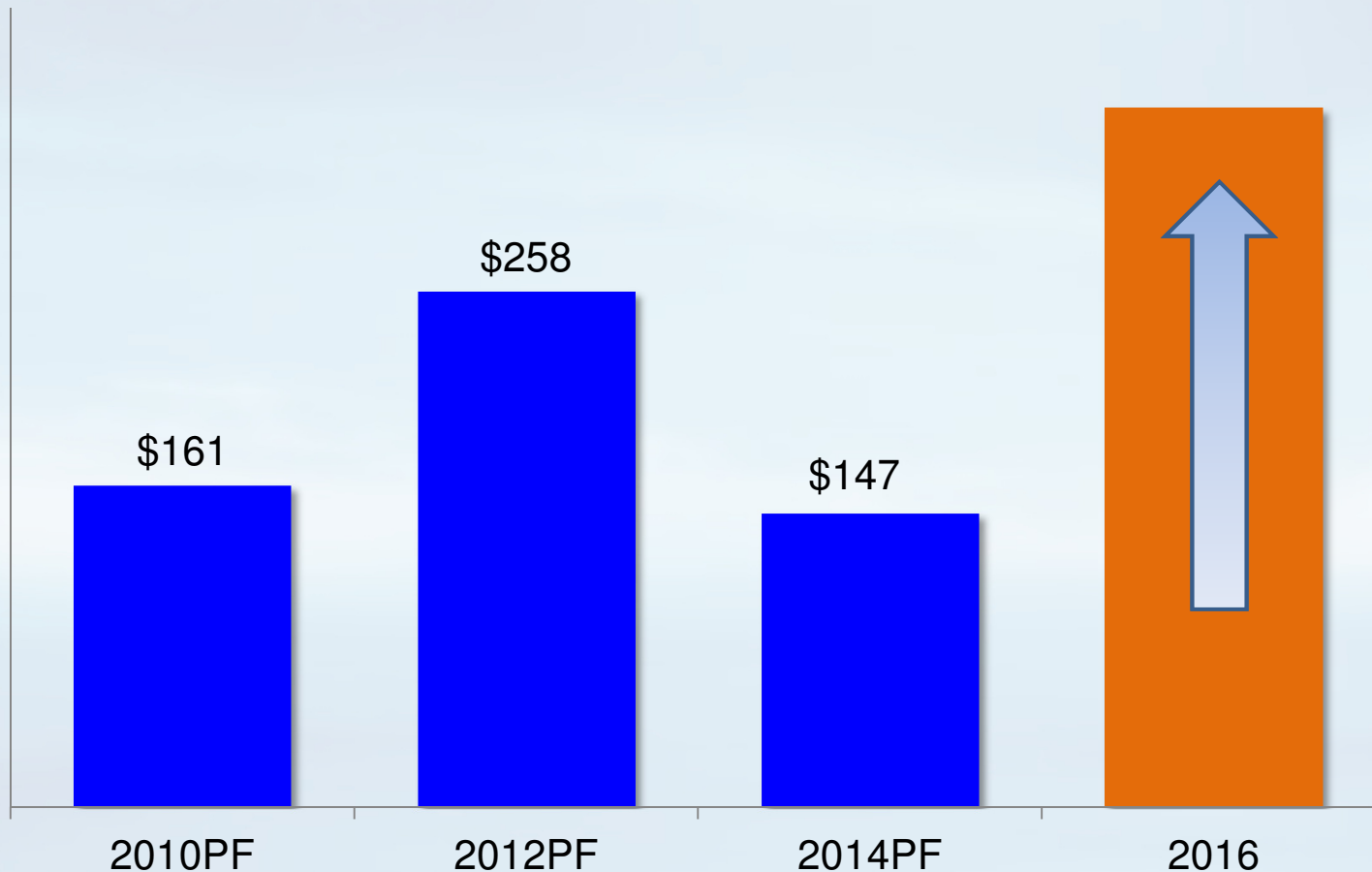


Steve Marks  
Vice President/Co-Chief Operating Officer  
Sinclair's Television Group



# 2016 Political Expected to Exceed 2012's Levels

(\$ in Millions)



Sinclair well-positioned for 2016:

- Nation's capital
- 21 state capitals
- 10 swing states
- Relevant cities in swing states

# 2016 Political Growth

## Heavy Activity

	Markets Impacted	Notes
Florida	Gainesville, Pensacola, Tallahassee, West Palm	Senate/President
Nevada	Las Vegas, Reno	House/Senate/President
Ohio	Columbus, Cincy, Dayton, CHWV, Steubenville, Toledo	Senate/Senate
North Carolina	Raleigh, Greensboro, Asheville	Governor/President
New Hampshire	Portland	Senate/President
Pennsylvania	Harrisburg, Johnstown, Pittsburgh, Scranton-Wilkes	Senate/President
Iowa	Cedar Rapids, Des Moines, Souix City	House/President
Wisconsin	Green Bay, Madison, Milwaukee	Senate/President
Virginia	Richmond, Washington DC, Roanoke, Norfolk	President

## Significant

	Markets Impacted	Notes
Missouri	Columbia/Jeff City, Paducah, St. Louis	Governor
Illinois	Peoria, Paducah, Quincy, Springfield,, St. Louis	House/Senate
South Carolina	Charleston, Columbia, Greenville, Myrtle Beach	President
Texas	Austin, Amarillo, Beaumont, El Paso, Harlingen, San Antonio	House
Maine	Portland	NH and Maine Congress
Oregon	Portland, Eugene	Governor
California	Bakersfield, Fresno	House/Senate
West Virginia	Charleston-Huntington, Wheeling	Governor/President

# Programming Strategy

- High-quality syndicated
  - Games – Wheel of Fortune, Jeopardy, Family Feud
  - Off Net – Big Bang Theory
  - Court – Judge Judy
  - Talk – Ellen, Dr. Phil, ET
- Local news – over 2,200 hours per week
- Local sports – ASN, ROH
- Original Programming – focused on low-cost unscripted programming

# Securing Quality Shows at a Lower Cost

- Our depth of content needs combined with national reach mean we get first-look at new shows
- Fall 2014 important Early Fringe program acquisitions:
  - Ellen – Added in 3-markets, Total of 21-markets
  - Dr. Phil – Added in 11-markets, Total of 30-markets
  - Steve Harvey Talk Show – Added in 21-markets, Total 41-markets
- Scale has resulted in lower programming costs
  - 12% decline in per station costs since 2013 (legacy stations)

# Ring of Honor Wrestling

- Purchased Ring of Honor, a professional wrestling promotion, in 2011
- Reaches over 50M HHs, including SBG markets and syndicated HHs.
- 52 weeks of original hourly programming
- 40 live events per year
- 6 PPV and IPPV events yearly
- 500k+ social media fans
  - 445k Facebook likes
  - 68k Twitter followers
  - 83k+ YouTube channel subscribers
  - 18M+ YouTube views
- Recently entered 26-week carriage agreement with Discovery's *Destination America*, reaching 57M HHs

# American Sports Network

- In 2014, we established a college sports initiative – American Sports Network (ASN).
  - Locked up rights from a 11 NCAA Division 1 Conferences
  - Produced 275 live games across 9 sports in year 1 of operation
  - Distributed across Sinclair stations and syndicated to other broadcasters and cable RSNs
  - Established a national footprint reaching up to 100 million homes
  - Developing a sports brand that can migrate to a 24/7 channel
  - Expanding focus beyond games to student-athlete stories
- Internalized our high school sports initiative of Thursday Night Lights and Friday Night Rivals
  - Produced live games in 17 markets
- Recently entered agreement with Minor League Baseball to air 15 games this summer

# Programmatic/Audience Network Sales Strategy

- Partner with Visible World to create Audience Network for Local Broadcast TV.
- Develop new revenue streams by aggregating and selling Sinclair and other broadcasters' impressions on a national scale across multiple dayparts
- Represent national buying groups at the major advertising agencies in order to secure network budgets.
- Automate the purchase process
- Warehouse linear and non-linear inventory

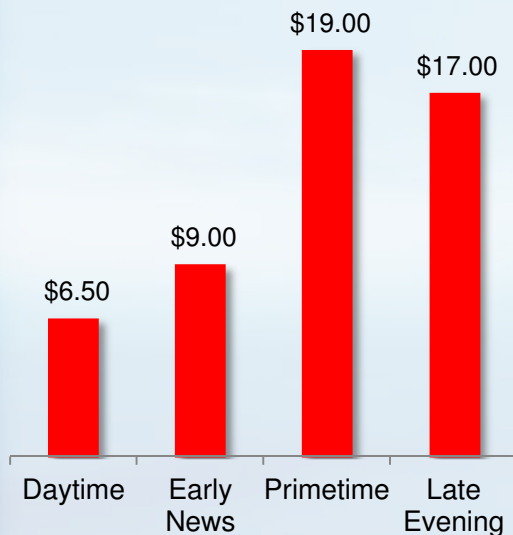
# Programmatic/Audience Network Sales Strategy

- Build premium value CPMs through an overlay of consumer qualitative data and yield management system
- Build dedicated staff in NY, Chicago and Los Angeles to call on agencies to develop and grow network business.
- Sell additional Sinclair properties: Local News, American Sports Network and Ring of Honor.

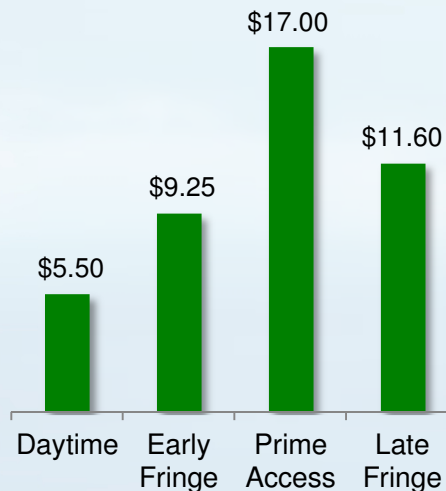


# Expanding into Different Revenue Streams

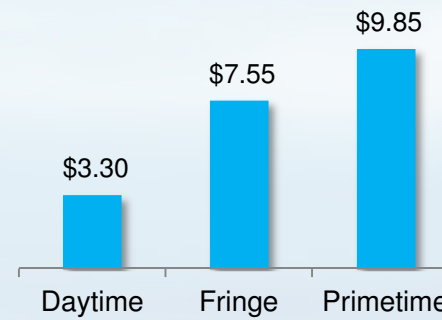
## Broadcast TV <sup>1</sup>



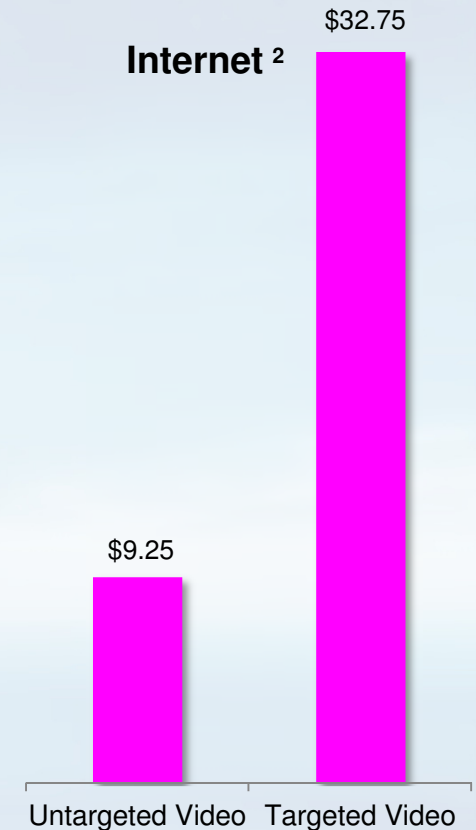
## TV Syndication <sup>1</sup>



## Cable Channels <sup>1</sup>



## Internet <sup>2</sup>



Source: Media Dynamics  
JoopRijk.com

<sup>1</sup> 30-second units

<sup>2</sup> All unit lengths average

# Digital Strategy

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Rob Weisbord  
Vice President & Chief Operating  
Officer  
Sinclair Digital

