

## **CURRENT REPORT**

**of**

### **BARRINGTON BROADCASTING GROUP LLC BARRINGTON BROADCASTING CAPITAL CORPORATION**

**November 17, 2006**

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Pursuant to Section 4.3 of the Indenture, dated as of August 11, 2006 (the “Indenture”), by and among Barrington Broadcasting Group LLC (“Barrington Group”), Barrington Broadcasting Capital Corporation (“Barrington Capital Corp.” and, together with Barrington Group, the “Issuers”), certain subsidiaries of Barrington Group named therein, as guarantors, and U.S. Bank National Association, as Trustee (the “Trustee”), relating to the 10½% Senior Subordinated Notes due 2014 of the Issuers (the “Notes”), the Issuers are furnishing the information contained herein to the holders of the Notes.

#### Earnings Release for Three Months Ended September 30, 2006

On November 14, 2006, Barrington Group issued a press release reporting its financial results for the three months ended September 30, 2006 (the “Earnings Announcement”). A copy of the Earnings Announcement is attached to this Current Report as Exhibit 99.1.

#### Transcript of Earnings Call

On November 14, 2006, Barrington Group held a conference call to discuss its financial results for the three months ended September 30, 2006. A copy of the transcript (the “Transcript”) of the call is attached to this Current Report as Exhibit 99.2. The Transcript has been selectively edited to facilitate the understanding of the information communicated during the conference call.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrants have duly caused this Current Report to be signed on their behalf by the undersigned, thereunto duly authorized.

BARRINGTON BROADCASTING GROUP LLC  
BARRINGTON BROADCASTING CAPITAL CORPORATION

Date: November 17, 2006

By: 

Name: Warren Specter

Title: Director and Chief Financial Officer  
(Principal Financial Officer)



FOR IMMEDIATE RELEASE

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## **BARRINGTON REPORTS THIRD QUARTER OPERATING RESULTS**

**Hoffman Estates, IL, November 14, 2006** – Barrington Broadcasting Group LLC ("Barrington") announced today its financial results for the three months ended September 30, 2006 and for the nine months ended September 30, 2006.

Highlights of Barrington's proforma combined financial results for the third quarter include:

- proforma gross revenues for the quarter ended September 30, 2006 increased 11.3% to \$33.1 million from \$29.7 million for the quarter ended September 30, 2005. The increase was primarily due to an increase in political revenues for the quarter of \$3.1 million. Political revenues for the quarter ended September 30, 2006 were approximately \$3.3 million. Local revenues increased 2.2% to \$17.8 million and national revenues increased 1.4% to \$9.6 million for the quarter ended September 30, 2006
- proforma net revenues (gross revenues less agency commissions and other direct costs) for the quarter increased 9.8% to \$28.1 million from \$25.6 million for the quarter ended September 30, 2005.
- proforma operating expenses for the quarter, not including depreciation and amortization, increased \$1.0 million, or 5.6%, to \$19.8 million. The increase was primarily due to an increase in utilities, outside news expenses, sales salaries and commissions, and repairs and maintenance.
- proforma Broadcast Cash Flow (as defined herein) for the quarter increased 16.1% to \$9.0 million from \$7.8 million for the quarter ended September 30, 2005.
- proforma gross revenues for the nine months ended September 30, 2006 increased 9.9% to \$99.1 million from \$90.2 million for the quarter ended September 30, 2005. The increase was due to an increase in political revenues for the period of \$5.1 million as well as an increase in local revenues of \$4.1 million, or 7.9%, to \$56.0 million. National revenues increased 2.9% for the nine month period to \$30.3 million. Political revenues for the nine months ended September 30, 2006 were approximately \$5.8 million.

- proforma net revenues for the nine months ended September 30, 2006 increased 9.3% to \$84.6 million from \$77.4 million for the quarter ended September 30, 2005.
- proforma operating expenses for the nine months ended September 30, 2006, not including depreciation and amortization, increased \$3.1 million, or 5.6%. The increase was primarily due to increases in utilities, outside news expenses, sales salaries and commissions, and scheduled payroll increases.
- proforma Broadcast Cash Flow for the nine months ended September 30, 2006 increased 15.9% to \$28.2 million from \$24.3 million for the nine months ended September 30, 2005.

