

News Release

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SINCLAIR PROVIDES ADDITIONAL INFORMATION ABOUT AGREEMENTS TO SELL TV STATIONS RELATED TO CLOSING TRIBUNE MEDIA ACQUISITION

SINCLAIR (AND LICENSEES OF CERTAIN STATIONS TO WHICH IT PROVIDES SERVICES) ALSO REACHES AGREEMENT FOR MULTI-YEAR RENEWALS OF 34 FOX AFFILIATIONS, INCLUDING ALL TRIBUNE FOX AFFILIATIONS, AND OBTAINS AN OPTION TO PURCHASE STATIONS IN CHICAGO AND AUSTIN FROM FOX

BALTIMORE (May 9, 2018) -- Sinclair Broadcast Group, Inc. (Nasdaq: SBGI) (the “Company” or “Sinclair”) announced that Fox Broadcasting Company (“Fox”), is a purchaser, along with previously announced purchasers, Standard Media Group, LLC (an affiliate of Standard General L.P.), Meredith Corporation (NYSE: MDP) (“Meredith”), Howard Stirk and Cunningham Broadcasting Corporation, of certain television stations Tribune and Sinclair expect to sell as a condition to the consummation of Sinclair’s acquisition of the stock of Tribune Media Company (NYSE: TRCO) (“Tribune”) in an accretive transaction valued at \$4.6 billion after divestitures.

Excluding those stations where Sinclair will continue to provide services after the dispositions, the divested stations are being sold for a combined \$1.5 billion of gross sales proceeds (\$1.4 billion in after-tax proceeds), plus another approximately \$100 million in retained working capital that will convert to cash over 90-120 days post close, representing a 9.7x multiple of the stations’ 2-year average 2017/2018 cash flow, adjusted for market rate network programming costs. As previously announced, the sales are part of Sinclair’s larger acquisition of Tribune, in order to obtain necessary governmental approval of the Tribune transaction and for other business purposes and are expected to close immediately prior to or immediately after the Tribune transaction. Sinclair anticipates closing to occur near the end of the second quarter/beginning of the third quarter of 2018, pending customary closing conditions, including approval by the Federal Communications Commission (“FCC”) and antitrust clearance, as applicable.

“After a very robust divestiture process, with strong interest from many parties, we have achieved healthy multiples on the stations being divested,” commented Chris Ripley, President and CEO of Sinclair. “While we continue to believe that we had a strong and supportable rationale for not having to divest stations, we are happy to announce this significant step forward in our plan to create a leading broadcast platform with local focus and national reach. We expect the combined company to continue to advance industry practices and technology, including the Next Generation Broadcast Platform, and to benefit from significant revenue and expense synergies.”

Mr. Ripley continued: “After the divestitures, we are now acquiring \$4.6 billion of enterprise value, which includes \$2.4 billion for the core TV and entertainment business, \$0.5 billion for real estate held for sale and \$1.7 billion for Television Food Network (TVFN). We expect 2017/2018 average synergized net acquired cash flow of \$390 million to \$410 million on the TV and entertainment segment, reflecting a 5.9x multiple, significantly better than the under 7x multiple initially announced a year ago. By year end 2018, we expect adjusted total net leverage, after synergies and including the TVFN distributions, on a trailing eight quarter basis, to be approximately 4.4x and we expect to quickly delever from there over the next twelve months. Furthermore, the TVFN partnership financial performance has been extraordinary over the past year, and based on Discovery’s recent 8K Filing

valuing the Tribune stake at \$2.1 billion, the core TV and entertainment pro forma purchase multiple is further reduced from 5.9x to 4.9x.

Including the Tribune acquisition (after the related divestitures) and pro forma for expected synergies, Sinclair’s 2017 and 2018 free cash flow is expected to be \$1.550 billion to \$1.575 billion, or \$6.35 per share^a. The combined footprint that will reach 62% of U.S. TV households or 37.4% pursuant to the FCC national ownership cap.”

As previously announced, the stations to be sold are:

<u>Station</u>	<u>Buyer</u>	<u>Current Owner</u>	<u>Affiliation</u>	<u>Market</u>	<u>DMA⁽¹⁾</u>
WGN-TV	WGN-TV, LLC ⁽²⁾	Tribune	IND	Chicago, IL	3
KDAF	Cunningham	Tribune	CW	Dallas, TX	5
KIAH	Cunningham	Tribune	CW	Houston, TX	7
KCPQ	FOX	Tribune	FOX	Seattle, WA	12
KUNS	Howard Stirk ⁽³⁾	Sinclair	Univision	Seattle, WA	12
WSFL-TV	FOX	Tribune	CW	Miami, FL	16
KDVR	FOX	Tribune	FOX	Denver, CO	17
WJW	FOX	Tribune	FOX	Cleveland, OH	19
KTXL	FOX	Tribune	FOX	Sacramento, CA	20
KPLR-TV	Meredith	Tribune	CW	St. Louis, MO	21
KSWB-TV	FOX	Tribune	FOX	San Diego, CA	29
KSTU	FOX	Tribune	FOX	Salt Lake City, UT	30
KMYU	Howard Stirk ⁽³⁾	Sinclair	MNT	Salt Lake City, UT	30
KOKH	Standard General	Sinclair	FOX	Oklahoma City, OK	41
KAUT-TV	Howard Stirk ⁽³⁾	Tribune	IND	Oklahoma City, OK	41
WXMI	Standard Media	Tribune	FOX	Grand Rapids, MI	43
WPMT	Standard Media	Tribune	FOX	Harrisburg, PA	45
WXLV	Standard Media	Sinclair	ABC	Greensboro, NC	48
WRLH	Standard Media	Sinclair	FOX	Richmond, VA	55
WOLF	Standard Media ⁽⁴⁾	Sinclair	FOX	Wilkes Barre, PA	57
WQMY	Standard Media ⁽⁴⁾	Sinclair	MNT	Wilkes Barre, PA	57
WSWB	Standard Media ⁽⁴⁾	Sinclair	CW	Wilkes Barre, PA	57
KDSM	Standard Media	Sinclair	FOX	Des Moines, IA	68

