

Sinclair Reports First Quarter Financial Results; Pro Forma Revenues up 4.8%

BALTIMORE, April 27 /PRNewswire/ --

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 ended March 31, 2000.

Net broadcast revenues from continuing operations were \$160.8 million for the three months ended March 31, 2000, an increase of 8.6% versus the prior year period. Broadcast cash flow was \$65.6 million in the first quarter, a decline of 2.6% versus the prior year period. After-tax cash flow per share of \$0.16 decreased 11.1% from the prior year period result of \$0.18.

Patrick Talamantes, Chief Financial Officer, said, "We are extremely pleased with our first quarter results, particularly given that the quarter included the cost of upgrading our programming schedule, the cost of adding and training salespeople, and the cost of buying back certain advertising inventory from the FOX network. On a pro forma basis for the quarter, net broadcast revenue increased 4.8%."

"Our affiliate groups, with the exception of our FOX stations, turned in strong revenue performances during the quarter. Our WB affiliates, which accounted for 30% of net broadcast revenue during the quarter, continued to post solid revenue gains with pro forma revenue growing 11.7% over the first quarter of 1999. Pro forma revenue growth during the quarter for stations affiliated with the ABC, CBS and NBC networks were also strong, posting 7.0% revenue gains over the same period last year. Our FOX stations, which represented 35% of our net broadcast revenue, experienced a 2.1% revenue decline for the quarter primarily due to softer ratings from FOX prime time programming."

Analysis of Operations

The increase in net broadcast revenues from continuing operations for the first quarter was due primarily to stronger revenues from local advertising, an increase in net broadcast revenues from our WB affiliates, \$2.3 million of political advertising revenues and revenues generated by three stations purchased from Guy Gannett in April 1999. The decline in broadcast cash flow from continuing operations for the first quarter was due primarily to higher programming costs resulting from the Company's increased investment in upgrading 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 the reduction in interest expense from the repayment of debt from the radio sale proceeds. Pro forma net broadcast revenues for the quarter increased 4.8% and pro forma broadcast cash flow declined 3.5%. The difference between pro forma and actual revenue growth is attributable to the acquisition of three stations from Guy Gannett Communications, net of the disposition of two stations to Communications Corporation of America in April 1999.

The Company's total debt, net of cash, increased by \$69.5 million at the end of the first quarter 2000 to \$1,845.4 million from \$1,775.9 million at the end of the fourth quarter 1999. The increase in debt resulted primarily from tax payments of \$87.0 million related to the sale of 41 radio stations to Entercom Communications Corp. in December 1999. During the first quarter, capital expenditures on continuing operations totaled \$6.4 million. The amount of Class A common shares repurchased during the quarter was \$35.1 million, which is discussed further below.

Outlook

Talamantes commented, "Net broadcast revenues for the second quarter are pacing up 2.5%, despite softer television advertising market conditions in the quarter, particularly in the middle markets where we operate, and continued

weak ratings in FOX prime time programming. In spite of second quarter market conditions, net broadcast revenue pacing reports suggest that our affiliate groups, other than FOX, are showing growth of 4.2%, versus a decline of 0.6% for our FOX stations."

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 \$135 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 investments or other purposes. Since the share repurchase announcement on October 28, 1999, Sinclair has repurchased 4.5 million shares or 9.1% of its Class A common shares outstanding. As of March 31, 2000, 45.7 million Class A common shares and 47.6 million Class B common shares were outstanding.

Sinclair Conference Call

The senior management of Sinclair will hold a conference call to discuss its fourth quarter results on Thursday, April 27, 2000, at 5:00 p.m. EDT. After the call, an audio replay will be available at www.sbgnet.net under "Conference Call" until 11:59 pm EDT on May 1, 2000. The press and the public will be welcome on the call in a listen-only mode. The dial-in number is 800-633-8470.

