Sinclair Reports Fourth Quarter Financial Results

BALTIMORE, Feb. 3 /PRNewswire/ -- Sinclair Broadcast Group, Inc.\par
(Nasdaq: SBGI) (the "Company" or "Sinclair") reported net broadcast revenue,\par
broadcast cash flow and after tax cash flow for the three months and twelve\par
months ended December 31, 1999.\par
Net broadcast revenues from continuing operations were $186.0 million for\par
the three months ended December 31, 1999, a decline of 0.5% versus the prior\par
year period, but in excess of the Company's previous guidance of\par
$184.0 million. Broadcast cash flow was $93.7 million in the fourth quarter,\par
down 13.8% versus the prior year period, but in excess of the Company's\par
previous guidance of $91.0 million. After-tax cash flow per share of $0.41\par
was off 37.9% versus the prior year period, but in excess of the Company's\par
previous guidance of $0.38.\par
Net broadcast revenues from continuing operations were $670.3 million for\par
the twelve months ended December 31, 1999, an increase of 18.7%. Broadcast\par
cash flow was $332.3 million during the twelve-month period, up 8.8%. After\par
tax cash flow per share of $1.42 was off 9.6%.\par
Patrick Talamantes, Chief Financial Officer, said, "Given the soft\par
television advertising climate and the near absence of Internet advertising in\par
the middle markets where our stations operate, we are pleased with the strong\par
performance of our core station group. On a pro forma basis for the quarter,\par
excluding revenues from political advertising and advertising during\par
children's programming, net broadcast revenue increased 6.9%."\par
"Our WB affiliates continue to post solid revenue gains with pro forma\par
revenue growing 4.1% over the fourth quarter of 1998 and 5.5% for the year.\par
The WB affiliates, which accounted for 28% of net broadcast revenue during the\par
quarter, were affected by the decline in advertising revenue during children's\par
programming, as discussed in last quarter's earnings release. Excluding this\par
category, our WB affiliates were up 10.6%. Our FOX stations, which represent\par
38% of our net broadcast revenue, experienced a 6.5% revenue decline for the\par
quarter and a 2.5% decline for the year. The softer ratings experienced by\par
the FOX network impacted our FOX affiliate stations as revenues, excluding\par
advertising during children's programming, declined 1.1%. However, we are\par
encouraged by FOX's commitment to improve ratings and programming with shows\par
such as `Malcolm in the Middle'."\par
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Detail\par
The decline in net broadcast revenues, broadcast cash flow and after tax\par
cash flow for the fourth quarter was due to a same station decline in net\par
broadcast revenues, to additional investments in the Company's station\par
operations and programming, and, to a lesser extent, previously announced\par
compensation arrangements with FOX. Pro forma net broadcast revenues for the\par

quarter declined 3.0% and broadcast cash flow declined 14.9%.\par
The increases in net broadcast revenues and broadcast cash flow for the\par
twelve months ended December 31, 1999 were primarily the result of several\par
acquisitions the Company completed during the second half of 1998, including\par
Sullivan Broadcast Holdings and Max Media Properties. The effect of these\par
acquisitions was offset by a decline in same station revenue and broadcast\par
cash flow. The decline in after tax cash flow per share was due primarily to\par
higher programming costs associated with upgrading programming. Pro forma net\par
broadcast revenues for the year declined 0.5% and pro forma broadcast cash\par
flow declined 4.7%.\par
The Company's total debt, net of cash, decreased by $664.4 million at the\par
end of the fourth quarter 1999 to $1,775.9 million from $2,440.3 million at\par
the end of the third quarter 1999. The decrease in debt resulted from the\par
disposition of $667.7 million in broadcasting properties during the quarter,\par
net of acquisitions. The largest of these transactions was the recently\par
closed sale of 41 radio stations in eight markets to Entercom Communications\par
Corp. Of the $824.5 million purchase price, $700.5 million closed in the\par
fourth quarter with the balance of $124.1 million, representing the sale of\par
the Kansas City radio stations, expected to close in 2000. During the fourth\par
quarter, capital expenditures on continuing operations totaled $9.7 million\par
and for the year, capital expenditures totaled $24.3 million.\par
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Outlook\par
The Company expects some of the trends that affected its second half 1999\par
results to continue, particularly in the first half of 2000. Such trends\par
include the increased investment in upgrading the Company's television\par
programming to maintain ratings strength, particularly in evening dayparts;\par
the planned increase in the number of the Company's salespeople and the\par
corresponding training costs incurred to heighten the Company's competitive\par
position against rival media; and the cost of buying back certain advertising\par
inventory from the FOX network per a previously announced agreement reached\par
last summer.\par
Consequently, the Company believes that while quarterly revenue growth\par
rates will improve over the course of the year, growth in broadcast cash flow\par
and after-tax cash flow will not occur until the second half of the year.\par
Talamantes commented, "We are confident that we are doing the right things\par
to position Sinclair for long-term growth. Overall, revenue growth for\par
Sinclair is improving, with net broadcast revenues for the first quarter\par
pacing up 3.0%, despite a late-breaking political advertising environment, a\par
one point impact related to the ABC compensation arrangement and certain other\par
revenues, and a one point effect from having the Super Bowl on 20 FOX stations\par
a year ago against having it on seven ABC stations in 2000. As our operations\par
improve, we are now armed with the strongest balance sheet in our history,\par