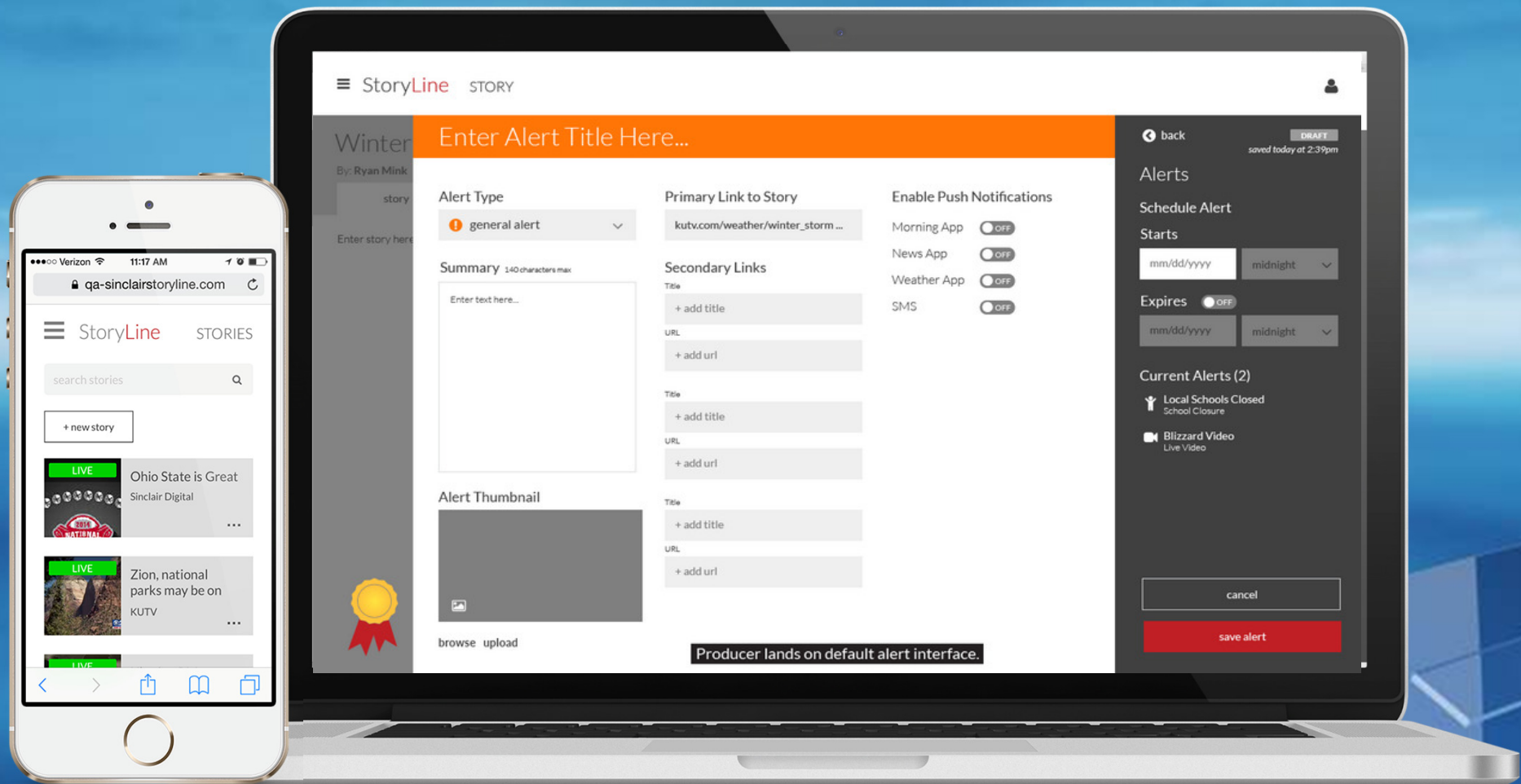
# Digital Strategy

- Create and innovate solutions across all screens, all devices, all platforms (desktop, mobile, OTT, social media)
- Engage consumers and deliver an ROI to advertisers
- Combine linear and non-linear for greater branding capabilities
- Respond to and participate in evolving media consumption patterns
- Launch a Content/Video Management System for increased sellable units and dynamic ad insertion, quicker ingestion of content and enhanced user experience.
- Offer businesses a suite of digital sales verticals through our digital agency

# Developed a Content Management System

Real-time publishing on both web and mobile platforms provides means for filing stories directly from the field

Created from scratch and designed for flexibility to meet ongoing needs

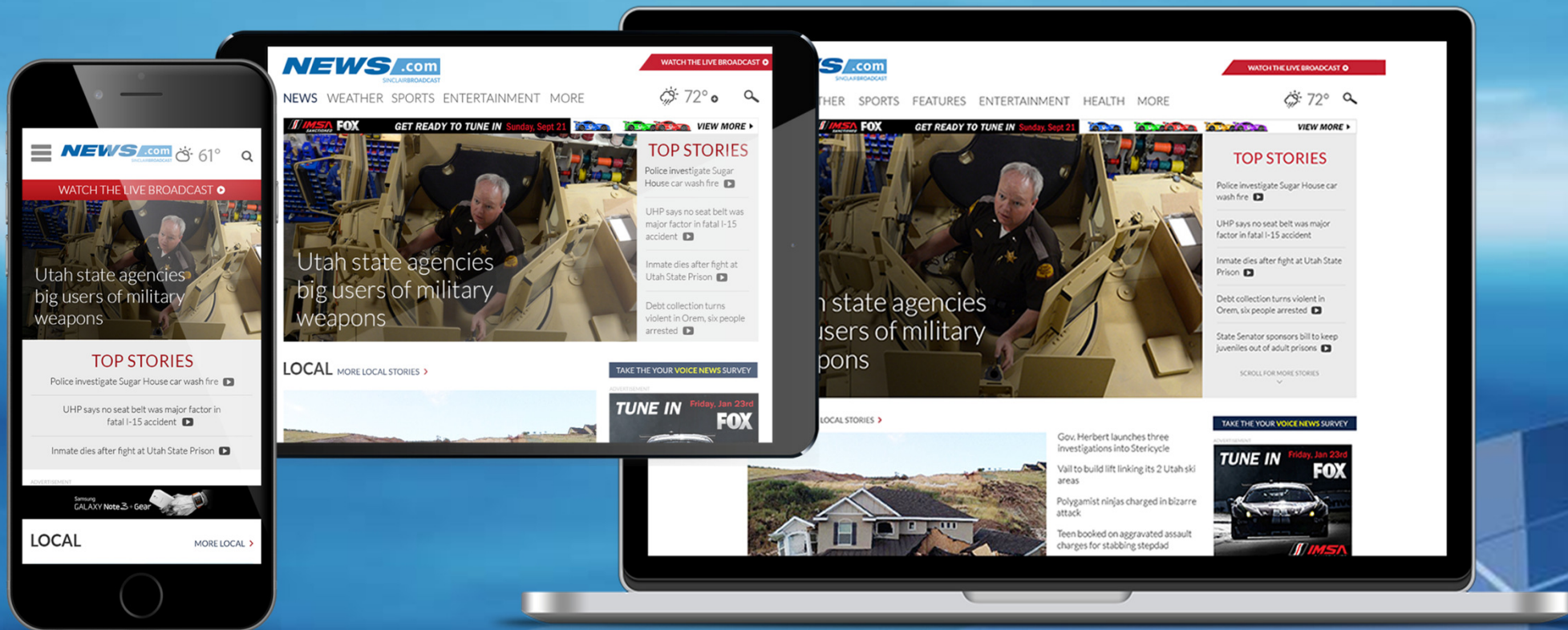


# Enhancing the Consumer Experience

Content experience is optimized for each screen without loss of news or information

Video management system created for both live and VOD experiences

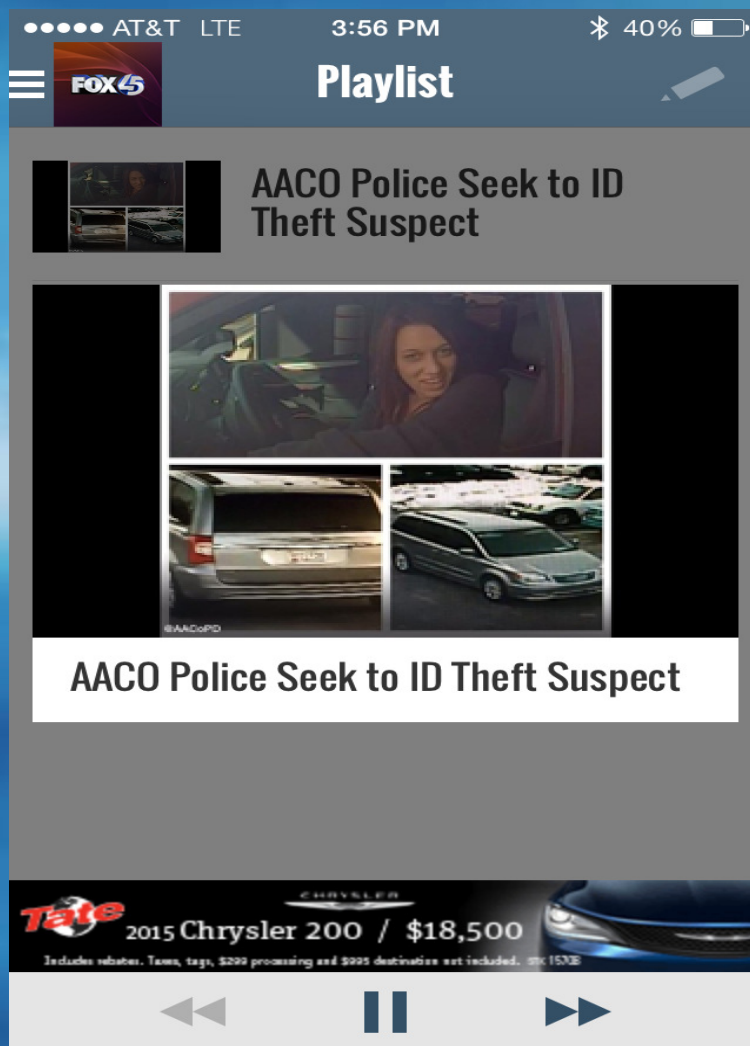
Ad unit size and placements are designed for performance and interaction



# Offering Personalized Mobile Apps

Highly configurable to address the needs of all smart phones and smart phone users