About Sinclair

Sinclair Broadcast Group, Inc. is a diversified broadcasting company that currently owns or programs 61 television stations in 40 markets and 6 radio stations in one market. 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 BeautyBuys.com, Inc., an e-tailer of brand name health and beauty products; NetFanatics, Inc., an e-business solutions and applications provider; and Synergy Brands, Inc., an incubator of on-line consumer product companies. 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 March 31,		Incr. (Dec.)%
	2000	1999	
Net broadcast			
revenues	\$160,802	\$148,094	8.6
Total revenues	175,848	162,358	8.3
Broadcast cash flow	65,594	67,351	(2.6)
Adjusted EBITDA	59,750	63,131	(5.4)
After tax cash flow	15,061	16,999	(11.4)
Program contract payments	24,675	20,727	19.0
Corporate expense	5,844	4,220	38.5
Net loss from continuing			

operations	(2,623)	(3,062)	N.M.
Net income from discontinued operations, net of taxes	803	1,447	(44.5)
Net loss	(1,820)	(1,615)	N.M.
Net loss available to common shareholders	(4,408)	(4,203)	N.M.
Deferred tax benefit related to operations	19,034	12,700	49.9
Per share data:			
After tax cash flow per share	\$0.16	\$0.18	(11.1)
Diluted loss per share from continuing operations	\$(0.05)	\$(0.06)	N.M.
Diluted earnings per share from discontinuing operations	\$0.01	\$0.01	-
Diluted loss per share	\$(0.05)	\$(0.04)	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 March 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.

"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	
	March 31,	
	2000	1999

Net loss available		
to common shareholders	\$ (4,408)	\$ (4,203)
Depreciation of		
property and equipment	8,511	7,973
Amortization of		
acquired intangible		
broadcasting assets		
and other assets	26,939	26,651
Stock based compensation	676	826
Unrealized gain on		
derivative instrument	(699)	(7,100)
Cumulative adjustment		
for change in assets		
held for sale	619	-
Loss from equity investments	535	-
Depreciation and amortization		
related to discontinuing		
operations	1,922	5,552
Deferred tax benefit		
related to operations	(19,034)	(12,700)
After tax cash flow	\$15,061	\$16,999

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, 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, 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	
	March 31,	
	2000	1999
REVENUES:		
Station broadcast revenues, net of agency commissions	\$160,802	\$148,094
Revenues realized from barter arrangements	15,046	14,264
Net revenues	175,848	162,358
OPERATING EXPENSES:		
Program and production	38,065	32,976
Selling, general and administrative	39,920	32,419
Expenses realized from barter arrangements	13,438	13,105
Amortization of program contract costs and net realizable value adjustments	25,077	21,491
Depreciation and amortization of property and equipment	8,511	7,973
Amortization of acquired intangible broadcasting assets and other assets	26,939	26,651
Stock based compensation	676	826
Cumulative adjustment for change in assets held for sale	619	-
Total operating expenses	153,245	135,441
Broadcast operating income	22,603	26,917
OTHER INCOME (EXPENSE):		
Interest expense	(36,872)	(43,190)
Subsidiary trust minority interest expense	(5,813)	(5,813)
Interest income	580	809
Loss from equity investments	(535)	-
Unrealized gain on derivative instrument	699	7,100
Other income (expense)	(192)	148
Total other expense	(42,133)	(40,946)
Loss before provision for income taxes	(19,530)	(14,029)
Benefit for income taxes	16,907	10,967
Net loss from continuing operations	(2,623)	(3,062)
Net income from discontinued operations, net of taxes	803	1,447
Net loss	\$(1,820)	\$(1,615)
Preferred stock dividends payable	2,588	2,588
Net loss available to common shareholders	\$(4,408)	\$(4,203)
Basic loss per share from continuing operations	\$(0.05)	\$(0.06)
Basic earnings per share from discontinued operations	\$0.01	\$0.01
Basic loss per share	\$(0.05)	\$(0.04)
Diluted loss per share		

from continuing operations	\$(0.05)	\$(0.06)
Diluted earnings per share		
from discontinued operations	\$0.01	\$0.01
Diluted loss per share	\$(0.05)	\$(0.04)
Weighted average shares		
outstanding- no dilution	95,237	96,582
Weighted average shares		
outstanding- assuming dilution	95,237	97,003

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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