- (1) Represents television designated market areas (“DMAs”) according to the Nielsen Company. The numbers in the column represent the ranking in terms of size of the DMA out of the 210 generally recognized DMAs in the United States.
- (2) Following the sale of this station, Sinclair will provide services pursuant to joint sales and shared services agreements. Even if Sinclair continued to own this station following the Tribune acquisition, Sinclair would be in compliance with the national cap.
- (3) Following the sale of these stations, Sinclair will provide services pursuant to joint sales and shared services agreements, which are permitted under the FCC’s local ownership rules.
- (4) Sinclair is not the licensee of these stations and will only be selling the assets of such stations that Sinclair owns, together with its right to purchase the licenses of the stations.

In connection with the sale of certain Tribune stations to Fox, Fox has agreed to provide Sinclair with an option to purchase television stations WPWR-TV (CW/MY, Chicago – DMA #3) and KTBC-TV (Fox, Austin – DMA #39). Sinclair (and licensees of certain stations to which it provides services) and Fox have agreed to a multi-year renewal of 34 Fox affiliates, including all eight of Tribune’s Fox affiliates which are not being sold to Fox. The affiliations being renewed are for the following markets.

Albany	Des Moines	Kansas City	Richmond
Baltimore	El Paso	Lexington	Rochester
Beaumont	Flint	Madison	San Antonio
Buffalo	Grand Rapids	Milwaukee	Savannah
Cedar Rapids	Green Bay	Nashville	South Bend
Charleston, WV	Greensboro	Oklahoma City	St. Louis
Columbia, SC	Harrisburg	Paducah	Wichita
Columbus	Hartford	Pittsburgh	
Dayton	Indianapolis	Reno	

- (a) Sinclair management considers free cash flow to be an indicator of Sinclair’s assets’ operating performance. Sinclair management also believes that free cash flow is a commonly used measure of valuation for companies in the broadcast industry. In addition, this measure is frequently used by industry analysts, investors and lenders as a measure of valuation for broadcast companies, although their definitions of free cash flow may differ from Sinclair’s definition. Sinclair believes this measure serves as a valuable assessment tool for investors to identify potential trends in the company’s performance. For the definition of free cash flow, please refer to Sinclair’s website: <http://sbgi.net/investor-relations/#NonGAAP>.

About Sinclair:

Sinclair is one of the largest and most diversified television broadcasting companies in the country. Pro forma for the Tribune acquisition and related station divestitures, the Company will own, operate and/or provide services to 215 television stations in 102 markets. Sinclair is a leading local news provider in the country and operates the greatest number of award-winning news rooms in the industry and is dedicated to impactful journalism with a local focus. The Company has multiple national networks, live local sports production, as well as stations affiliated with all the major networks. Sinclair’s content is delivered via multiple-platforms, including over-the-air, multi-channel video program distributors, and digital platforms. The Company regularly uses its website as a key source of Company information which can be accessed at www.sbgi.net.

Forward-Looking Statements:

The matters discussed in this news release, particularly those in the section labeled “Outlook,” include forward-looking statements regarding, among other things, future operating results. When used in this news release, the words “outlook,” “intends to,” “believes,” “anticipates,” “expects,” “achieves,” “estimates,” and similar expressions are intended to identify forward-looking statements. Such statements are subject to a number of risks and uncertainties. Actual results in the future could differ materially and adversely from those described in the forward-looking statements as a result of various important factors, including, but not limited to, the impact of changes in national and regional economies, the volatility in the U.S. and global economies and financial credit markets which impact our ability to forecast, our ability to integrate acquired businesses and maximize operating synergies, our ability to obtain necessary governmental approvals for announced acquisitions and to satisfy other closing conditions, successful execution of outsourcing agreements, pricing and demand fluctuations in local and national advertising, volatility in programming costs, the market’s acceptance of new programming, our news share strategy, our local sales initiatives, the execution of retransmission consent agreements, our ability to identify and consummate investments in attractive non-television assets and to achieve anticipated returns on those investments once consummated, and any other risk factors set forth in the Company’s most recent reports on Form 10-Q, Form 10-K and Form 8-K, as filed with the Securities and Exchange Commission. There can be no assurances that the assumptions and other factors referred to in this release will occur. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements except as required by law.

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