For more information regarding this pro forma financial information, including certain adjustments and assumptions, and a definition of Broadcast Cash Flow, see the attachments to this press release.

Highlights of Barrington's actual combined financial results for the third quarter include:

- For the quarter ended September 30, 2006, gross revenues increased to \$24.3 million from \$8.1 million for the quarter ended September 30, 2005. Net revenues for the quarter increased to \$20.6 million from \$6.9 million for the quarter ended September 30, 2005. Operating expenses, not including depreciation and amortization, increased for the quarter to \$14.7 million from \$5.1 million for the quarter ended September 30, 2005. Broadcast Cash Flow increased for the quarter to \$7.5 million from \$2.1 million for the quarter ended September 30, 2005. The increases were primarily due to acquisitions completed in the latter part of 2005 and the first quarter of 2006, and the Raycom stations acquisition in August 2006.
- For the nine months ended September 30, 2006, gross revenues increased to \$47.3 million from \$20.4 million for the nine months ended September 30, 2005. Net revenues for the nine months ended September 30, 2006 increased to \$39.9 million from \$17.3 million for the nine months ended September 30, 2005. Operating expenses, not including depreciation and amortization, increased to \$29.2 million for the nine months ended September 30, 2006 from \$13.7 million for the nine months ended September 30, 2005. The increases were primarily due to acquisitions completed in the latter part of 2005 and the first quarter of 2006, and the Raycom stations acquisition in August 2006.

K. James Yager, Chief Executive Officer, commented that "our combined station results were as we expected for the nine month period. The political spending occurred later than we expected, but we expect our 4<sup>th</sup> quarter and year to finish strong as political revenues through the election cycle exceeded our expectations".

### **Conference Call**

As previously announced, Barrington will host a conference call to discuss its third quarter results at 11:00 AM (EST) on Tuesday, November 14, 2006. The dial-in information for the earnings call is as follows: 1-800-218-8862. A telephonic replay of the earnings call will be available beginning on November 14, 2006 at 1:00 PM (EST) and remain available for 30 days. To access the replay, call 1-800-405-2236 (domestic callers) or 1-303-590-3000 (international callers) and enter access code 11075188#.

During the conference call, representatives of Barrington may discuss and answer one or more questions concerning Barrington's business and financial matters. The responses to these questions, as well as other matters discussed during the call, may contain information that has not been previously disclosed.

## **Quarterly Report**

The information in this press release should be read in conjunction with the financial statements and footnotes contained in Barrington's quarterly report for the quarter ended September 30, 2006 which will be posted on the company website ([www.barringtontv.com](http://www.barringtontv.com)) on November 14, 2006.

## **Non-GAAP Financial Measures**

Broadcast Cash Flow, EBITDA and Adjusted EBITDA (each as defined in the attachments to this press release) are non-GAAP financial measures (i.e., they are not measures of financial performance under generally accepted accounting principles) and should not be considered in isolation from or as a substitute for consolidated statements of operations and cash flow data prepared in accordance with GAAP. Broadcast Cash Flow, EBITDA and Adjusted EBITDA, as used herein, are not necessarily comparable to similarly titled measures of other companies. For definitions of and additional information regarding Broadcast Cash Flow, EBITDA and Adjusted EBITDA and a reconciliation of such measures to the most comparable measures calculated in accordance with GAAP, please see the attachments to this press release.

Broadcast Cash Flow, EBITDA and Adjusted EBITDA are measures commonly used by financial analysts in evaluating performance of companies, including broadcast companies. Accordingly, Barrington believes that Broadcast Cash Flow, EBITDA and Adjusted EBITDA may be useful in assessing Barrington's operating performance and its ability to meet its debt service requirements. Barrington also believes that these measures allow a standardized comparison between companies in the broadcast industry, while minimizing the differences from depreciation policies, financial leverage and tax strategies.

