Sinclair Reports Second Quarter Financial Results; Pro Forma Revenues Up 5.8%; ATCF Per Share of $0.50

BALTIMORE, July 27 /PRNewswire/ -- The following was issued today by Sinclair Broadcast Group, Inc.:

Sinclair Broadcast Group, Inc. (Nasdaq: SBGI), (the "Company" or "Sinclair") reported net broadcast revenues, broadcast cash flow and after tax cash flow for the three months and six months ended June 30, 2000.

Net broadcast revenues from continuing operations were $192.7 million for the three months ended June 30, 2000, an increase of 10.0% versus the prior year period. Broadcast cash flow from continuing operations was $92.7 million in the second quarter, a decline of 2.3% versus the prior year period. After-tax cash flow per share of $0.50 decreased 7.4% from the prior year period result of $0.54.

Net broadcast revenues from continuing operations were $353.5 million for the six months ended June 30, 2000, an increase of 9.3%. Broadcast cash flow from continuing operations was $158.2 million during the six-month period, down 2.4%. After tax cash flow per share of $0.66 decreased 7.0% from the prior period result of $0.71.

Patrick Talamantes, Chief Financial Officer, said, "We are extremely pleased with our second quarter results which reflected positive revenue growth across all affiliate groups and solid increases in both local and national advertising. On a pro forma basis for the quarter, net broadcast revenue increased 5.8%. Our WB affiliates, which accounted for 28% of net broadcast revenue during the quarter, continue to post solid revenue gains with pro forma revenue growing 9.8% over the second quarter of 1999. For stations affiliated with the ABC, CBS and NBC networks, pro forma revenue growth during the quarter was also strong, growing 5.1% over the same period last year. Our FOX stations, which represented 35% of our net broadcast revenue, experienced a 2.6% revenue increase over the second quarter 1999. We are very pleased with the progress being made to improve the FOX stations' revenue growth, particularly given the softer ratings from FOX prime time programming."

"Our plan to re-position our television stations in their local markets continues to be on track. Since July 1999, we have hired 79 new sales account executives to bolster our local sales initiatives. We also continue to see results from our investment in the quality of our programming and promotion which translated into a 0.5% increase in television household ratings during the 5 p.m. to midnight time period during the May sweeps."

Analysis of Operations

The increase in net broadcast revenues from continuing operations for the second quarter was primarily the result of stations acquired in the second quarter of last year and the first quarter of this year, an increase in net broadcast revenues from our WB affiliates, and $1.1 million of incremental political advertising revenues. The decline in broadcast cash flow from continuing operations for the second quarter was due primarily to higher programming costs resulting from the Company's increased investment in the quality of its television programming. The decline in after tax cash flow for the quarter was the result of the higher programming costs and the loss of earnings related to the disposition of 41 radio stations sold to Entercom Communications in December 1999, partially offset by a $6.1 million reduction in interest expense from the repayment of debt from the radio sale proceeds. For continuing operations, pro forma net broadcast revenues for the quarter increased 5.8% and pro forma broadcast cash flow declined 3.8%. The difference between pro forma and actual revenue growth is attributable to the acquisition of three stations in April 1999 and three stations in March 2000 from Guy Gannett Communications, net of the disposition of two stations to

Communications Corporation of America in April 1999.

The increase in net broadcast revenues for the six months ended June 30, 2000 were primarily the result of the transactions explained above, an increase in net broadcast revenues from our WB affiliates, and incremental political advertising revenues of $3.5 million. The decline in broadcast cash flow from continuing operations for the six months was due primarily to higher programming costs resulting from the Company's increased investment in upgrading its television programming and the net effect of compensation arrangements with the FOX network. The decline in after tax cash flow for the six month period was the result of the higher programming costs and the loss of earnings related to the disposition of radio stations explained above, partially offset by a $12.4 million reduction in interest expense from the repayment of debt from the radio sale proceeds. For continuing operations, pro forma net broadcast revenues for the six-month period increased 5.4% and pro forma broadcast cash flow declined 3.6%.

The Company's total debt, net of cash, increased by $55.8 million at June 30, 2000 to $1,901.2 million from $1,845.4 million at March 31, 2000. The increase in debt resulted primarily from the purchase of KFBT-TV in Las Vegas for $31.6 million and the purchase of Panurgy Norcal, an Internet services company that has been integrated into our NETfanatics subsidiary, for $3.4 million. During the second quarter, capital expenditures on continuing operations totaled $8.7 million. The amount of Class A common shares repurchased under our share repurchase program during the quarter was 1.9 million, or $18.2 million, the program of which is discussed further below.

