Sinclair Reports 7.2% Increase in Fourth Quarter Net Broadcast Revenues; Reports Record Level of After Tax Cash Flow Per Share for 2000

BALTIMORE, Feb. 1 /PRNewswire/ --

Sinclair Broadcast Group, Inc. (Nasdaq: SBGI)(the "Company" or "Sinclair") today reported financial results for the three months and twelve months ended December 31, 2000. The Company also provided guidance on its outlook for fiscal year 2001.

Highlights:

- -- Net broadcast revenues up 7.2%
- -- Broadcast cash flow up 8.0%
- -- After tax cash flow per share of $0.54
- -- Local advertising revenues up 3.3%

Financial Results:

Net broadcast revenues from continuing operations were $199.5 million for the three months ended December 31, 2000, an increase of 7.2% versus the prior year period. Broadcast cash flow from continuing operations was $101.2 million in the three-month period, an increase of 8.0% versus the prior year period. After tax cash flow per share of $0.54 increased 31.7% from the prior year period result of $0.41.

Net broadcast revenues from continuing operations were $727.0 million for the twelve months ended December 31, 2000, an increase of 8.5%. Broadcast cash flow from continuing operations was $338.9 million during the twelve-month period, up 2.0%. Sinclair achieved a record level of after tax cash flow per share of $1.59, an increase of 12.0% from the prior period result of $1.42.

Patrick Talamantes, Chief Financial Officer, said, "We are pleased with our financial results, which reflect a 3.4% increase in pro forma net broadcast revenues over the fourth quarter 1999. This increase came despite a difficult national advertising and economic environment in the fourth quarter. The quarter also saw an increase in pro forma broadcast cash flow of 6.4% and an increase in the broadcast cash flow margin to 50.7% from 49.3%."

Statistical Highlights:

- -- Pro forma revenues from the WB affiliates, which accounted for 28% of net broadcast revenues, grew 3.9% over the fourth quarter 1999. On a full year basis, our WB affiliates grew 8.9%, primarily on the strength in the stations' syndicated programming and advertisers continued demand of the WB's young demographics. For stations affiliated with the ABC and CBS networks, pro forma revenue growth during the quarter was very strong, growing 14.0% and 13.8%, respectively, over the same period last year, due to incremental political advertising revenues. The FOX stations, which represented 34% of net broadcast revenues, experienced a 3.2% revenue decline over the fourth quarter 1999, primarily due to the slower advertising climate and the absence of strong political advertising revenues.

- -- Political advertising revenues were $16.4 million in the quarter and were $25.8 million for the year. Advertising revenues from Internet companies continue, as they have for the past several quarters, to represent less than 1% of our net broadcast revenues.

- -- Local advertising increased 3.3%, while national advertising was up 2.8% in the quarter versus the fourth quarter 1999. Local revenues, excluding political revenues, represented 56.5% of time sales, as compared to 54.6% for the fourth quarter 1999. Since July 1999, the Company has hired its targeted 100 new sales account executives to bolster local sales initiatives.

-- Early reports of fourth quarter 2000 market share survey results reflect that the Company is continuing to grow its share of the local television advertising market. The Company's local television market share, excluding political revenues, based on 38 of its 62 stations reporting and estimates for the non-audited markets, increased to 18.6% versus 17.9% for the fourth quarter 1999.

-- Television household ratings on our stations during the 5pm to midnight time period during the November sweeps were down 4.4%, while the average household rating for the six networks during prime-time was down 3.0%. We believe the decline in our ratings is a one-time event resulting from the presidential election contest, which lasted the entire month and drove viewers to the cable news networks for their election updates during the early fringe time periods. In the six prior sweeps books, we consistently outperformed the network average in the time periods discussed above.

Pro Forma Results for Continuing Operations:
(Dollars in millions)

	Q1 2000	Q2 2000	Q3 2000	Q4 2000	FY2000
Net broadcast revenues	$166.3	$194.4	$175.6	$199.5	$735.8
Broadcast cash flow	$67.2	$93.1	$79.8	$101.2	$341.3

Balance Sheet Analysis:

The Company's net debt of $1,612.3 million at December 31, 2000, which is net of $4.1 million in cash, decreased by $149.5 million from the net debt of $1,761.8 million at September 30, 2000. The decrease in net debt resulted primarily from the sale of six radio stations in St. Louis to Emmis Communications Corporation for $220.0 million, offset by the acquisition of the non-license assets of WNYO-TV in Buffalo for $48.0 million. Capital expenditures on continuing operations totaled $6.6 million in the quarter and $33.3 million year to date. The Company repurchased 4.9 million Class A common shares during the quarter, at a cost of $46.1 million, which is discussed further below. Financial leverage, as defined by total indebtedness, before the HYTOPS, divided by the 12-month trailing pro forma EBITDA, was 5.07x at December 31, 2000, down from 5.44x at December 31, 1999.