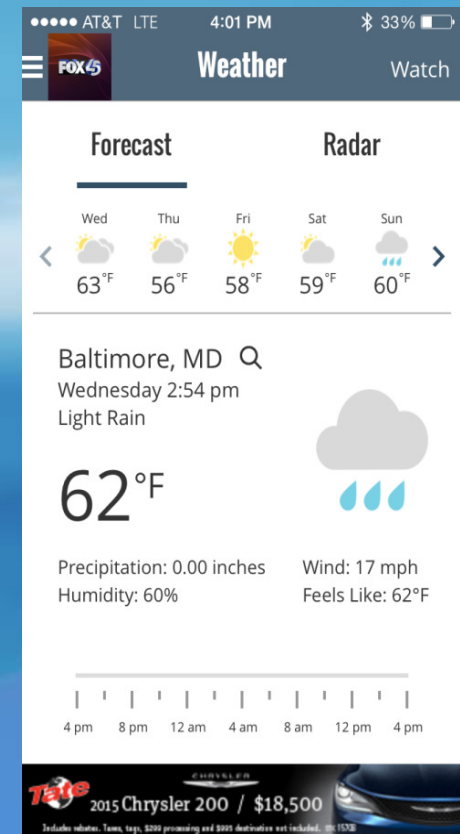
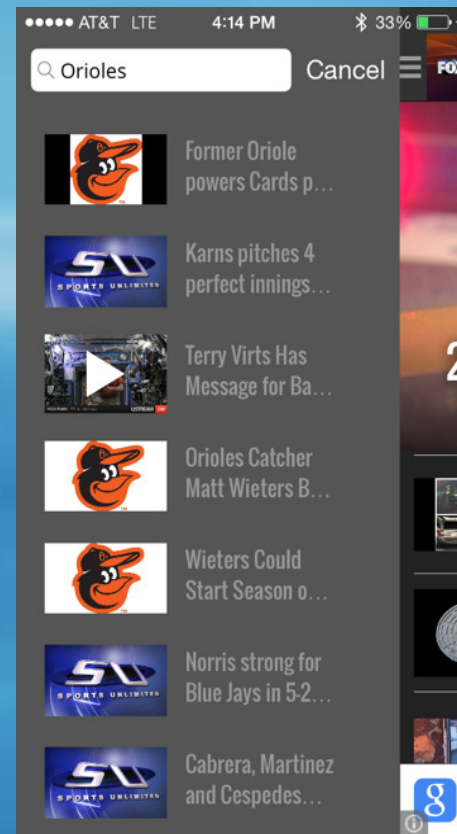
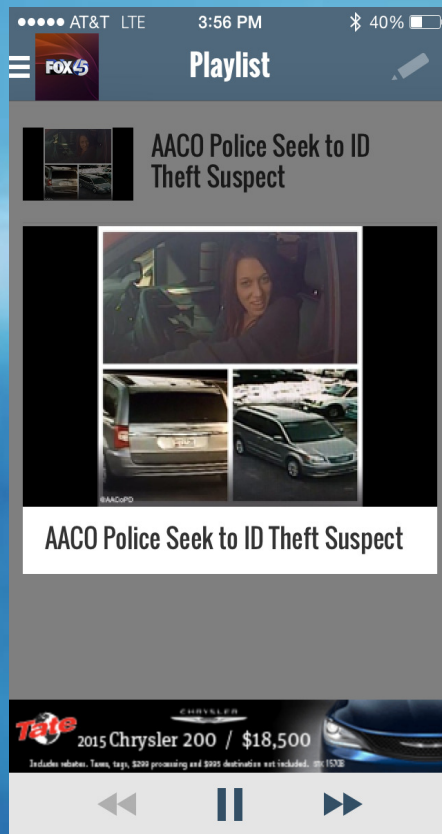
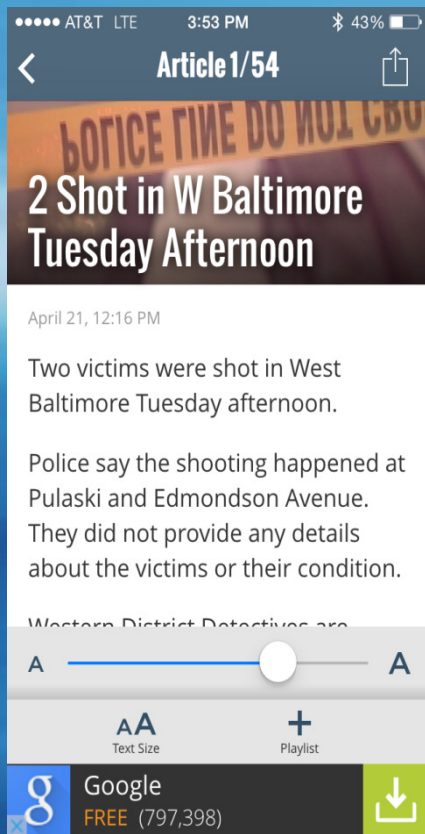
Both content and design can be customized



# Offering Unique Mobile Apps

Research shows that a multiple app strategy increases brand awareness and market penetration

Sinclair apps include a Morning News app with wake-up features, Super News app for comprehensive news coverage, and Weather apps for in-depth meteorological reporting

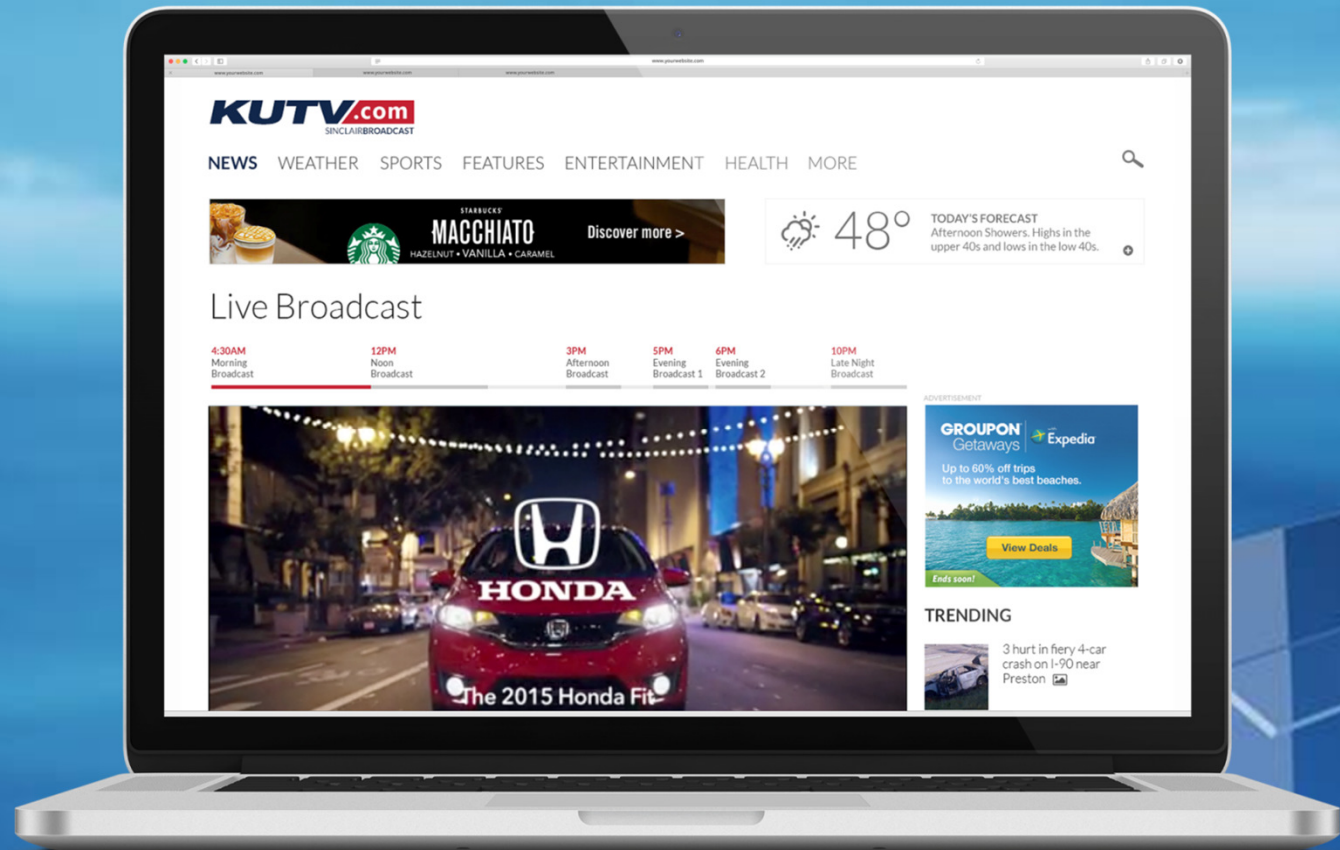
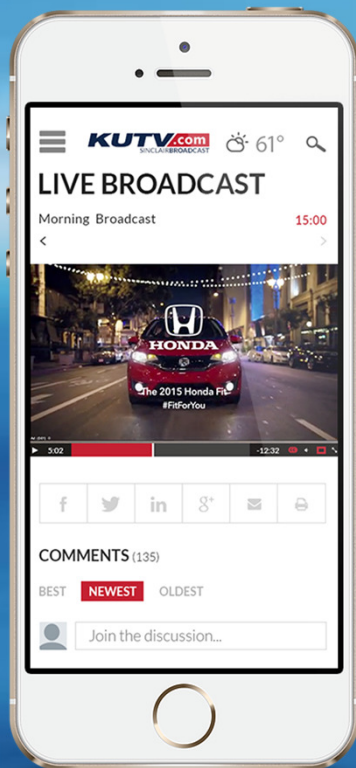


# Developed A Proprietary Video Ad Serving Technology

Commercial insertion in live digital video streams on all digital platforms

Ads served dynamically through integrations with existing ad serving infrastructure

As content delivery platforms proliferate and consumers respond to new options, Sinclair Digital will be there