## **About Barrington**

Barrington was formed in 2003 to acquire and operate television stations in smaller markets across the United States. Barrington currently owns and operates twenty network affiliated television stations and operates a twenty first station under a local marketing agreement. Barrington is owned and controlled by Pilot Group, with management as its partner. Pilot Group is a non-traditional private investment firm founded in 2003 by a group of operating executives who actively help its management partners achieve their goals.

## **Forward Looking Statements**

The statements in this press release that are not historical facts are forward-looking statements that are subject to material risks and uncertainties. Investors are cautioned that any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties, and that actual results or developments may differ materially from those in the forward-looking statements as a result of various factors. These risks and uncertainties include, but are not limited to, uncertainties relating to our significant amount of debt, our ability to maintain our network affiliations, our ability to

generate advertising revenues, cyclical or other trends in advertising spending, the regulatory environment for our industry, competition in our markets and our ability to integrate the acquisition of television stations from Raycom Media, Inc. and certain of its subsidiaries and achieve certain cost savings. Barrington does not undertake to update any forward-looking statements in this press release or with respect to matters described herein.

**Barrington Broadcasting**  
**Pro Forma Information<sup>(1)</sup>**  
**Quarter Ended September 30, 2006 and September 30, 2005**

(Dollars in thousands)	<b>Pro Forma</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>
<b>Statement of Operations Data:</b>				
Gross revenues	29,711	33,055	90,214	99,104
Direct costs	<u>4,136</u>	<u>4,935</u>	<u>12,779</u>	<u>14,505</u>
Net revenues	25,575	28,120	77,435	84,599
Expenses:				
Operating <sup>(2)</sup>	17,734	18,756	52,961	56,027
Depreciation and amortization	8,012	8,063	24,339	21,695
Corporate <sup>(3)</sup>	<u>1,035</u>	<u>1,056</u>	<u>3,105</u>	<u>3,168</u>
Total Operating Expenses	26,782	27,876	80,406	80,890
Income (loss) from Operations	(1,207)	244	(2,971)	3,709
Total net interest expense	6,631	6,631	19,894	19,894
Other expense	94	-	402	253
Loss before income taxes	<u>(7,932)</u>	<u>(6,387)</u>	<u>(23,267)</u>	<u>(16,438)</u>
Income tax expense <sup>(4)</sup>	-	1,885	-	1,942
Net loss	<u>(7,932)</u>	<u>(8,272)</u>	<u>(23,267)</u>	<u>(18,380)</u>

**Balance Sheet Data:**

Cash and cash equivalents	<u>4,319</u>
Total long-term debt, including current portions <sup>(5)</sup>	<u>274,950</u>

(1) Pro forma consolidated financial data is based on Barrington's historical consolidated financial results for the third quarter of 2006 adjusted to give effect to the following events as if each had occurred on January 1, 2005: (i) Barrington's acquisition of KRCG in February 2005; (ii) Barrington's acquisition of KVII and KVIH in August 2005; (iii) Barrington's acquisition of WPDE and a local marketing agreement from WWMB in February 2006; (iv) Barrington's acquisition of substantially all the assets of twelve stations owned by Raycom Media, Inc. and certain of its subsidiaries; (v) Barrington and Barrington Capital's offering of \$125.0 aggregate principal amount of their 10% senior subordinated notes due 2014; (vi) the repayment of Barrington's old credit facilities; (vii) borrowings under Barrington's new credit facility; (viii) Barrington's guarantees of SagamoreHill of Carolina, LLC's and SagamoreHill of Carolina Licenses, LLC's term loan; (ix) a \$60.3 capital contribution by Barrington's equity sponsor; and (x) the payment of fees and expenses related to the foregoing.

(2) Includes selling, technical, programming (including amortization of program broadcast rights), general and administrative expenses.

(3) Includes bonuses of \$.8MM paid to management in connection with the closing of the acquisition of substantially all the assets of twelve stations owned by Raycom Media, Inc. and certain of its subsidiaries.

(4) Primarily represents federal and state payable in connection with the merger of Barrington Corporation with and into Barrington Group.

(5) Includes Barrington's guarantees of indebtedness of SagamoreHill of Carolina, LLC and SagamoreHill of Carolina Licenses, LLC.