Outlook

Talamantes commented, "Based on current sales pacings and our expectations for political advertising, yet to be booked in the quarter, we expect a 5.0% increase in net broadcast revenues in the third quarter. Our WB affiliates are pacing up by low double digit growth rates and our FOX affiliates are flat to slightly down over the same period last year."

Share Repurchase Program

On October 28, 1999, the Company announced that its Board of Directors had authorized a new share repurchase program for up to $300 million worth of Sinclair's Class A Common Stock. The amount of shares repurchased and when are subject to market conditions, general business conditions, and financial covenants and incurrence tests outlined in Sinclair's Credit Agreement. Based on current forecasts of its operating performance and its leverage, Sinclair could borrow approximately $195 million through the end of this calendar year to repurchase shares. The amount available for share repurchases could increase or decrease depending on future operating results or net borrowings for strategic acquisitions, investments or other purposes. Since the share repurchase announcement on October 28, 1999 through today, Sinclair has repurchased 6.3 million shares or 12.2% of its Class A common shares outstanding. As of June 30, 2000, 45.0 million Class A common shares and 46.4 million Class B common shares were outstanding.

Sinclair Conference Call

The senior management of Sinclair will hold a conference call to discuss its second quarter results on Thursday, July 27, 2000, at 5:00 p.m. EDT. After the call, an audio replay will be available at www.sbgi.net under "Conference Call" until 11:59 p.m. EDT on July 31, 2000. The press and the public will be welcome on the call in a listen-only mode. The dial-in number is 800-777-5216.

About Sinclair

Sinclair Broadcast Group, Inc. is a diversified broadcasting company that currently owns or programs 61 television stations in 40 markets. Sinclair's television group reaches approximately 25.0% of U.S. television households and includes ABC, CBS, FOX, NBC, WB, and UPN affiliates. Sinclair, through its wholly owned subsidiary, Sinclair Ventures, Inc., owns equity interests in Internet companies including NETfanatics, Inc., an Internet development and integration company, and BeautyBuys.com, Inc. and Synergy Brands, Inc. Other strategic investments of Sinclair Broadcast Group include Acrodyne Communications, Inc., a leading manufacturer of transmitters and other television broadcast equipment.

Historical Financial Highlights
(Dollars in thousands except for per share data)

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Incr. (Dec.)%	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999	Incr. (Dec.)%
Net broadcast revenues	$192,736	$175,261	10.0	$353,538	$323,355	9.3
Total revenues	207,607	190,621	8.9	383,455	352,979	8.6
Broadcast cash flow	92,654	94,838	(2.3)	158,248	162,189	(2.4)
Adjusted EBITDA	86,303	90,316	(4.4)	146,053	153,447	(4.8)
After tax cash flow	45,803	52,071	(12.0)	60,864	69,070	(11.9)
Program contract payments	24,735	19,950	24.0	49,410	40,677	21.5
Corporate expense	6,351	4,522	40.4	12,195	8,742	39.5
Net loss from continuing operations	(1,253)	(3,879)	N.M.	(3,876)	(6,941)	N.M.
Net income from discontinued operations, net of taxes	2,462	5,183	(52.5)	3,265	6,630	(50.8)
Net income (loss)	1,209	1,304	(7.3)	(611)	(311)	N.M.
Net loss available to common shareholders	(1,378)	(1,283)	N.M.	(5,786)	(5,486)	N.M.
Deferred tax benefit (provision) related to operations	(5,062)	(15,459)	N.M.	13,972	(2,759)	N.M.
Per share data:						
After tax cash flow per share	$0.50	$0.54	(7.4)	$0.66	$0.71	(7.0)
Diluted loss per share from continuing operations	$(0.04)	$(0.07)	N.M.	$(0.10)	$(0.13)	N.M.

Diluted earnings per share from discontinued operations	$0.03	$0.05	N.M.	$0.04	$0.07	N.M.
Diluted loss per share	$(0.01)	$(0.01)	N.M.	$(0.06)	$(0.06)	N.M.

N.M. - Not Meaningful

Notes:

References to "pro forma" or "pro forma basis" means that the financial results being discussed include the financial results of all stations owned or programmed as of June 30, 2000, as if they were owned for the entire period covered by the discussion.

The definitions used for the terms "Broadcast Cash Flow" and "Adjusted EBITDA" conform to those used in the Company's most recent report on Form 10-K filed with the Securities and Exchange Commission on March 30, 2000, minus the cumulative adjustment for change in assets held for sale.