# Digital Audience

# Digital Platform that Rivals the Most Popular Websites

## Most Popular News Websites Unique Monthly Visitors (mils)

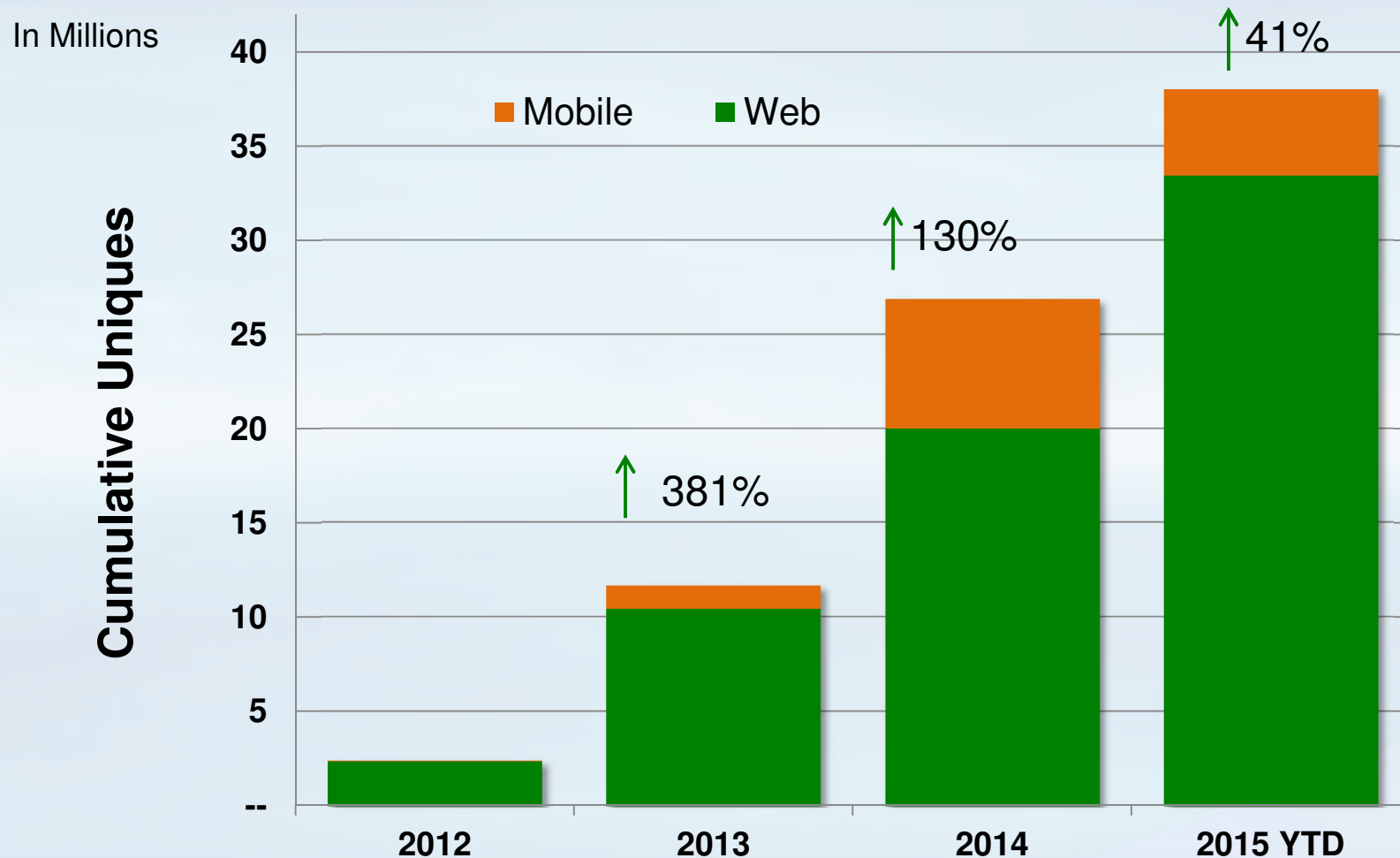


## Most Popular Political Websites Unique Monthly Visitors (mils)



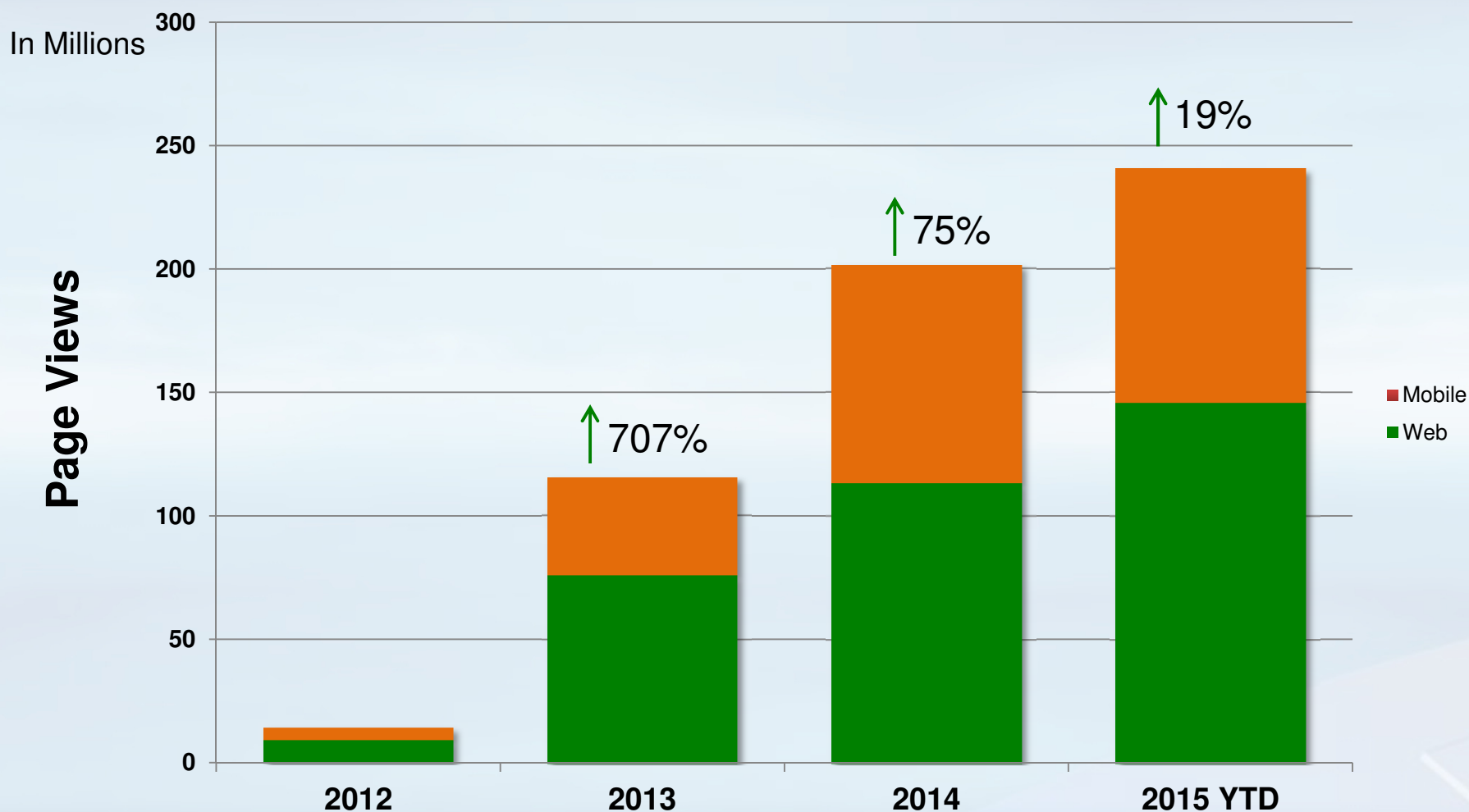
# Growth in Monthly Average Unique Visitors

- Increases in mobile unique visitors will continue to build as new apps are released in 2015



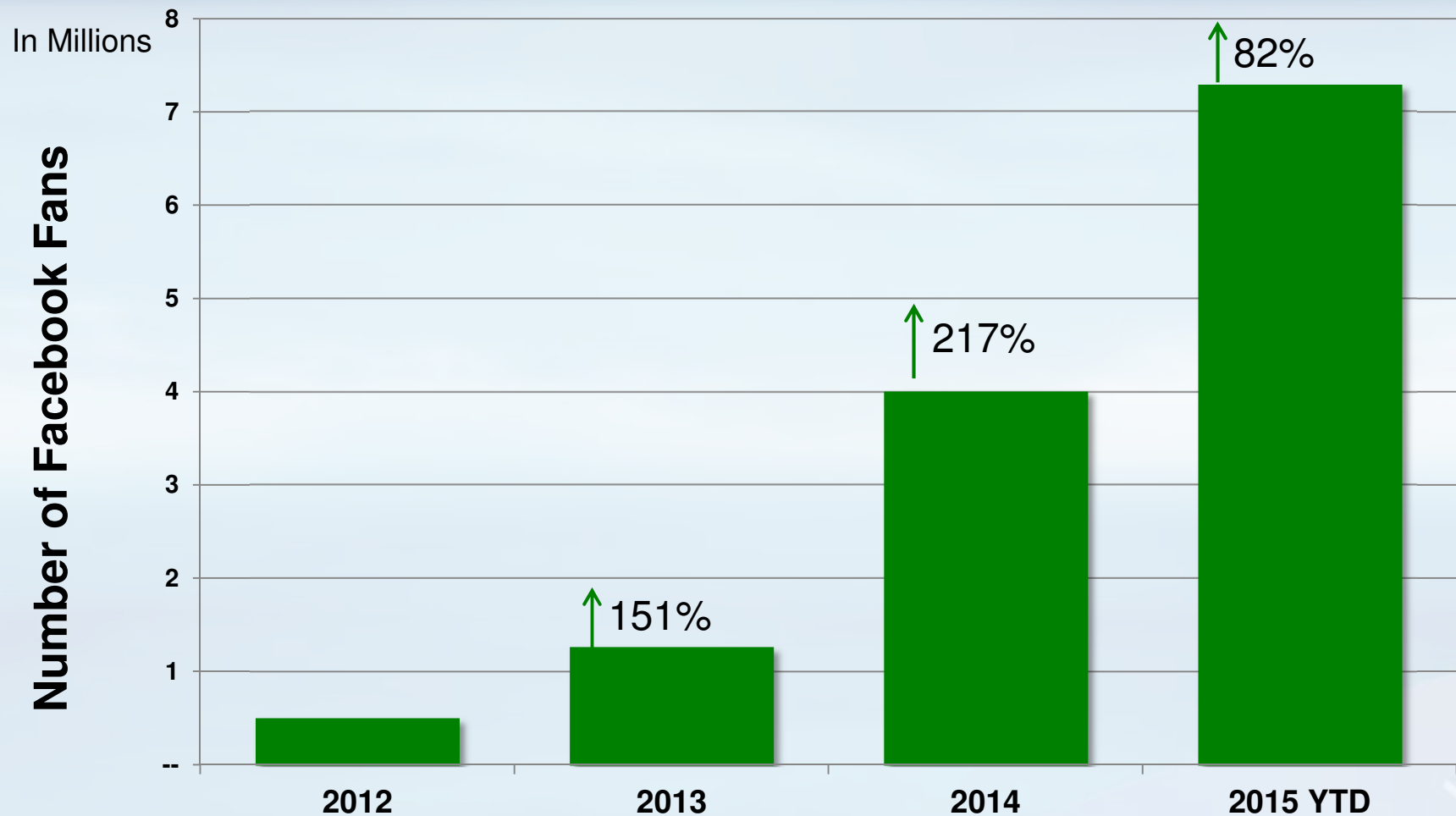
# Growth in Monthly Average Page Views

- Traffic from mobile devices now accounts for 39% of all web traffic to Sinclair Digital products



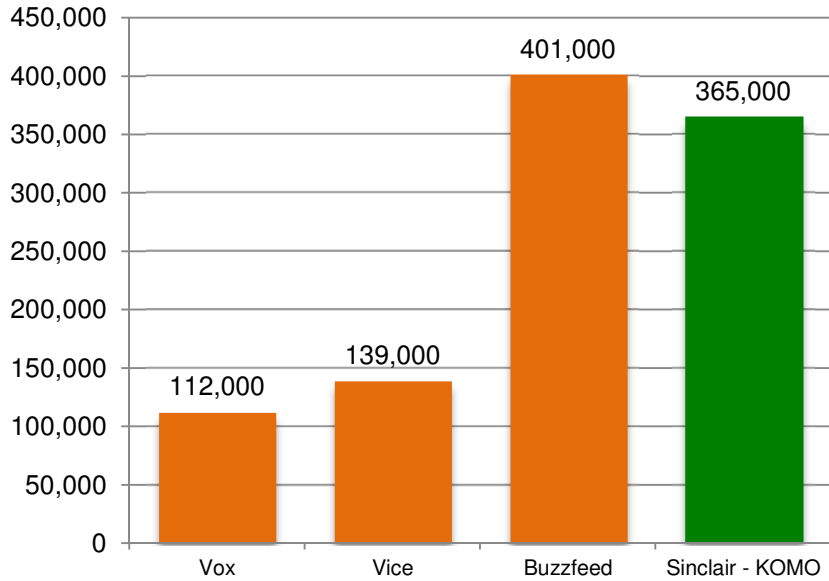
# Monthly Average Facebook Fans Increasing

- Cultivation of social audience continues to be a core competency and priority

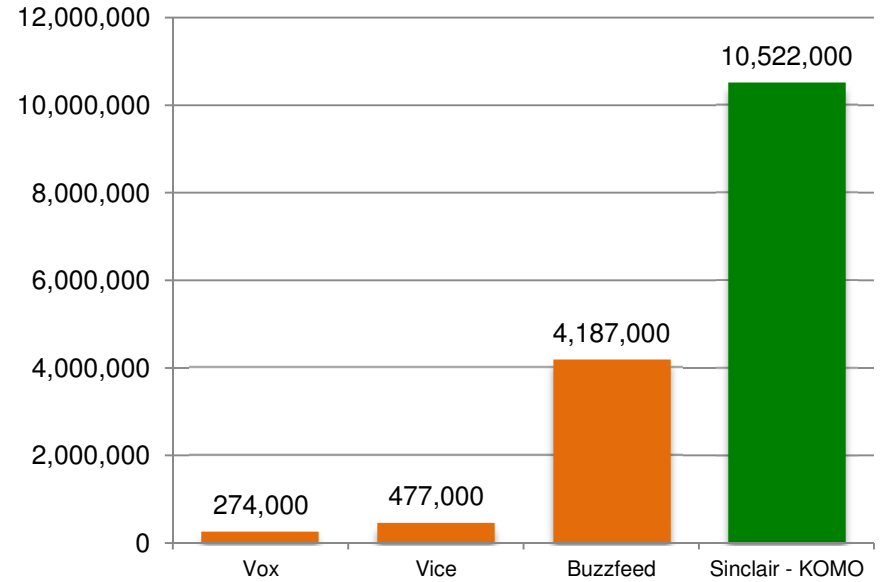


# Leading Digital Platforms

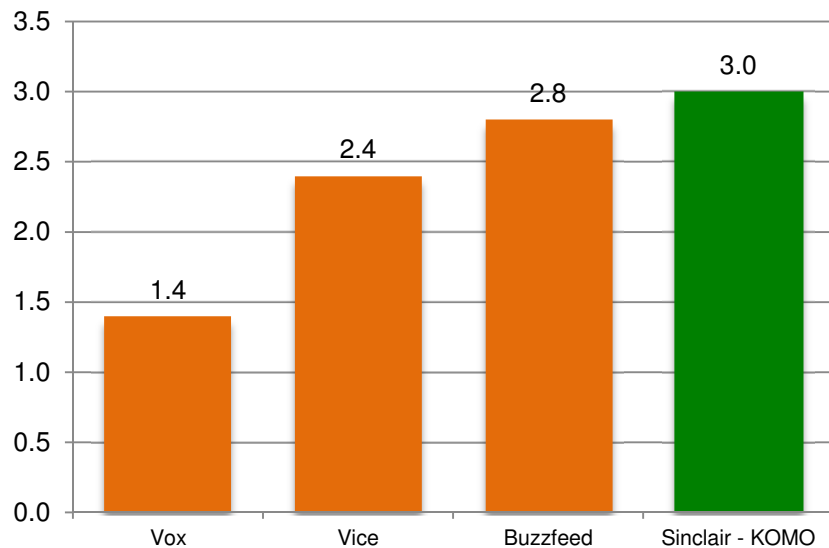
## Uniques



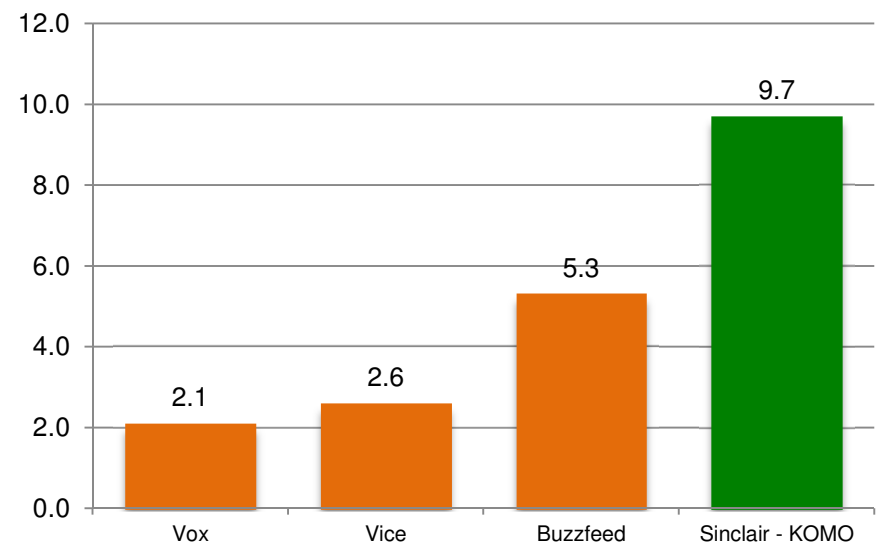
## Page Views



## Minutes per Visit (Avg.)



## Visits per Unique (Avg.)



Source: Comscore, 3-Month Average ending April, 2015; Seattle Market Comparison. Desktop traffic only.