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 $300.0 million worth of Sinclair's Class A Common Stock. The amount of shares repurchased are subject to market conditions, general business conditions, and financial covenants and incurrence tests outlined in Sinclair's credit agreement. 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 12.9 million shares, at a cost of $126.8 million, representing 25.2% of its Class A common shares outstanding.

As of December 31, 2000, 39.0 million Class A common shares and 45.5 million Class B common shares were outstanding.

Regulation Fair Disclosure:

In accordance with Regulation Fair Disclosure (Reg. FD), Sinclair is providing public dissemination through this press release of its expectations for its first quarter 2001 and full year 2001 financial performance. The Company assumes no obligation to update its expectations. All matters discussed in the "Outlook" section are forward-looking and, as such, persons relying on this information should refer to the "Forward-Looking Statements" section below.

Outlook:

"The current negative trend in economic conditions and its adverse effect on advertising spending make it particularly difficult to forecast television advertising demand for 2001. Our current expectation is that the apparent economic slowdown will have its greatest impact on national advertising, as compared to local advertising, confirming our decision made over a year ago to focus the stations on local advertising markets," commented Talamantes.

Talamantes continued, "We strongly believe that, despite the negative economic factors, we will perform better than the industry as a whole. Unlike many of our competitors, we have very little Olympics revenue and much less political advertising revenues to replace in 2001. With a strong balance sheet, over $118 million of free cash flow generated in 2000, and the investment to support our local marketing efforts already in place, we intend to capitalize on our strengths aggressively to take local market share from our competitors, including print and radio."

First Quarter and Full Year 2001:

- The Company expects that current advertising spending trends will continue through the second quarter, will show some improvement in the third quarter as reductions in interest rates begin to rejuvenate the economy, and will return to more normalized advertising demand in the fourth quarter. Based on these expectations, the Company expects pro forma net broadcast revenues for the first quarter to be approximately $148 million, down 11% from first quarter 2000 pro forma net broadcast revenues of $166 million. This expectation assumes that the economic slowdown will continue to negatively impact an already weak national advertising climate, primarily in the auto and retail sectors. For the full year 2001, pro forma net broadcast revenues are expected to decline by a high single digit percentage rate versus pro forma net broadcast revenues of $736 million in 2000.

- Due to the largely fixed cost nature of television broadcasting, the Company expects pro forma broadcast cash flow to be approximately $49 million, down 26% from first quarter 2000 pro forma broadcast cash flow of $67 million, primarily due to its expectations for net broadcast revenues. For the full year 2001, pro forma broadcast cash flow is expected to decline by a high teen percentage rate versus pro forma broadcast cash flow of $341 million in 2000. This is based on the expected decline in revenues and higher program contract payments, as discussed below.

- The Company expects first quarter after tax cash flow per share of $0.07, assuming that shares outstanding for the first quarter are equal to the number of shares outstanding on December 31, 2000, a decrease of 56% over the first quarter 2000 after tax cash flow per share of $0.16 due to the decline in revenues related to the economic slowdown and slightly higher film amortization costs, discussed below. For the year, after tax cash flow per share is expected to be $1.25 to $1.30, as compared to $1.59 in 2000.

-- The Company expects first quarter program contract payments of approximately $25 million, down 1% from first quarter 2000, assuming no changes in contract terms or the addition of new programming. For the full year 2001, the Company expects program contract payments to be approximately $103 million, an increase of 9% due in part to the addition of Everyone Loves Raymond and Just Shoot Me for the Fall 2001 season.

-- The Company expects first quarter program contract amortization to be approximately $27 million, an increase of 7% over first quarter 2000, as a result of amortization related to three stations acquired in March 2000 and one LMA entered into in October 2000. For the full year 2001, program contract amortization is expected to be approximately $115 million, up 15% due to the addition of new programming as discussed above. This expectation assumes there will be no changes in contract terms or the addition of new programming.

-- The Company expects net interest expense, before the $5.8 million Subsidiary Trust Minority interest expense, to be approximately $33 million in the first quarter and $130 million for the year, assuming changes in debt levels based upon expectations of operating results discussed in this section, a $38 million tax payment to be made in March related to the sale of the radio stations, and no changes in the current interest rate yield curve.

