

Sinclair Reports 3rd Quarter Results; ATCF Per Share Down 12.1% to \$0.29 for 3rd Quarter

BALTIMORE, Oct. 28 /PRNewswire/ -- Sinclair Broadcast Group, Inc. (Nasdaq: SBGI) (the "Company" or "Sinclair"), reported total revenue, broadcast cash flow and after tax cash flow for the three months and nine months ended September 30, 1999.

Total revenues increased to \$176.1 million for the three months ended September 30, 1999, from \$170.4 million for the three months ended September 30, 1998, or 3.3%. Broadcast cash flow decreased 3.1% to \$76.5 million in the third quarter. After-tax cash flow per share declined 12.1% to \$0.29 for the third quarter versus the same period a year ago. The decline in broadcast cash flow was due primarily to a three-month lag in program contract payments received last year related to the acquisitions of Sullivan Broadcast Holdings and Max Media Properties and to previously announced compensation arrangements with Fox and ABC entered into this year. The decline in after tax cash flow per share was primarily the result of higher interest expense related to current year acquisitions and a higher applicable interest rate margin for borrowings under the Company's Bank Credit Agreement

Total revenues increased to \$529.1 million for the nine months ended September 30, 1999, from \$419.5 million for the nine months ended September 30, 1998, or 26.1%. Broadcast cash flow increased 21.4% to \$238.7 million during the nine-month period. After tax cash flow per share rose 11.1% to \$1.00 during the nine-month period versus the same period a year ago. These increases in total revenues, broadcast cash flow and after tax cash flow per share were primarily the result of several acquisitions the Company completed during the second half of 1998, including Sullivan Broadcast Holdings and Max Media Properties.

Patrick Talamantes, Chief Financial Officer, said, "Given the soft television advertising market, our station group performed relatively well. On a pro forma basis, revenues were up 3.3% over the third quarter of 1998. The Company's pro forma broadcast cash flow increased 0.6%."

"Our WB affiliates led the way in the quarter as a result of the strength of both the network's ratings and that of the stations' syndicated programming. The results for our WB stations included pro forma revenue growth of 12.0% and pro forma broadcast cash flow growth of 17.7% over the third quarter of 1998, excluding stations in Raleigh and Norfolk that recently switched from Fox. WB affiliates accounted for 28% of net broadcast revenue and 30% of broadcast cash flow during the quarter."

Talamantes continued, "Fourth quarter revenues, as compared to last year, are pacing flat to slightly down, despite a sharp decline in revenues associated with advertising in children's programming and political advertising. Fourth quarter pacing is slightly behind expectations expressed in earlier public statements, due to a much softer than expected environment for advertising in children's programming affecting our Fox and WB stations. For fourth quarter 1998, advertising in children's programming accounted for \$11.2 million or 5.9%. Political revenues accounted for \$11.0 million or 5.8% of fourth quarter 1998. On an aggregate basis, fourth quarter 1999 revenues for all other categories are up 9.0% versus the same period a year ago."

The Company's total debt net of cash increased at the end of the third quarter 1999 to \$2,440.3 million from \$2,383.8 million at the end of the second quarter 1999. The increase in debt resulted from the purchase of \$76.7 million in broadcasting properties during the quarter, net of divestitures. The Company has announced nearly \$1 billion of divestitures since the beginning of the year to strengthen its balance sheet. The largest of these transactions is the recently announced agreement to sell 46 radio stations in nine markets to Entercom Communications Corp. for \$824.5 million. During the third quarter, capital expenditures totaled \$4.7 million, and year

to date, capital expenditures have totaled \$14.6 million.

#### Share Repurchase Program

The Company also announced it was authorizing a new share repurchase program. Under the new program, the board of directors has authorized the purchase of up to \$300 million worth of Sinclair's Class A Common Stock.

Subject to market conditions and general business conditions, Sinclair intends to repurchase shares on the open market or through negotiated private transactions from time to time. There is no assurance as to whether or when repurchases may occur, or the total number of shares that may be repurchased.