(Dollars in thousands)	<b>Pro Forma</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>
<b>Reconciliation of EBITDA:</b>				
Net Loss	(7,932)	(8,272)	(23,267)	(18,380)
Total net interest expense	6,631	6,631	19,894	19,894
Income tax expense	-	1,885	-	1,942
Depreciation and amortization	<u>8,012</u>	<u>8,063</u>	<u>24,339</u>	<u>21,695</u>
EBITDA <sup>(6)</sup>	<u>6,711</u>	<u>8,308</u>	<u>20,967</u>	<u>25,151</u>

(6) EBITDA is defined as net income (loss) before provision (benefit) for income taxes, interest expense, depreciation and amortization (excluding amortization of program rights and network revenues). EBITDA is a measure commonly used by financial analysts in evaluating operating performance of companies. Accordingly, management believes that EBITDA may be useful in assessing our operating performance and our ability to meet our debt service requirements.

**Barrington Broadcasting**  
**Pro Forma Information<sup>(1)</sup>**  
**Quarter Ended September 30, 2006 and September 30, 2005**

(Dollars in thousands)	<b>Pro Forma</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>
<b>Reconciliation of Adjusted EBITDA:</b>				
EBITDA	6,711	8,308	20,967	25,151
Amortization of program broadcast rights	1,107	1,291	3,619	3,790
Program broadcast rights payments	(1,174)	(1,620)	(3,791)	(4,247)
Amortization of network revenues <sup>(7)</sup>	-	(149)	-	(387)
Cash payments from networks	-	137	-	448
Other adjustments <sup>(8)</sup>	94	-	402	253
Adjusted EBITDA <sup>(9)</sup>	<u>6,738</u>	<u>7,967</u>	<u>21,197</u>	<u>25,008</u>

(7) Represents revenues from networks which were deferred and amortized over the length of the respective network affiliation agreements.

(8) For the three months ended September 30, 2005, represents losses on dispositions of assets and other non-recurring charges and expenses of \$48 at KGBT and \$46 at WPDE/WWMB. For the nine months ended September 30, 2005, represents losses on dispositions of assets and other non-recurring charges and expenses of \$163 at KGBT, \$138 at WPDE, \$80 at WLUC and \$21 at various other stations. For the nine months ended September 30, 2006, represents losses on dispositions of assets and other non-recurring charges and expenses of \$238 at KGBT and \$15 at various other stations.

(9) Adjusted EBITDA is defined as EBITDA before the provision for amortization of program and broadcast rights, network revenues, other non-cash charges, gains or losses on dispositions of assets and other non-recurring items and after program broadcast rights payments and payments from networks. Certain financial covenants in Barrington's new credit facility contain ratios based on Adjusted EBITDA and the restricted payment and debt incurrence covenants in the indenture governing Barrington's senior subordinated notes are based on Adjusted EBITDA. In addition, management believes that Adjusted EBITDA may be useful in assessing our operating performance and our ability to meet our debt service requirements because Adjusted EBITDA, as opposed to EBITDA, more accurately reflects our operating performance as it takes into account industry specific adjustments such as amortization of program broadcast rights, program broadcast rights payments, amortization of network revenues, cash payments from networks, as well as gains and losses on dispositions of assets and other non-recurring items.

(Dollars in thousands)	<b>Pro Forma</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>	<b><u>9/30/2005</u></b>	<b><u>9/30/2006</u></b>
<b>Reconciliation of Broadcast Cash Flow:</b>				
Adjusted EBITDA	6,738	7,967	21,197	25,008
Corporate overhead costs	1,035	1,056	3,105	3,168
Broadcast Cash Flow <sup>(10)</sup>	<u>7,773</u>	<u>9,023</u>	<u>24,302</u>	<u>28,176</u>

(10) Broadcast Cash Flow is defined as Adjusted EBITDA before provision for corporate overhead costs. Broadcast Cash Flow is a measure commonly used by financial analysts in evaluating operating performance of broadcast companies. Accordingly, management believes that Broadcast Cash Flow may be useful for in assessing our operating performance and our ability to meet our debt service requirements.