-- The Company expects corporate overhead of approximately $6 million in the first quarter and $21 million for the full year, assuming current levels of staffing.

-- The Company expects depreciation of property, plant and equipment of approximately $11 million in the first quarter and approximately $46 million for the year.

-- The Company expects amortization of intangibles to be approximately $29 million in the first quarter and approximately $115 million for the year. On a full year basis, approximately $91 million of goodwill amortization would not be expensed under the FASB Exposure Draft entitled, "Business Combinations and Intangible Assets."

-- The Company expects a current tax benefit from continuing operations of approximately $4 million in the first quarter and a current tax benefit of $22 million for the full year 2001. This assumes taxable income is lower for the reasons discussed in this section and carryback of losses to prior years in accordance with SFAS No. 109, "Accounting for Income Taxes."

-- The Company's number of common shares outstanding at December 31, 2000 is 84.5 million shares.

-- The Company expects to spend $76 million in routine capital, one-time building expenditures and digital upgrades for the year. Of this,

$55 million is expected to relate to capital spending for the digital television transition. By the end of 2001, the Company expects to have spent $82 million in capital to fund the digital transition.

Broadcast cash flow is a measurement utilized by lenders to measure our ability to service its debt and utilized by industry analysts to determine a private market value of our television stations and to determine our operating performance.

After tax cash flow is a measurement utilized by industry analysts to determine a public market value of our television stations and to determine our operating performance. See "Notes" below for a full definition of after tax cash flow.

Sinclair Conference Call:

The senior management of Sinclair will hold a conference call to discuss its fourth quarter results on Thursday, February 1, 2001, at 5:00 p.m. EST. After the call, an audio replay will be available at www.sbgi.net under "Conference Call" until 11:59 pm EST on February 8, 2001. The press and the public will be welcome on the call in a listen-only mode. The dial-in number is 800-479-9001.

About Sinclair:

Sinclair Broadcast Group, Inc. is a diversified broadcasting company that currently owns or programs 62 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 G1440, an Internet consulting and development company, VisionAIR, a wireless data applications developer, and Synergy Brands, Inc. Sinclair has a strategic alliance with Acrodyne Communications, Inc., a manufacturer of transmitters and other television broadcast equipment.

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

	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999	Incr. (Dec.)%	Twelve Months Ended December 31, 2000	Twelve Months Ended December 31, 1999	Incr. (Dec.)%
Net broadcast revenues	$199,495	$186,017	7.2	$727,017	$670,252	8.5
Total revenues	216,133	204,549	5.7	788,862	733,639	7.5
Broadcast cash flow	101,159	93,657	8.0	338,909	332,307	2.0
Adjusted EBITDA	95,514	88,727	7.6	316,352	313,271	1.0
After tax cash flow	47,588	40,205	18.4	145,469	137,245	6.0
Program contract payments	21,553	19,621	9.8	94,303	79,473	18.7
Capital expenditures	6,616	11,813	(44.0)	33,256	30,861	7.8
Corporate expense	5,645	4,930	14.5	22,557	19,036	18.5
Current tax provision (benefit) from operations	(3,670)	2,509	N.M.	(3,694)	12,250	N.M.

Net loss from continuing operations	(11,286)	(18,287)	N.M.	(35,775)	(42,126)	N.M.
Gain on sale of broadcast assets related to discontinued operations, net of taxes	70,279	192,372	N.M.	108,264	192,372	N.M.
Net income from discontinued operations, net of taxes	136	5,351	(97.5)	4,876	17,538	(72.2)
Net income	59,129	179,436	(67.0)	77,365	167,784	(53.9)
Net income available to common shareholders	56,542	176,849	(68.0)	67,015	157,434	(57.4)
Deferred tax provision related to operations	(15,666)	(17,921)	N.M.	(11,760)	(25,197)	N.M.
Per share data:						
After tax cash flow per share	$0.54	$0.41	31.7	$1.59	$1.42	12.0
Diluted loss per share from continuing operations	$(0.16)	$(0.22)	N.M.	$(0.50)	$(0.54)	N.M.
Diluted earnings per share from discontinued operations	$0.80	$2.04	N.M.	$1.24	$2.17	N.M.
Diluted earnings per share	$0.65	$1.82	N.M.	$0.73	$1.63	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 December 31, 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, minus other revenue, plus G1440 selling, general & administrative expenses.