"After tax cash flow" is defined as net income (loss) available to common shareholders plus extraordinary items (before the effect of related tax benefits), depreciation and amortization (excluding film amortization), stock-based compensation, the cumulative adjustment for change in assets held for sale, the loss from equity investments (or minus the gain), the unrealized loss on derivative instruments (or minus the unrealized gain), the deferred tax provision related to operations (or minus the deferred tax benefit) and minus the gain on sale of assets and deferred NOL carrybacks. After tax cash flow is presented here not as a measure of operating results and does not purport to represent cash provided by operating activities. After tax cash flow should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

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

After tax cash flow calculation:

	Three Months Ended June 30,	
	2000	1999
Net loss available to common shareholders	$(1,378)	$(1,283)
Depreciation of property and equipment	9,579	7,819
Amortization of acquired intangible broadcasting assets and other assets	27,970	28,104
Stock based compensation	701	848
Unrealized loss (gain) on derivative instrument	695	(4,486)
Loss from equity investments	1,317	-
Depreciation and amortization related to discontinued operations	1,857	5,610
Deferred tax provision related to operations	5,062	15,459
After tax cash flow	$45,803	$52,071

Discontinued Operations

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

Forward-Looking Statements

The matters discussed in this press release, particularly those in the section labeled "Outlook," include forward-looking statements regarding, among other things, future operating results. When used in this press release, the words "outlook," "intends to," "believes," "anticipates," "expects" 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 the impact of changes in national and regional economies, successful integration of acquired television stations (including achievement of synergies and cost reductions), pricing and demand fluctuations in local and national advertising, volatility in programming costs, the market acceptance of new programming, the effectiveness of new salespeople, the level of political advertising during the current election season, and the other risk factors set forth in the Company's most recent report on Form 10-K filed with the Securities and Exchange Commission on March 30, 2000. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
REVENUES:				
Station broadcast revenues, net of agency commissions	$192,736	$175,261	$353,538	$323,355
Revenues realized from barter arrangements	14,871	15,360	29,917	29,624
Net revenues	207,607	190,621	383,455	352,979
OPERATING EXPENSES:				
Program and production	39,477	34,778	77,542	67,754
Selling, general and administrative	43,575	31,685	83,495	64,104
Expenses realized from barter arrangements	13,517	13,892	26,955	26,997
Amortization of program contract costs and net realizable value adjustments	23,409	18,480	48,486	39,971

Depreciation of property and equipment	9,579	7,819	18,090	15,792
Amortization of acquired intangible broadcasting assets and other assets	27,970	28,104	54,909	54,755
Stock based compensation	701	848	1,377	1,674
Cumulative adjustment for change in assets held for sale	-	-	619	-
Total operating expenses	158,228	135,606	311,473	271,047
Broadcast operating income	49,379	55,015	71,982	81,932
OTHER INCOME (EXPENSE):				
Interest expense	(37,978)	(44,088)	(74,850)	(87,278)
Subsidiary trust minority interest expense	(5,812)	(5,812)	(11,625)	(11,625)
Interest income	674	794	1,254	1,603
Loss from equity investments	(1,317)	-	(1,852)	-
Unrealized gain (loss) on derivative instrument	(695)	4,486	4	11,586
Other income (expense)	(594)	183	(786)	331
Total other expense	(45,722)	(44,437)	(87,855)	(85,383)
Income (loss) before provision for income taxes	3,657	10,578	(15,873)	(3,451)
Benefit (provision) for income taxes	(4,910)	(14,457)	11,997	(3,490)
Net loss from continuing operations	(1,253)	(3,879)	(3,876)	(6,941)
Net income from discontinued operations, net of taxes	2,462	5,183	3,265	6,630
Net income (loss)	$1,209	$1,304	$(611)	$(311)
Preferred stock dividends payable	2,587	2,587	5,175	5,175
Net loss available to common shareholders	$(1,378)	$(1,283)	$(5,786)	$(5,486)
Basic loss per share from continuing operations	$(0.04)	$(0.07)	$(0.10)	$(0.13)
Basic earnings per share from discontinued operations	$0.03	$0.05	$0.04	$0.07
Basic loss per share	$(0.01)	$(0.01)	$(0.06)	$(0.06)
Diluted loss per share from continuing operations	$(0.04)	$(0.07)	$(0.10)	$(0.13)
Diluted earnings per				

share from discontinued operations	$0.03	$0.05	$0.04	$0.07
Diluted loss per share	$(0.01)	$(0.01)	$(0.06)	$(0.06)
Weighted average shares outstanding - no dilution	92,492	96,371	92,651	96,474
Weighted average shares outstanding - assuming dilution	92,492	97,026	92,651	97,133

SOURCE Sinclair Broadcast Group, Inc.

Web site: http: //www.sbgi.net

Company News On-Call: http: //www.prnewswire.com/comp/110203.html or fax, 800-758-5804, ext. 110203

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