

SINCLAIR BROADCAST GROUP INC
Form 10-Q
August 04, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____ .

COMMISSION FILE NUMBER: 000-26076

SINCLAIR BROADCAST GROUP, INC.

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(Exact name of Registrant as specified in its charter)

Maryland

(State or other jurisdiction of
Incorporation or organization)

52-1494660

(I.R.S. Employer Identification No.)

10706 Beaver Dam Road

Hunt Valley, Maryland 21030

(Address of principal executive office, zip code)

(410) 568-1500

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such file). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Indicate the number of share outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Title of each class	Number of shares outstanding as of July 26, 2010
Class A Common Stock	49,349,586
Class B Common Stock	30,977,859

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FOR THE QUARTER ENDED JUNE 30, 2010

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	As of June 30, 2010	As of December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 42,820	\$ 23,224
Current portion of restricted cash	22,446	27,667
Accounts receivable, net of allowance for doubtful accounts of \$3,075 and \$2,932, respectively	112,707	106,792
Affiliate receivable	67	69
Current portion of program contract costs	25,310	43,741
Income taxes receivable	7,382	8,073
Prepaid expenses and other current assets	6,488	6,130
Deferred barter costs	3,862	2,825
Deferred tax assets	7,277	7,277
Total current assets	228,359	225,798
PROGRAM CONTRACT COSTS, less current portion	11,603	16,417
PROPERTY AND EQUIPMENT, net	281,433	296,227
RESTRICTED CASH, less current portion	386	37,216
GOODWILL	660,017	660,017
BROADCAST LICENSES	51,988	51,988
DEFINITE-LIVED INTANGIBLE ASSETS, net	186,493	193,405
OTHER ASSETS	119,566	116,653
Total assets	\$ 1,539,845	\$ 1,597,721
LIABILITIES AND EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,794	\$ 3,746
Accrued liabilities	64,946	60,523
Current portion of notes payable, capital leases and commercial bank financing	37,421	40,632
Current portion of notes and capital leases payable to affiliates	3,316	2,995
Current portion of program contracts payable	63,256	91,995
Deferred barter revenues	3,481	2,810
Total current liabilities	176,214	202,701
LONG-TERM LIABILITIES:		
Notes payable, capital leases and commercial bank financing, less current portion	1,235,508	1,297,964
Notes payable and capital leases to affiliates, less current portion	21,077	24,717
Program contracts payable, less current portion	36,334	48,448
Deferred tax liabilities	193,217	177,219
Other long-term liabilities	47,863	48,894

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Total liabilities	1,710,213	1,799,943
EQUITY (DEFICIT):		
SINCLAIR BROADCAST GROUP SHAREHOLDERS EQUITY (DEFICIT):		
Class A Common Stock, \$.01 par value, 500,000,000 shares authorized, 49,330,309 and 47,375,437 shares issued and outstanding, respectively	493	474
Class B Common Stock, \$.01 par value, 140,000,000 shares authorized, 30,997,859 and 32,453,859 shares issued and outstanding, respectively, convertible into Class A Common Stock	310	325
Additional paid-in capital	609,136	605,340
Accumulated deficit	(785,083)	(813,876)
Other comprehensive loss	(4,068)	(4,213)
Total Sinclair Broadcast Group shareholders' deficit	(179,212)	(211,950)
Noncontrolling interests	8,844	9,728
Total deficit	(170,368)	(202,222)
Total liabilities and equity (deficit)	\$ 1,539,845	\$ 1,597,721

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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SINCLAIR BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data) (Unaudited)