BARRINGTON BROADCASTING COMPANY, LLC, #11075188  
3<sup>rd</sup> Quarter Earnings Conference Call  
November 14, 2006, 11:00 a.m. ET  
Chairperson: Jim Yager

Operator: Good morning ladies and gentlemen and welcome to the Barrington Broadcasting Group's 3<sup>rd</sup> Quarter Earnings Conference Call. At this time, all participants are in a listen-only mode. Following today's presentation, instructions will be given for the question and answer session. If anyone needs assistance at any time during the conference, please press the \* followed by the 0. As a reminder, this conference is being recorded today, Tuesday, November 14, 2006. I would now like to turn the conference over to Jim Yager, Chief Executive Officer of Barrington Broadcasting. Please go ahead sir.

Jim Yager: Well, thank you and good morning and welcome to Barrington Broadcasting's second quarterly conference call. Before we begin, I'd like to remind you that certain statements made during this conference call, which are not based on historical facts, may be deemed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events, or developments to differ materially from those expressed or implied by these forward-looking statements. Such factors include those risks described in Exhibit 99.1 to the Quarterly Report. All information is current as of the date of this call, and the company undertakes no duty to update this information.

With me this morning are Warren Spector, our Chief Financial Officer, and Chris Cornelius, our Chief Operating Officer.

Today, we will cover our results for the third quarter and first 9 months of 2006 on a pro forma combined basis for our original Barrington stations and the Raycom stations we acquired on August 11<sup>th</sup> as well as bring you up to date on the progress we have made in integrating these 11 Raycom stations into our operations.

On a pro forma combined basis, that is Barrington and Raycom, our station gross revenues in the third quarter were up \$3.4 million or 11.3% over the third quarter of 2005 due primarily to a \$3.1 million increase in political revenues as well as increases in local revenues of 2.2% and national revenues of 1.4%.

Broadcast cash flow for the third quarter, on a pro forma basis, increased 16.1% from \$7.8 million last year to \$9 million this year.

Pro forma gross revenues for the first 9 months ended September 30, 2006 were up \$8.9 million or 9.9% over the first 9 months of 2005. This increase was due to an increase in political revenues for the period of \$5.1 million as well as increases in local and national of 7.9% and 2.9% respectively for the period.

Broadcast cash flow was up \$3.9 million or 15.9% on a pro forma basis for the first 9 months of this year.

At this point, I'd like to ask Warren Spector to review in a little more detail both the third quarter and the first 9 months for Barrington and Barrington Raycom on a pro forma

basis. Warren.

Warren Spector:

Well, thanks Jim. The 10-Q that will be filed later today on our website will include results for the stations that Barrington owned and operated during the 3 and 9 months ended September 30, 2006 and 2005 reporting periods.

The results for the 3 and 9 months ended September 30, 2006 include results for stations that were acquired in 2005; Columbia, Jefferson City, and Amarillo, and early 2006 acquisitions as well; Myrtle Beach, and approximately 1½ months of the results of the 12 stations that we acquired from Raycom in August 2006, and only the results of the Columbia-Jefferson City from March 1, 2005 and the results from the Amarillo station from August 1, 2005 are included in the 2005 results. So, you'll see that there will be large increases year-over-year in all revenue and expense categories. So, I'm not going to speak to that. I'm going to focus on the pro forma combined results for all of the stations for the 3 and 9 months ended September 30<sup>th</sup>. This includes all stations as if they were owned by Barrington at the beginning of the period.

As Jim stated earlier, pro forma gross revenues for the third quarter increased 11.3% over the same period a year ago primarily due to an increase in political revenues of \$3.1 million for the quarter.

Local revenues increased 2.2% and national revenues increased 1.4% quarter-over-quarter.

Political revenues for the third quarter of 2006 were approximately \$3.3 million.

Pro forma net revenues for the quarter, which are gross revenues minus direct costs which includes agency commissions, rep fees, and other direct costs for the quarter, increased 9.8% to \$28.1 million from \$25.6 million for the third quarter of 2005.

Pro forma operating expenses for the quarter, not including depreciation and amortization, increased approximately \$1 million or 5.6% due primarily to increasing utilities, sales, salaries, and commissions and repairs and maintenance expenses.