# Sales Strategy

- Full suite of service products to fit a wide variety of marketing needs
- 2,500 sellers in 75 markets focused on servicing the local SMB's
- Google Preferred Partner



**Social Media**



**Native Advertising**



**Search**



**Mobile**



**SEM**



**Email**



**Web**

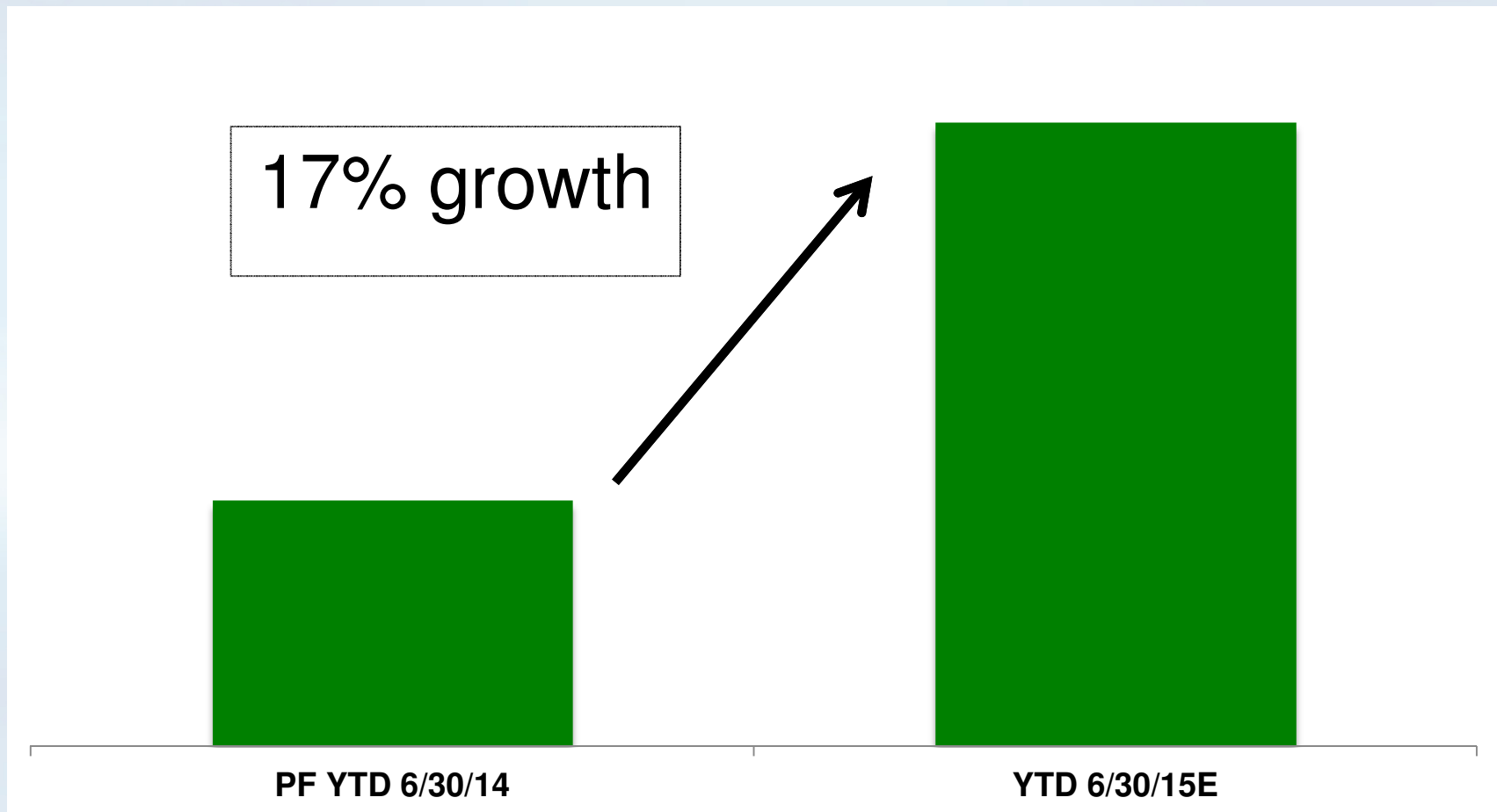


**Creative Support**



# Sinclair Digital Revenues Growing

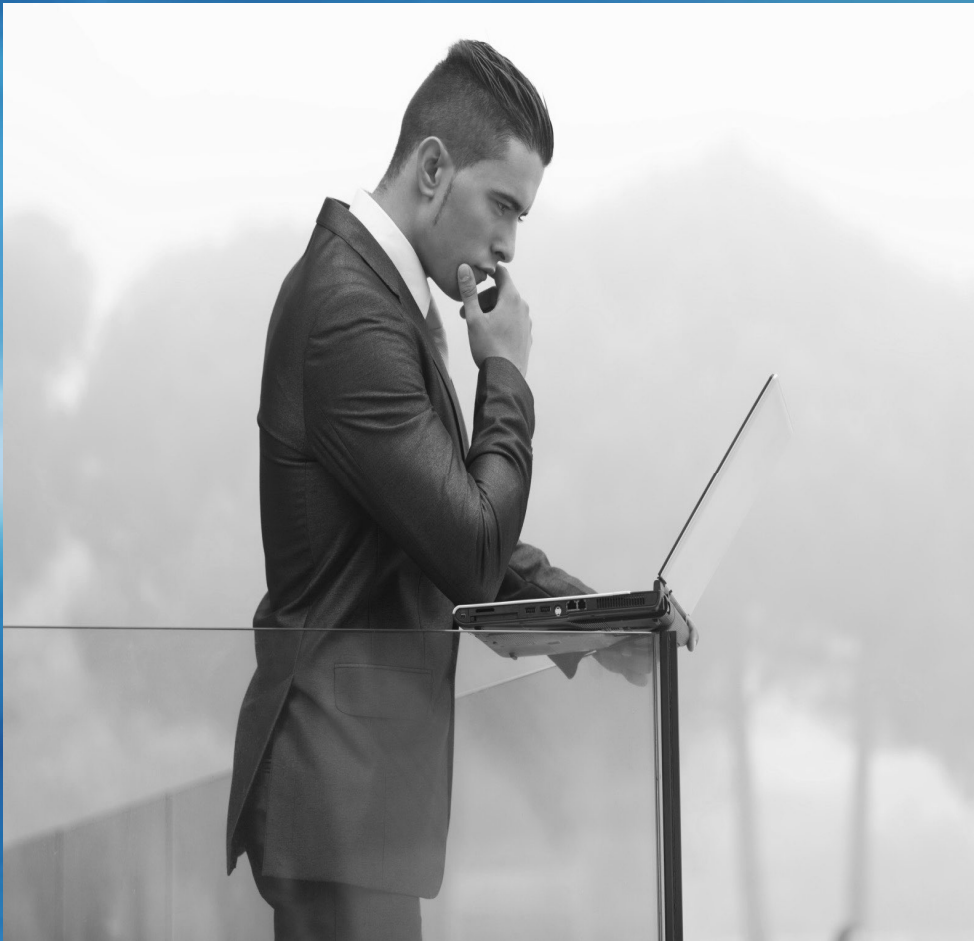
- eMarketer forecasts a +16.7% increase in digital ad spending in 2015 across web and mobile



2014 is pro forma for all closed acquisitions through 6/30/2014; 2015 is expected forecast through 6/30/15.

# Digital Ventures

Investing in companies that help extend our core business assets.



Targeted investment sectors:

- Mobile
- Digital Agencies
- VideoTech
- Content & Distribution
- Advertising & Marketing Solutions
- AdTech and SaaS Platforms
- Social Media
- Advanced TV
- Data & Analytics
- eCommerce & mCommerce

# Network & MVPD Relations / OTT / Deregulation

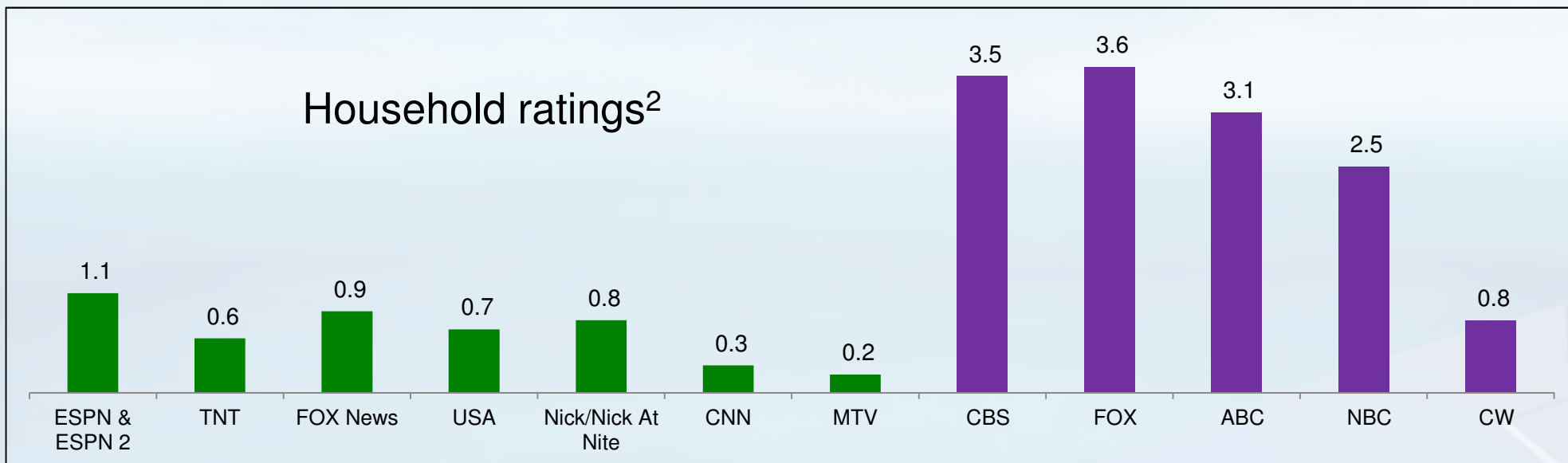
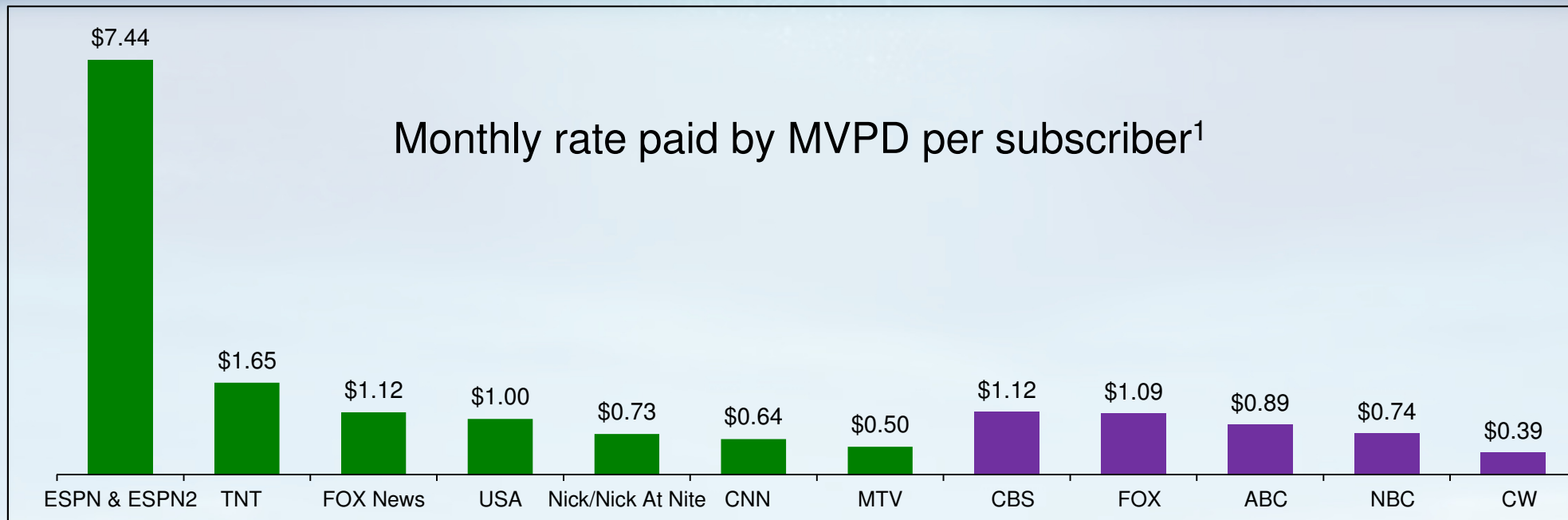
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Barry Faber  
Executive Vice President &  
General Counsel