having successfully completed the Entercom transaction in December 1999.\par
Sinclair's ratio of debt to EBITDA was 5.4x at year end versus 6.4x at\par
September 30, 1999, a full multiple improvement."\par
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Share Repurchase Program\par
On October 28, 1999, the Company announced that its Board of Directors had\par
authorized a new share repurchase program for up to $300 million worth of\par
Sinclair's Class A Common Stock. The Company's Credit Agreement capped the\par
amount of shares that could be repurchased at $60 million. Sinclair has\par
successfully increased its share repurchase basket under its Credit Agreement\par
to accommodate the full $300 million share repurchase program. The amount of\par
shares repurchased and when are subject to market conditions, general business\par
conditions, and financial covenants and incurrence tests outlined in\par
Sinclair's Credit Agreement. Based on current forecasts of its operating\par
performance and its leverage, Sinclair could borrow approximately $170 million\par
over the next twelve months to repurchase shares. The amount available for\par
share repurchases could increase or decrease depending on future operating\par
results or net borrowings for other purposes. Since the share repurchase\par
announcement, Sinclair has repurchased 797,000 shares.\par
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Sinclair Conference Call\par
The senior management of Sinclair will hold a conference call to discuss\par
its fourth quarter results on Thursday, February 3, 2000, at 5:00 p.m. EST.\par
After the call, an audio replay will be available at www.sbgi.net under\par
"Conference Call" until 11:59 pm EST on February 7, 2000. The press and the\par
public will be welcome on the call in a listen-only mode.\par
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About Sinclair\par
Sinclair Broadcast Group, Inc. is a diversified broadcasting company that\par
currently owns or programs 58 television stations in 38 markets and 6 radio\par
stations in one market. Sinclair's television group reaches approximately\par
24.4% of U.S. television households and includes ABC, CBS, FOX, NBC, WB, and\par
UPN affiliates. Sinclair, through its wholly-owned subsidiary, Sinclair\par
Ventures, owns equity interests in Internet-related companies including\par
BeautyBuys.com, Inc., an on-line e-tailer of brand name health and beauty\par
products; NetFanatics, Inc., a web developer offering e-business solutions and\par
applications; and Synergy Brands, Inc., a developer of on-line consumer\par
product companies. Other strategic investments of Sinclair Broadcast Group\par
include Acrodyne Communications, Inc., a leading manufacturer of transmitters\par
and other television broadcast equipment.\par
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Historical Financial Highlights\par
(Dollars in thousands except for per share data)\par

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	Three Months\par Ended December 31,\par		
	1999	1998	Incr. %\par
Net broadcast revenues	186,017	186,972	(.5)\par
Total revenues	204,549	204,944	(.2)\par
Broadcast cash flow	93,657	108,650	(13.8)\par
Adjusted EBITDA	88,727	104,175	(14.8)\par
After tax cash flow	40,205	63,951	(37.1)\par
Program contract payments	19,621	17,297	13.4\par
Corporate expense	4,930	4,475	10.2\par
Net loss from continuing\par operations	(18,287)	(15,125)	N.M.\par
Net income from discontinued\par operations, net of taxes	5,351	4,574	17.0\par
Gain on sale of assets in\par discontinued operations,\par net of taxes	192,372	0	N.M.\par
Net income (loss)	179,436	(10,551)	N.M.\par
Net income (loss) available\par to common\par shareholders	176,849	(13,138)	N.M.\par
\par			
Deferred tax provision\par related to operations	17,921	35,220	(49.1)\par
\par			
Per share data:\par			
After tax cash flow per share	$0.41	$0.66	(37.9)\par
Diluted loss per share from\par continuing operations	$(0.22)	$(0.18)	N.M.\par
Diluted earnings per share\par from discontinuing operations	$2.04	$0.05	N.M.\par
Diluted earnings (loss)\par per share	$1.82	$(0.14)	N.M.\par