Sinclair expects to fund the repurchases with proceeds from pending dispositions and bank borrowings. Sinclair's Credit Agreement contains covenants that restrict the total amount it may borrow based on a variety of financial ratios, and also currently limits stock repurchases to \$60 million, as a result of past investments made under the basket. Under the terms of existing financial covenants, Sinclair could not borrow more than \$37 million to repurchase shares. This amount available for share repurchases would increase when Sinclair reduces its borrowing with the proceeds of pending dispositions, and could increase or decrease depending on future operating results or other borrowing for other purposes. Sinclair intends to seek a waiver of the \$100 million cap on share repurchases when and if it determines that it is desirable to exceed that cap.

The senior management of Sinclair will hold a conference call to discuss its third quarter results on Thursday, October 28, 1999, at 5:00 p.m. EDT. After the call, an audio replay will be available at [www.sbgnet.net](http://www.sbgnet.net) under "Conference Call" until 11:59 p.m. EDT on November 1, 1999. The press will be welcome on the call in a listen-only mode.

Sinclair Broadcast Group, Inc. is a diversified broadcasting company that currently owns or programs 58 television and 52 radio stations. Upon completion of all pending transactions, Sinclair will own or program 58 television stations in 38 separate markets and six radio stations in one market. Sinclair's television group reaches approximately 24.4% of U.S. television households and includes ABC, CBS, FOX, NBC, WB, and UPN affiliates.

#### Historical Financial Highlights

(Dollars in thousands except for per share data)

	Three Months			Nine Months		
	Ended September 30, 1999	1998	Incr. %	Ended September 30, 1999	1998	Incr. %
Net broadcast revenues	160,880	151,996	5.8	484,235	377,755	28.2
Total revenues	176,111	170,429	3.3	529,090	419,479	26.1
Broadcast cash flow	76,460	78,886	(3.1)	238,650	196,552	21.4
Adjusted EBITDA	71,096	74,847	(5.0)	224,544	184,536	21.7
After tax cash flow	27,970	33,106	(15.5)	97,040	85,809	13.1
Program contract Payments	19,176	14,205	35.0	59,852	43,810	36.6
Corporate expense	5,364	4,039	32.8	14,106	12,016	17.4

Net loss from continuing Operations	(16,898)	(9,663)	N.M.	(23,839)	(11,076)	N.M.
Net income from Discontinued Operations, net of taxes	5,557	7,489	(25.8)	12,187	15,810	(22.9)
Net loss	(11,341)	(2,174)	N.M.	(11,652)	(6,329)	N.M.
Net loss available to Common shareholders	(13,929)	(4,762)	N.M.	(19,415)	(14,092)	N.M.
Deferred tax provision (benefit)	4,517	(6,550)	N.M.	7,276	(4,520)	N.M.
Per share data:						
After tax cash flow per Share	\$0.29	\$0.33	(12.1)	\$1.00	\$0.90	11.1
Diluted loss per share from Continuing operations	\$(0.20)	\$(0.13)	N.M.	\$(0.33)	\$(0.20)	N.M.
Diluted earnings per share from Discontinuing Operations	\$0.06	\$0.08	(25.0)	\$0.13	\$0.17	(23.5)
Diluted loss per share	\$(0.14)	\$(0.05)	N.M.	\$(0.20)	\$(0.15)	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 September 30, 1999, 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 prospectus filed with the Securities and Exchange Commission on April 8, 1998 pursuant to rule 424(b)(5).

"After tax cash flow" is defined as net income (loss) available to common shareholders, plus extraordinary items (before the effect of related tax benefits) plus depreciation and amortization (excluding film amortization), stock-based compensation, the unrealized loss on derivative instruments (or minus the unrealized gain), the deferred tax provision (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.

(a) After tax cash flow calculation:

Three Months Ended

September 30,

	1999	1998
Net loss available to common shareholders	\$(13,929)	\$(4,762)
Depreciation and amortization of property and equipment	7,800	8,054
Amortization of acquired intangible broadcasting assets and Other assets	23,766	26,658
Stock based compensation	668	850
Unrealized loss (gain) on derivative instrument	(716)	10,150
Gain on sale of broadcast assets related to continuing operations	(233)	(1,248)
Gain on sale of broadcast assets related to discontinuing operations	-	(5,550)
Depreciation and amortization related to discontinuing operations	6,097	5,504
Deferred tax provision(benefit)	4,517	(6,550)
After tax cash flow	27,970	33,106

#### 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. In addition, assets relating to the radio broadcast segment are reflected in "Broadcast assets related to discontinued operations" in the financial statements for all periods presented in this press release.