Jim stated earlier that pro forma cash flow increased for the 3 months ended September 30, 2006 16.1% to \$9 million from \$7.8 million for the 3 months ended September 30, 2005.

Pro forma gross revenues for the 9 months ended September 30, as Jim stated earlier, increased 9.9% to \$99.1 million from \$90.2 million for the same period in '05.

Political increased to \$5.1 million, and there was an increase in local revenues of \$4.1 million or 7.9% to \$56 million.

National revenues were also up 2.9% for the 9 month period.

Political revenues for the 9 month period were approximately \$5.8 million.

Pro forma net revenues increased for the 9 month period 9.3 percent to \$84.6 million from \$77.4 million for the same period in 2005.

Pro forma operating expenses for the 9 months ending September 30 increased \$3.1 million or 5.6%, again, primarily due to increases in utilities, increased sales, salaries, and commissions and scheduled payroll increases, and finally, pro forma broadcast cash flow for the 9 months increased 15.9% to \$28.2 million from \$24.3 million for the 9 month period ended September 30, 2005, and with that, I'll turn it back over to Jim.

Jim Yager: Thanks Warren. As mentioned at the start of the call, we officially acquired 11 stations from Raycom on August 11, 2006, and we are in the process of integrating these stations into our operations, and the man heading up that integration is Chris Cornelius, and Chris, if I could, I'd like to call on you to just say a few words about how that integration process is going.

Chris Cornelius: All right Jim. Thank you. I thought we'd give you an update on the progress we've made since the September 28<sup>th</sup> call.

First, we've completed consolidating the back-office functions off all of the Raycom stations into Barrington.

Secondly, we're on schedule, and we're on budget with automating the news production and certain engineering functions at 4 of the Raycom stations, and these projects will be completed by early 2007.

Prior to October, we started consolidating the traffic functions of all of our stations at WPDE in Myrtle Beach, South Carolina. We put that project on hold October 1<sup>st</sup> because of demand placed on our inventory by the political advertisers, and as Jim mentioned in our press release, political revenues throughout the election cycle of October and November exceeded our expectations. Now, the traffic consolidation projects are back, and they are back in full swing.

At the newly acquired KXRM in Colorado Springs, we are now producing the news in-house, and in early '07, we'll bring the news in-house, and the planning has already begun, on the acquired station in Columbia, South Carolina, and finally, at all of our stations, we are in the middle of our '07 budgeting process. That process should come to a conclusion over the course of the next 3 or 4 weeks. Jim.

Jim Yager: Thanks Chris. Just to remind everyone what our Barrington strategy is and that is to build a strong local news presence in all of our markets, and in that regard, as Chris mentioned, we have brought the news in-house at Colorado Springs and are going to bring the news in-house in Columbia, South Carolina, in the first part of 2007.

Our second element of our strategy is to develop strong local sales departments that will increase our share of all local advertising dollars in the markets we serve.

Thirdly, we want to implement cost-saving initiatives at each of our stations, irrespective of their market size, using automation and bottoms-up budgeting techniques at each of our properties.

Fourthly, we want to maintain deep, intelligent management at both the corporate level and individual station level. In October, we replaced the general manager in Arlington, Texas, with Theresa Burgess, a bilingual, experienced manager in U.S./Mexican border market stations, and finally, we want to use the power of television to build traffic to our locally-focused internet sites. In that regard, we have hired a new senior vice president with experience across a variety of digital media platforms to head up our interactive efforts.

We believe we are making progress on implementing the strategy at all Barrington stations and remain excited about the future and potential of Barrington and, quite honestly, about the future of over-the-air television in general.

Now, I'd like to open the phones to any questions you may have.

Operator: Thank you sir. Ladies and gentlemen, at this time, we will begin the question and answer session. If you have a question, please press the \* followed by the 1 on your pushbutton phone. If you would like to decline from the polling process, press the \* followed by the 2. You will hear a 3-tone prompt acknowledging your selection, and if you are using speaker equipment, you will need to lift the handset before pressing the numbers. One moment please for the first question and our first question is from Stephen Weiss with Banc of America Securities. Please go ahead.