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	Twelve Months\par Ended December 31,\par		
	1999	1998	Incr. %\par
Net broadcast revenues	670,252	564,727	18.7\par
Total revenues	733,639	624,423	17.5\par
Broadcast cash flow	332,307	305,302	8.8\par
Adjusted EBITDA	313,271	288,711	8.5\par

After tax cash flow 137,245 149,759 (8.4)\par
Program contract payments 79,473 61,107 30.1\par
Corporate expense 19,036 16,591 14.7\par
Net loss from continuing\par
operations (42,126) (26,201) N.M.\par
Net income from discontinued\par
operations, net of taxes 17,538 20,384 (14.0)\par
Gain on sale of assets in\par
discontinued operations,\par
net of taxes 192,372 0 N.M.\par
Net income (loss) 167,784 (16,880) N.M.\par
Net income (loss) available\par
to common shareholders 157,434 (27,230) N.M.\par
\par
Deferred tax provision\par
related to operations 25,197 30,700 (17.9)\par
\par
Per share data:\par
After tax cash flow per share $1.42 $1.57 (9.6)\par
Diluted loss per share from\par
continuing operations $(0.54) $(0.39) N.M.\par
Diluted earnings per share\par
from discontinuing operations $2.17 $0.22 N.M.\par
Diluted earnings (loss)\par
per share $1.63 $(0.29) N.M.\par
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N.M. - Not Meaningful\par
\par
Notes:\par
References to "pro forma" or "pro forma basis" means that the financial\par
results being discussed include the financial results of all stations owned or\par
programmed as of December 31, 1999, as if they were owned for the entire\par
period covered by the discussion.\par
The definitions used for the terms "Broadcast Cash Flow" and "Adjusted\par
EBITDA" conform to those used in the Company's prospectus filed with the\par
Securities and Exchange Commission on April 8, 1998 pursuant to rule\par
424(b)(5).\par
"After tax cash flow" is defined as net income (loss) available to common\par
shareholders plus extraordinary items (before the effect of related tax\par
benefits), depreciation and amortization (excluding film amortization), stock-\par
based compensation, the unrealized loss on derivative instruments (or minus\par
the unrealized gain), the deferred tax provision related to operations (or\par
minus the deferred tax benefit) and minus the gain on sale of assets and\par

deferred NOL carrybacks. After tax cash flow is presented here not as a\par
measure of operating results and does not purport to represent cash provided\par
by operating activities. After tax cash flow should not be considered in\par
isolation or as a substitute for measures of performance prepared in\par
accordance with generally accepted accounting principles.\par

"After tax cash flow per share" is defined as after tax cash flow divided\par
by diluted weighted average common and common equivalent shares outstanding.\par
\par

(a) After tax cash flow calculation:\par
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	Three Months Ended\par December 31,\par	
	1999	1998\par
\par		
Net income (loss) available\par to common shareholders	$176,849	$(13,138)\par
Depreciation of property and equipment	8,450	8,450\par
Amortization of acquired intangible\par broadcasting assets and other assets	27,133	27,795\par
Stock based compensation	152	844\par
Unrealized gain on derivative instrument	(3,445)	(1,100)\par
Loss on sale of broadcast assets related\par to continuing operations	651	35\par
Gain on sale of broadcast assets related\par to discontinuing operations	(192,372)	-\par
Depreciation and amortization related\par to discontinuing operations	4,866	5,845\par
Deferred tax provision related to operations	17,921	35,220\par
After tax cash flow	40,205	63,951\par

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Discontinued Operations\par

As a result of the Company's strategy to divest of its radio broadcasting\par
segment, "Discontinued Operations" accounting has been adopted in the\par
financial statements for all periods presented in this press release. As\par
such, the results from operations of the radio broadcast segment, net of\par
related income taxes, has been reclassified from income from operations and\par
reflected as net income from discontinued operations in the financial\par
statements for all periods presented in this press release. In addition,\par
assets relating to the radio broadcast segment are reflected in "Broadcast\par
assets related to discontinued operations" in the financial statements for all\par
periods presented in this press release.\par
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Forward-Looking Statements\par

The matters discussed in this press release, particularly those in the\par section labeled "Outlook," include forward-looking statements regarding, among\par other things, future operating results. When used in this press release, the\par words "outlook," "intends to," "believes," "anticipates," "expects" and\par similar expressions are intended to identify forward-looking statements. Such\par statements are subject to a number of risks and uncertainties. Actual results\par in the future could differ materially and adversely from those described in\par the forward-looking statements as a result of various important factors,\par including the impact of changes in national and regional economies, successful\par integration of acquired television stations (including achievement of\par synergies and cost reductions), pricing and demand fluctuations in local and\par national advertising, volatility in programming costs, the market acceptance\par of new programming, the effectiveness of new salespeople, and the other risk\par factors set forth in the Company's prospectus filed with the Securities and\par Exchange Commission on April 8, 1998, pursuant to rule 424(b)(5). The Company\par undertakes no obligation to publicly release the result of any revisions to\par these forward-looking statements that may be made to reflect any future events\par or circumstances.\par