# Symbiotic Network Affiliate Relations

- Networks contribute:
  - High-quality entertainment & sports content
- Affiliates contribute:
  - Ability for networks to reach 100% of the country
  - Local branding of network
  - High-quality lead-in/lead-out news & syndicated content
  - Programming fees
  - Sports fees

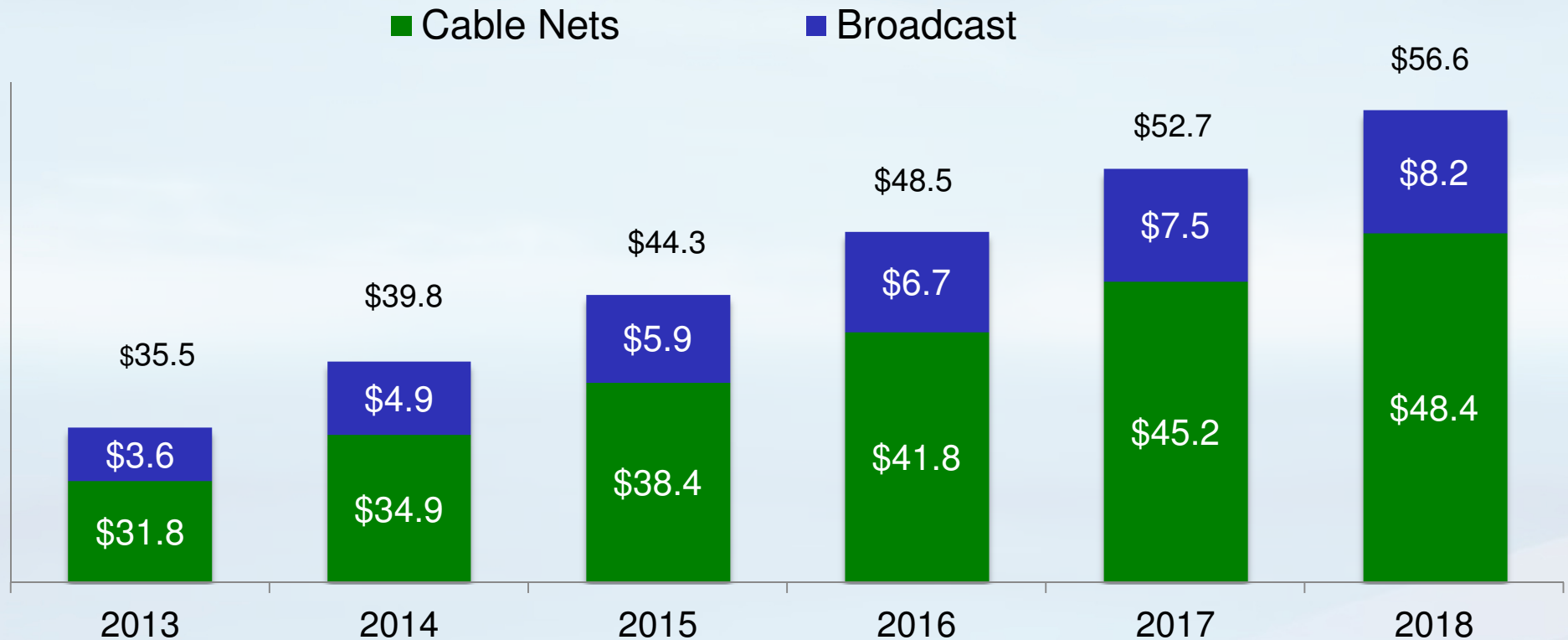
# Broadcast Fees Under-Index Cable Nets



(1) SNL Kagan 2015E (2) Nielsen – (November 2014 sweeps ratings: M-Sun 6A-6A)

# Net Retrans Expected To Grow As Gap Closes

Broadcasters should be receiving at least \$16B on 36% audience delivery versus \$6B today



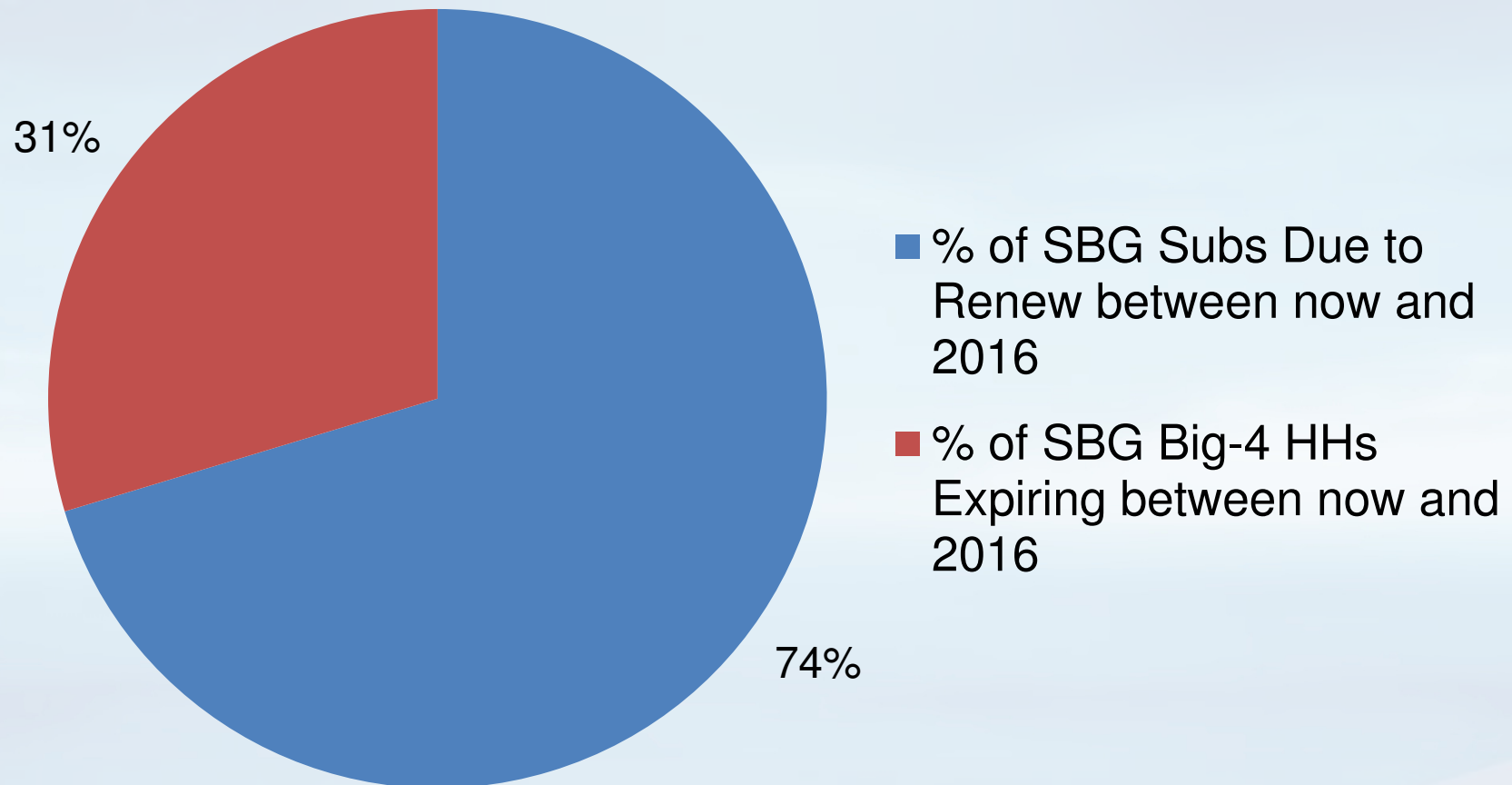
# Broadcast Attracts and Retains Viewers

Broadcast is more important than 36% audience share:

- 90 of the top 100 shows are on Broadcast TV (CBS, ABC, NBC and FOX)
- 9 of the top 10 shows are on Broadcast
- 24 of the top 25 shows are on Broadcast
- 48 of the top 50 shows are on Broadcast

Based on total HHs for the period 9/22/2014 through 5/17/2015 for Prime Time (Nielsen)

# Sinclair's Net Retrans Expected to Grow by Teen %s





# Over-the-Top (OTT)

- Early in life cycle
- Networks need affiliate approval on linear basis
- We expect to get paid

# Seeking Equal Regulatory Treatment

- Why can cable, satellite, the phone companies, networks and the web reach 100% of the country; but broadcast is limited to 39%?
- Why can the largest cable system own TV stations in the largest markets, 2 broadcast networks, cable channels and production studios; but broadcasters can't own 2 TV stations in some local markets?
- Why can cable systems sell all the cable and satellite local inventory in a market through the interconnect and JSAs; but broadcasters can't have JSAs?
- Why are there no limitations on the type of content that cable, satellite and the phone companies can transmit over the UHF airwaves; but broadcast content is regulated using the same spectrum?
- Why can cable companies combine in negotiation collectives such as NCTC to jointly negotiate programming fees; but broadcasters can't jointly negotiate retransmission rights?

# Cable and Multichannel Strategy

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David Amy  
Executive Vice President &  
Chief Operating Officer

# Cable Strategy

- Securing rights for cable channel carriage
  - News – News Channel 8 or other
  - Sports – ASN, ROH
  - Other
- Ability to monetize content nationally
- Expands affiliate fees

# Largest Multichannel Distributor

Providers	Number of Channels	Number of Markets
Grit	55	48
Get TV	32	32
This TV	13	11
News & Weather	13	11
Zuus Country	12	12
Me TV	11	10
Antenna TV	6	2
Retro TV	6	6
Bounce Network	4	4
Estrella TV	3	3
MundoFox	3	3
Azteca	2	2
Heartland	1	1
OSN	1	1
Live Well Network	1	1
Telemundo	1	1
	164	

# Largest Multichannel Distributor

Network	Number of Channels	Number of Markets	# of simulcasts of primary channel <b>(A)</b>
CW	19	15	5
ABC	7	5	4
MNT	7	7	5
MNT/ThisTV <b>(B)</b>	6	6	0
FOX	4	4	1
NBC	4	4	4
CBS	3	3	2
	<b>50</b>		

- (A) The programming that is broadcast on these multichannels is a simulcast of the same programming that is aired on the primary channel.
- (B) In some markets, the multichannel airs the MyNetwork programming from 8-10pm on weekdays and ThisTV programming for the other dayparts.