#### Forward-Looking Statements

The matters discussed in this press release include forward-looking statements regarding, among other things, future operating results. In addition, when used in this press release, the words "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 and radio stations (including achievement of synergies and cost reductions), pricing and demand fluctuations in local and national advertising, volatility in programming costs, the availability of suitable acquisitions on acceptable terms and the other risk factors set forth in the Company's prospectus filed with the Securities and Exchange Commission on April 8, 1998, pursuant to rule 424(b)(5). 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

Nine Months Ended

	September 30,		September 30,	
	1999	1998	1999	1998
<b>REVENUES:</b>				
Station broadcast revenues, net of agency commissions	\$160,880	\$151,996	\$484,235	\$377,755
Revenues realized from barter Arrangements	15,231	18,433	44,855	41,724
Net revenues	176,111	170,429	529,090	419,479
<b>OPERATING EXPENSES:</b>				
Program and production	35,874	30,512	103,628	75,067
Selling, general and administrative	35,864	33,860	99,968	78,099
Expenses realized from barter Arrangements	14,101	17,005	41,098	37,967
Amortization of program contract costs and net realizable value adjustments	20,120	18,958	60,091	49,501
Depreciation and amortization of property and equipment	7,800	8,054	23,592	16,766
Amortization of acquired intangible broadcasting assets and other assets	23,766	26,658	78,521	54,760
Stock based compensation	668	850	2,342	2,064
Total operating expenses	138,193	135,897	409,240	314,224
Broadcast operating income	37,918	34,532	119,850	105,255
<b>OTHER INCOME (EXPENSE):</b>				
Interest expense.	(45,344)	(40,414)	(132,622)	(95,315)
Subsidiary trust minority interest Expense	(5,813)	(5,813)	(17,438)	(17,438)
Interest income	840	896	2,443	4,113
Gain on sale of broadcast assets	233	1,248	233	1,248
Unrealized gain (loss) on Derivative Instrument	716	(10,150)	12,302	(10,150)
Other income (expense)	(45)	558	286	668
Total Other Expense	(49,413)	(53,675)	(134,796)	(116,874)
Loss before provision(benefit) for income taxes	(11,495)	(19,143)	(14,946)	(11,619)
Provision(Benefit) for income taxes	5,403	(9,480)	8,893	(543)
Net loss from continuing operations	(16,898)	(9,663)	(23,839)	(11,076)
Net income from discontinued operations, net of taxes	5,557	7,489	12,187	15,810
Extraordinary item, net of income tax benefit of	-	-	-	(11,063)
Net loss	\$(11,341)	\$(2,174)	\$(11,652)	\$(6,329)
Preferred stock dividends payable	2,588	2,588	7,763	7,763
Net loss available to				

common Shareholders	\$(13,929)	\$(4,762)	\$(19,415)	\$(14,092)
Basic loss per share from continuing Operations	\$(0.20)	\$(0.13)	\$(0.33)	\$(0.20)
Basic earnings per share from Discontinued operations	\$0.06	\$0.08	\$0.13	\$0.17
Basic loss per share	\$(0.14)	\$(0.05)	\$(0.20)	\$(0.15)
Diluted loss per share from continuing Operations	\$(0.20)	\$(0.13)	\$(0.33)	\$(0.20)
Diluted earnings per share from Discontinued operations	\$0.06	\$0.08	\$0.13	\$0.17
Diluted loss per share	\$(0.14)	\$(0.05)	\$(0.20)	\$(0.15)
Weighted average shares outstanding- No dilution	96,575	97,734	96,511	93,582
Weighted average shares outstanding- Assuming dilution	96,949	99,339	96,718	95,540

SOURCE Sinclair Broadcast Group, Inc.

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

Company News On-Call: <http://www.prnewswire.com/comp/110203.html> or fax,  
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