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SINCLAIR BROADCAST GROUP, INC. AND SUBSIDIARIES\par
CONSOLIDATED STATEMENTS OF OPERATIONS\par
(in thousands, except per share data)\par

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	Three Months Ended December 31,		Twelve Months Ended December 31,	
	1999	1998	1999	1998\par
REVENUES:\par				
Station broadcast revenues,\par net of agency commissions	$186,017	$186,972	$670,252	$564,727\par
Revenues realized from\par barter arrangements	18,532	17,972	63,387	59,696\par
Net revenues	204,549	204,944	733,639	624,423\par
\par				
OPERATING EXPENSES:\par				
Program and production	40,553	34,880	144,181	109,947\par
Selling, general and\par administrative	39,185	32,492	139,153	110,591\par
Expenses realized from\par barter arrangements	16,463	16,100	57,561	54,067\par
Amortization of program\par contract costs and net\par realizable value adjustments	26,766	19,952	86,857	69,453\par

Depreciation and amortization\par
of property and equipment 8,450 8,450 32,042 25,216\par
Amortization of acquired\par
intangible broadcasting assets\par
and other assets 27,133 27,795 105,654 82,555\par
Stock based compensation 152 844 2,494 2,908\par
Total operating expenses 158,702 140,513 567,942 454,737\par
Broadcast operating income 45,847 64,431 165,697 169,686\par
\par
OTHER INCOME (EXPENSE):\par
Interest expense (45,659) (43,637) (178,281) (138,952)\par
Subsidiary trust minority\par
interest expense (5,812) (5,812) (23,250) (23,250)\par
Interest income 928 1,559 3,371 5,672\par
Gain (loss) on sale of\par
broadcast assets (651) (16) (418) 1,232\par
Unrealized gain (loss) on\par
derivative instrument 3,445 1,100 15,747 (9,050)\par
Other income (expense) (171) 355 115 1,023\par
Total other expense (47,920) (46,451) (182,716) (163,325)\par
\par
Income (loss) before\par
provision for income taxes (2,073) 17,980 (17,019) 6,361\par
Provision for income taxes (16,214) (33,105) (25,107) (32,562)\par
Net loss from continuing\par
operations (18,287) (15,125) (42,126) (26,201)\par
Net income from discontinued\par
operations, net of taxes 5,351 4,574 17,538 20,384\par
Gain on sale of discontinued\par
operations, net of taxes 192,372 - 192,372 -\par
\par
Extraordinary item, net\par
of income tax - - - (11,063)\par
Net income (loss) $179,436 $(10,551) $167,784 $(16,880)\par
Preferred stock dividends\par
payable 2,587 2,587 10,350 10,350\par
Net income (loss) available\par
to common Shareholders $176,849 $(13,138) $157,434 $(27,230)\par
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Basic loss per share from\par
continuing operations $(0.22) $(0.18) $(0.54) $(0.39)\par
Basic earnings per share\par
from discontinued operations $2.04 $0.05 $2.17 $0.22\par

Basic loss per share from\par
extraordinary item $- $- $- $(0.12)\par
Basic earnings (loss)\par
per share $1.82 $(0.14) $1.63 $(0.29)\par
Diluted loss per share\par
from continuing operations $(0.22) $(0.18) $(0.54) $(0.39)\par
Diluted earnings per share\par
from discontinued operations $2.04 $0.05 $2.17 $0.22\par
Diluted loss per share from\par
extraordinary item $- $- $- $(0.12)\par
Diluted earnings (loss)\par
per share $1.82 $(0.14) $1.63 $(0.29)\par
Weighted average shares\par
outstanding- no dilution 96,925 96,511 96,615 94,321\par
Weighted average shares\par
outstanding- assuming\par
dilution 96,926 96,812 96,635 95,692\par
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SOURCE Sinclair Broadcast Group, Inc.\par
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Web site: http: //www.sbgi.net \par
\par
Company News On-Call: http: //www.prnewswire.com/comp/110203.html or fax, 800-758-5804, ext. 110203\par
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CONTACT: Patrick Talamantes, Chief Financial Officer, or Lucy Rutishauser, Assistant Treasurer, of Sinclair Broadcast Group, 410-568-1500\par
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