# Financial Highlights

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Christopher Ripley  
Chief Financial Officer

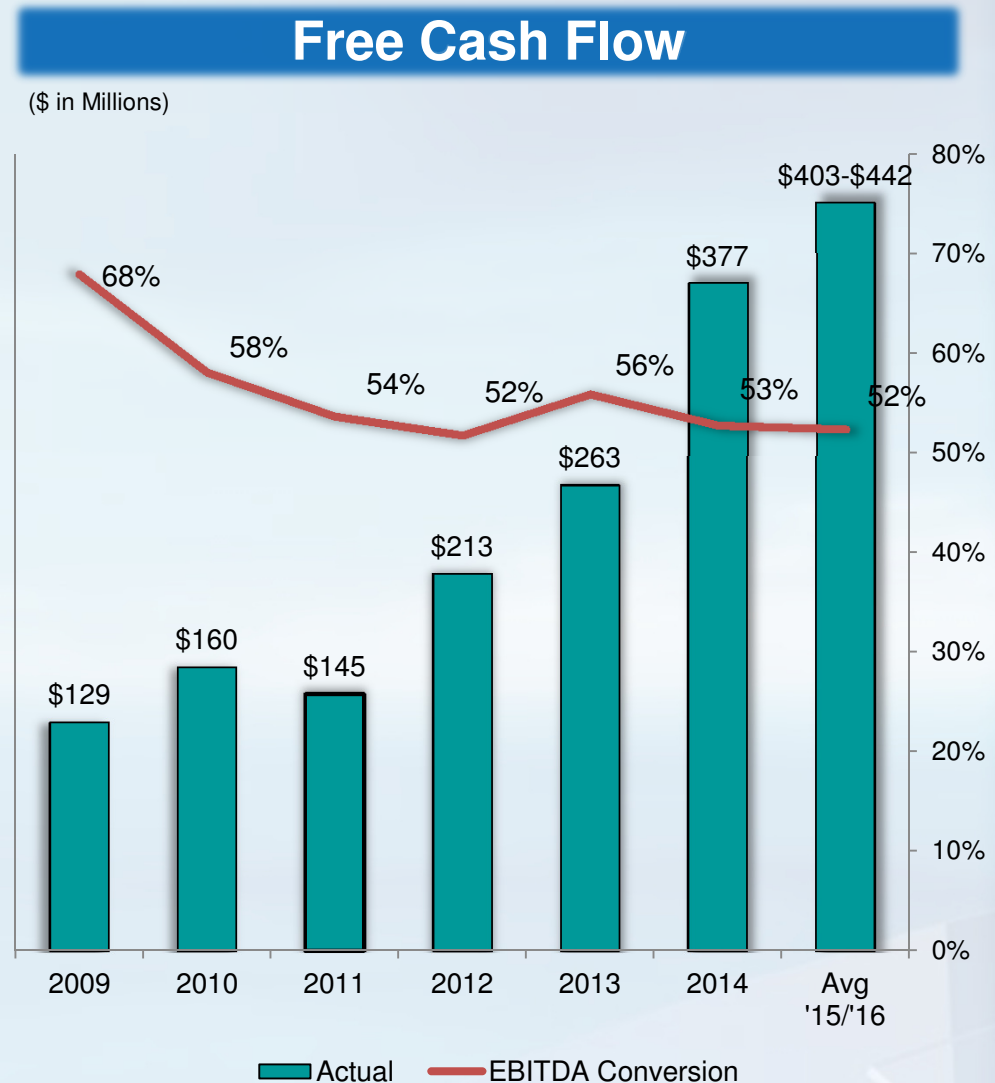
# Free Cash Flow Generator

- 14% FCF yield
- 51% payout ratio in 2014
- \$4.51 PF FCF per share 2014
- \$4.21-\$4.63 avg per share expected over next 2 years

## 2014 Uses of FCF:

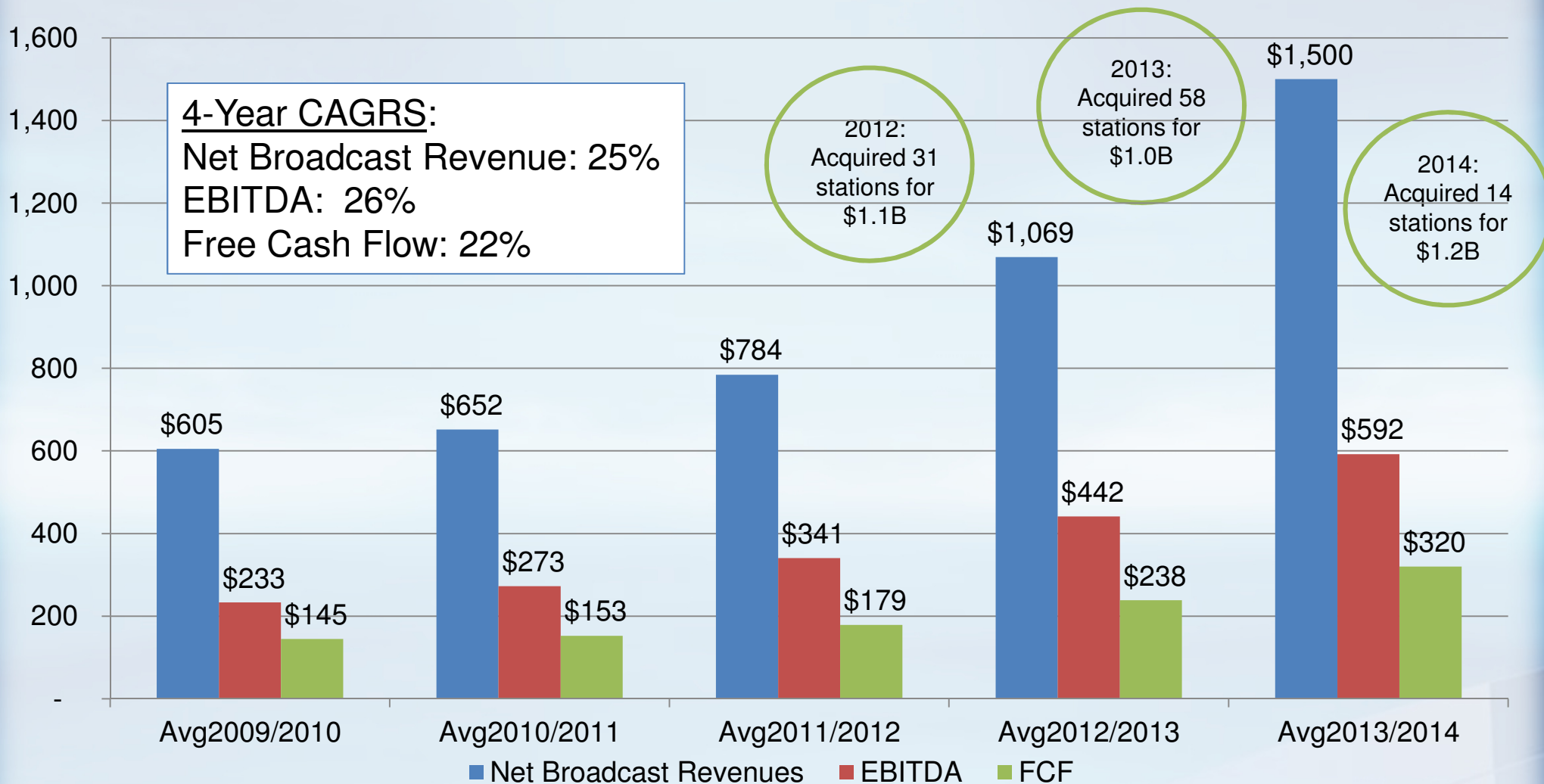
- 39% Reinvest in LT growth
- 16% Dividends
- 35% Share repurchases
- 10% Scheduled debt repayment

FCF and EBITDA Conversion are As Reported





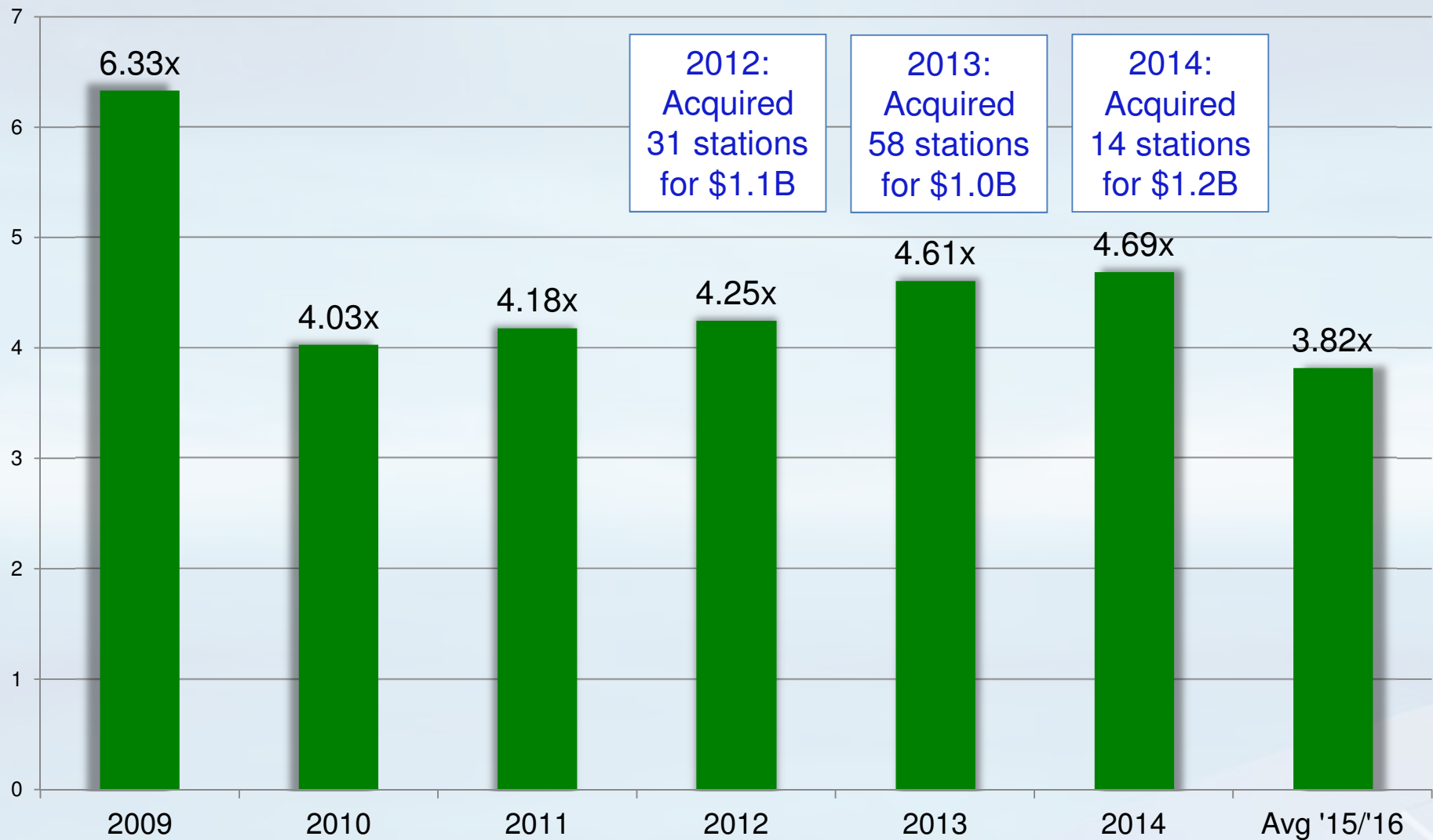
# Growing Key Financial Metrics



Acquisitions net of dispositions.

Net Broadcast Revenues, EBITDA and FCF are all As Reported (in millions); CAGR is based on the growth from avg 2009/2010 to 2013/2014.