"After tax cash flow" (ATCF) is defined as net income (loss) available to common shareholders, plus 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 loss on derivative instruments (or minus the 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. For 1999, losses from equity investments were deemed to be immaterial and, therefore, not added back in the calculation of after tax cash flow. After tax cash flow should not be considered in isolation or as a substitute for measures of performance or to represent cash provided by operating activities prepared in accordance with generally accepted accounting principles. ATCF is a measurement utilized by industry analysts to determine a public market value of our television stations and to determine our operating performance.

"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 December 31, 2000	1999
Net income available to common shareholders	$56,542	$176,849
Depreciation of property and equipment	10,239	8,450
Amortization of acquired intangible broadcast assets and other assets	29,080	27,133
Stock based compensation	(227)	152
Gain on derivative instrument	--	(3,445)
Loss from equity investments	6,605	--
Depreciation and amortization related to discontinued operations	(38)	4,866
Gain on sale of broadcast assets	(70,279)	(191,721)
Deferred tax provision related to operations	15,666	17,921
After tax cash flow	$47,588	$40,205

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 and in addition to the assumptions identified above, 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 effects of the writers and screen actors guilds strikes, 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. 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 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 December 31, 2000	Three Months Ended December 31, 1999	Twelve Months Ended December 31, 2000	Twelve Months Ended December 31, 1999
REVENUES:				
Station broadcast revenues, net of agency commissions	$199,495	$186,017	$727,017	$670,252
Revenues realized from barter arrangements	14,229	18,532	57,351	63,387
Other revenues	2,409	--	4,494	--
Total revenues	216,133	204,549	788,862	733,639
OPERATING EXPENSES:				
Program and production	41,456	39,337	156,065	137,597
Selling, general and administrative	46,277	40,401	173,424	145,737
Expenses realized from barter arrangements	12,252	16,463	51,300	57,561
Amortization of program contract costs and net realizable value adjustments	29,856	26,766	100,357	86,857
Depreciation of property and equipment	10,239	8,450	38,111	32,042
Amortization of acquired intangible broadcast assets and other assets	29,080	27,133	112,145	105,654
Stock based compensation	(227)	152	1,801	2,494
Cumulative adjustment for change in assets held for sale	--	--	619	--
Total operating expenses	168,933	158,702	633,822	567,942
Operating income	47,200	45,847	155,040	165,697
OTHER INCOME (EXPENSE):				
Interest expense	(35,431)	(45,659)	(148,906)	(178,281)
Subsidiary trust minority interest expense	(5,812)	(5,812)	(23,250)	(23,250)
Interest income	737	928	2,645	3,371
Loss from equity investments	(6,605)	(347)	(16,764)	(504)
Gain (loss) on derivative instrument	--	3,445	(296)	15,747

Loss on sale of assets	--	(651)	--	(418)
Other income	530	176	572	619
Total other expense	(46,581)	(47,920)	(185,999)	(182,716)
Income (loss) before income taxes	619	(2,073)	(30,959)	(17,019)
Provision for income taxes	(11,905)	(16,214)	(4,816)	(25,107)
Net loss from continuing operations	(11,286)	(18,287)	(35,775)	(42,126)
Net income from discontinued operations, net of taxes	136	5,351	4,876	17,538
Gain on sale of broadcast assets related to discontinued operations, net of taxes	70,279	192,372	108,264	192,372
Net income	$59,129	$179,436	$77,365	$167,784
Preferred stock dividends payable	2,587	2,587	10,350	10,350
Net income available to common shareholders	$56,542	$176,849	$67,015	$157,434
Basic loss per share from continuing operations	$(0.16)	$(0.22)	$(0.50)	$(0.54)
Basic earnings per share from discontinued operations	$0.80	$2.04	$1.24	$2.17
Basic earnings per share	$0.65	$1.82	$0.73	$1.63
Diluted loss per share from continuing operations	$(0.16)	$(0.22)	$(0.50)	$(0.54)
Diluted earnings per share from discontinued operations	$0.80	$2.04	$1.24	$2.17
Diluted earnings per share	$0.65	$1.82	$0.73	$1.63
Weighted average shares outstanding - no dilution	87,592	96,925	91,405	96,615
Weighted average shares outstanding - assuming dilution	87,598	96,926	91,432	96,635

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

CONTACT: Patrick Talamantes, Chief Financial Officer, or Lucy Rutishauser, Assistant Treasurer, 410-568-1500, both of Sinclair; or Media: David Harrison of Imre Communications, 410-821-8220, for Sinclair