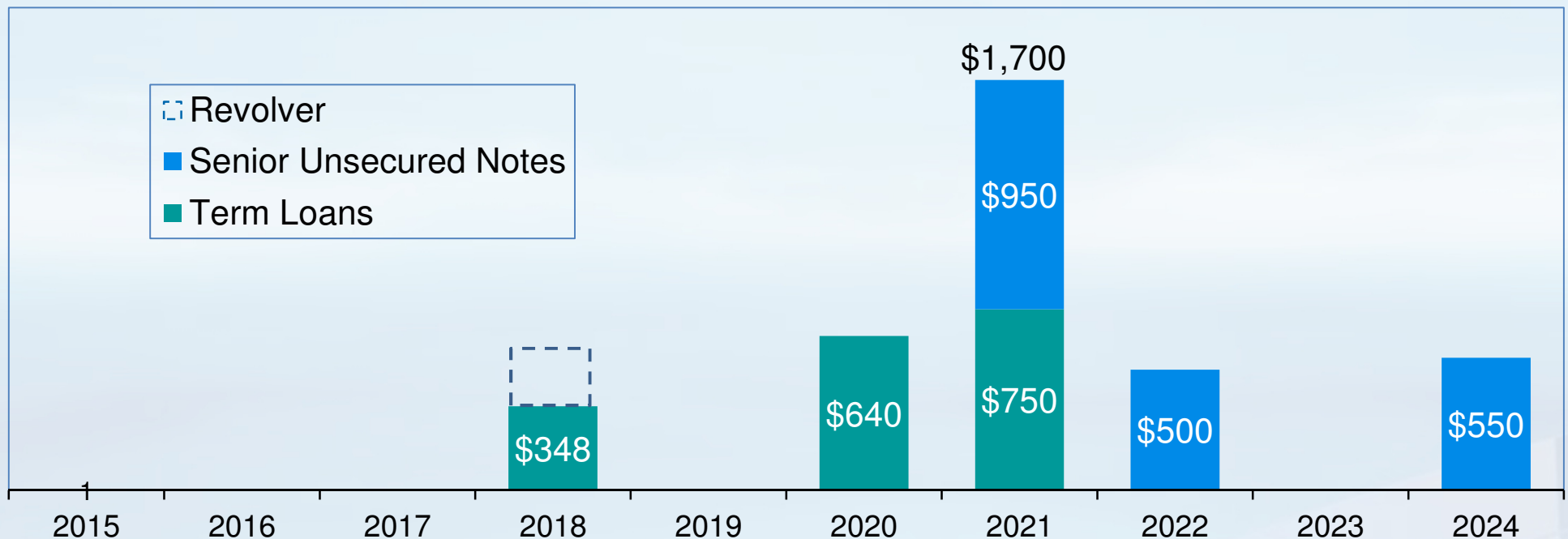
# Stable Credit Metrics



\*\*Stations acquired net of dispositions.

# Strong Balance Sheet

- No near-term refinancing risk for 3 years
- Healthy credit statistics
- 2014 Total Net Leverage of 4.7x
- 4.8% Avg. Cost of Debt



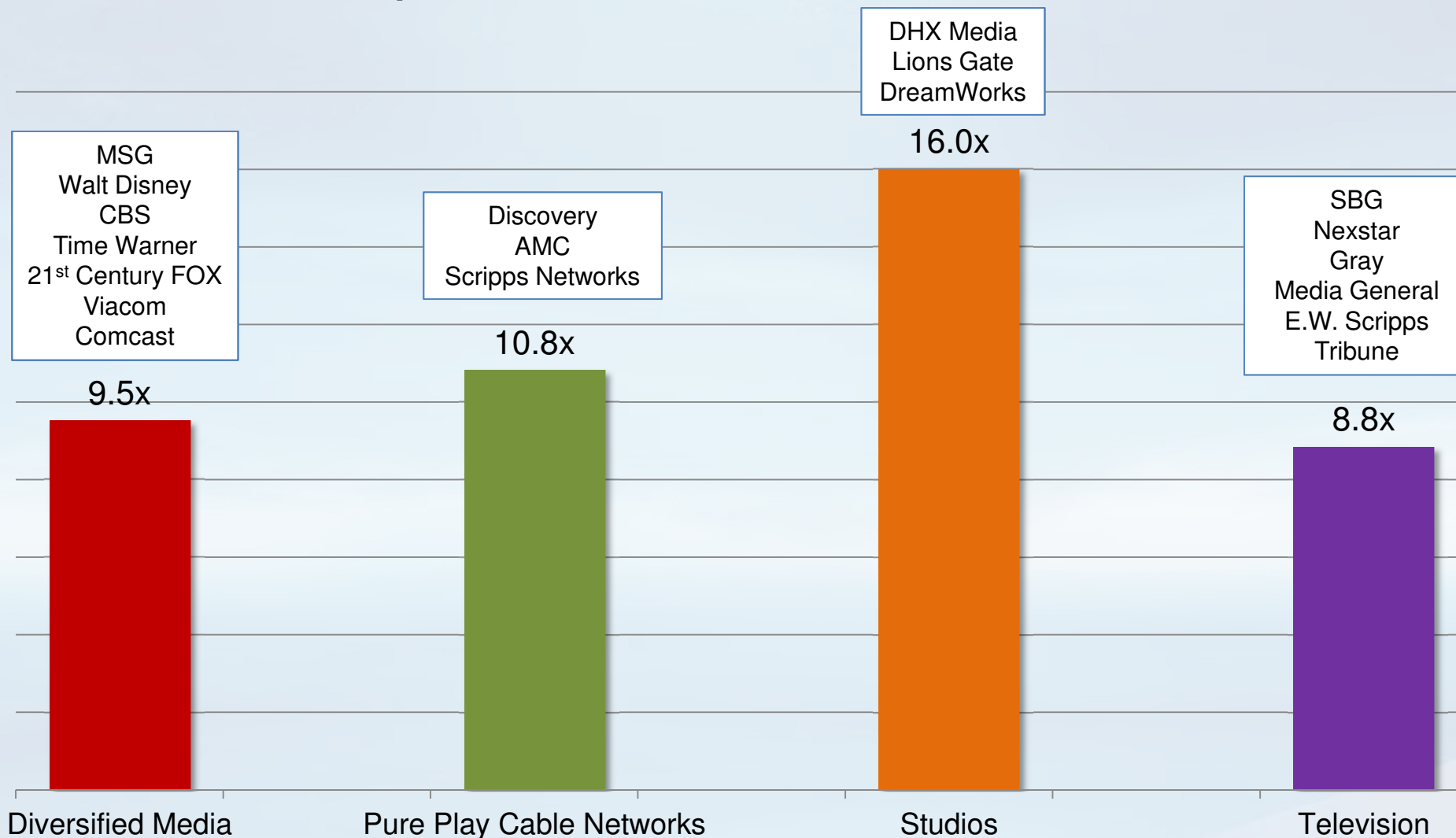
Excludes capital lease obligations, amortization of debt, VIE and non-recourse debt

# Hidden Asset Value

- Digital Investments
- Other Operating Division Investments
  - 17% Average annualized ROI on investments sold
- Spectrum opportunities

# Under-Valued Sector

## Enterprise Value/2015E EBITDA Valuation Metrics



Source: Company filings, Capital IQ and Wall Street research;  
Based on source company's stock price as of 5/11/15  
Television Multiple is calculated based on average 2015/2016 EBITDA Estimates

# Next Generation Broadcast Platform

# Spectrum Auction

Applications to participate are due Fall 2015; Bidding process early 2016.

Options with respect to the auction:

- Keep spectrum:
  - Improve multicast monetization
  - Pursue other opportunities through the Next Generation Broadcast Standard including mobile and UHD TV.
- Sell spectrum
  - Channel share to preserve affiliate economics
  - Exit for any market where the spectrum value is higher than the current discounted cash flows under other models.

# What is NGBP

- NGBP is a data agnostic wireless IP pipeline that supports much more than television services
  - Increased bits for delivery
  - More robust bits designed for portability and mobility
  - Universal bits that are IP compatible
  - UHDTV and better HDTV (HDTV<sup>+PLUS</sup>) in addition to multicast HDTV and SDTV services
  - Targeted advertising
  - Non-GPS Location triangulation
  - Hybrid television/broadband services



# What is NGBP

- NGBP will support a SFN (Single Frequency Network) infrastructure
  - Better service inside of coverage contours including deep building penetration
  - Geographic (SFN zoned) services
  - Interference mitigation

# Why NGBP

- NGBP will open opportunities to deliver new services
  - 4K Ultra high definition television
  - Mobile TV
  - Personalized viewing
  - Targeted advertising
  - Vehicular connectivity
  - Large event video distribution
  - Broadcast overlay data distribution

# Why We must Adopt NGBP

Stationary  
Wholesale Price of  
Wired Transmission

1¢ - 5¢ / GB

Mobile  
Wholesale Price of Wireless  
4G LTE Transmission

\$2 - \$3 / GB

**100x  
Difference**

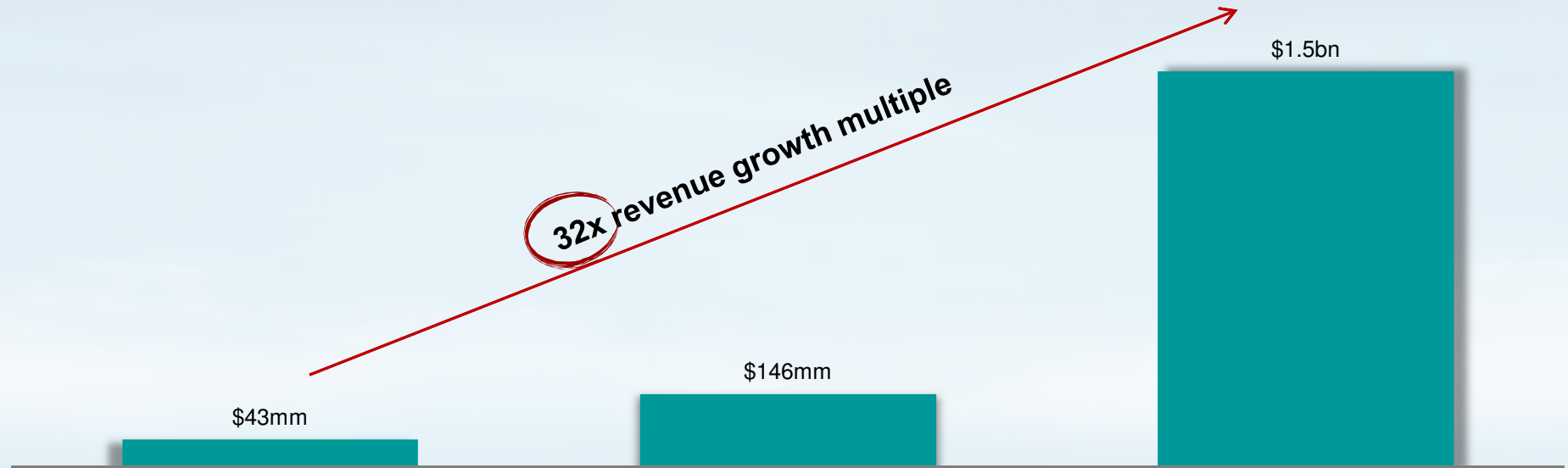
**Upgrading the industry's standard would enable TV spectrum to move from competing in the stationary wired marketplace to competing in the mobile wireless marketplace.**

# Economics of IP/Mobile Enabled Spectrum

**Current Spectrum  
(Additional  
Channels)**

**Future Spectrum  
(Additional  
Channels)**

**Future Spectrum  
(Wireless)**



**32x revenue growth multiple**

<b>Broadcast Price per Gigabyte</b>	\$ .00002 <sup>(1)</sup>	\$ .00002 <sup>(1)</sup>	\$ .0002 <sup>(2)</sup>
<b>Wired / Wireless Wholesale Price per Gigabyte</b>	\$0.01 – 0.05 Wired	\$0.01 – 0.05 Wired	\$2.00 - 3.00 Wireless

Source: Company  
 Assumes full capacity  
 Wholesale wireless pricing: Google paying Sprint \$2 per GB  
 Retail wireless pricing: T-Mobile plan priced at \$10 per GB  
 (1) Current pricing  
 (2) Assumes 1/10,000<sup>th</sup> of the wireless price

# Why Sinclair

- Television broadcast leader
- Diversified broadcaster
- Revenue innovator
- Original content creator
- Multi-platform distributor
- Technology innovator
- Free cash flow generator

**SBCG**

**SINCLAIR BROADCAST GROUP**