Mike Tuwilliger: Hi everyone. It's actually Mike Tuwilliger sitting in for Stephen today. I wanted to get your thoughts on how political is tracking so far this year.

Jim Yager: Let me answer that by saying, as I said in the press release we put out, it has exceeded our expectations, and we believe, by the time we publish our fourth quarter results, it will have exceeded those expectations we kind of laid out on the Road Show. [Editor's Note: In his response to Mr. Tuwilliger's question, Mr. Yager was referring to expected revenues from political advertising for the period from August 1, 2006 through December 31, 2006.]

Mike Tuwilliger: Okay. On the Road Show, I believe there was a number of around 10 million that had been sort of thrown around. Does that still seem like a reasonable number for us?

Jim Yager: I would say that that's a very reasonable number.

Mike Tuwilliger: Very reasonable number. Okay.

Jim Yager: Very, very reasonable. Let's put it this way, very, very reasonable.

Mike Tuwilliger: So, it seems as though political has perhaps fallen more into the fourth quarter then?

Jim Yager: Political this year, and I think probably across all stations, came very, very late.

Mike Tuwilliger: Okay.

Jim Yager: It created some inventory pressures on us in September, but certainly, in October and November, we really were besieged with political advertising.

Mike Tuwilliger: Okay.

Jim Yager: And that wasn't just political candidates. That was issue advertising as well as political candidates.

Mike Tuwilliger: So, did you see any crowding-out effect, or is this going to be incremental revenue in fact?

Jim Yager: It will primarily be incremental revenue although, as you can imagine, in some states, there was some displacement of local and national advertising into later November and December. We think we've probably made about 80 percent of any kind of displacement good in November and December.

Mike Tuwilliger: Okay. Great. Then, sort of just a bigger picture strategic question, do you guys have any thoughts on how you're going to replace the political going into 2007?

Jim Yager: Yes, we do, and Chris, as a matter of fact, is on that local mission right now. We have a number of local sales initiatives we're planning as part of our budget process for 2007. Can we replace all of the political with those initiatives? The answer to that is probably no, but we think that by being aggressive in the local area we can come pretty close to

replacing it.

Mike Tuwilliger: Okay. Some sort of housekeeping questions; how did you track as far as your various categories? I believe, in autos, you tracked about flat last quarter. Where are we looking this quarter?

Jim Yager: I'll let Warren answer that for the third quarter.

Warren Spector: For the third quarter, autos came in at about what you would expect; about 23 percent.

Mike Tuwilliger: About 23 percent. Any other categories have any real movement one way or the other?

Jim Yager: That 23 percent includes – I might add there, which is pretty interesting – automotive at 23 percent, and political is in that category too.

Warren Spector: Third quarter.

Jim Yager: So, when you look at it, we did pretty well – held pretty well with automotive.

Mike Tuwilliger: Okay and some basic housekeeping questions; I didn't see a capex number in there. Is that going to be in this afternoon's 10-Q?

Warren Spector: There is a capex number included in the 10-Q this afternoon.

Mike Tuwilliger: Okay and debt balances will be in there as well so that we can get all of those sort of housekeeping questions from there?

Warren Spector: You know, there was a debt in the press release, below the first table, in the first exhibit.

Mike Tuwilliger: Okay. How does that break down for the revolver? What's your revolver availability now at the end of the quarter?

Speaker: In the revolver availability, we had not drawn on the revolver, as of 9/30.

Mike Tuwilliger: Okay. Excellent. That's all I have. Thanks gentlemen.

Speaker: Thank you.

Operator: Thank you. Our next question is from Bishop Cheen with Wachovia. Please go ahead.

Bishop Cheen: Hi. Thanks for taking the question Jim, Chris, and Warren. I've got to compliment you on how organized the press release is. It answers a multitude of questions.

Jim Yager: Compliment Warren, because he's the architect of that.

Bishop Cheen: Well, it was well done. That's the way it's supposed to be. This may sound like deja vu. I'm going to take you back to the Road Show and kind of set you up with a forest fire that you probably thought you put out, but it's back. Newspaper advertising is eroding so fast it's alarming. There are people who think, "Well, TV's next, and this is old media." What do you say to people who look at you with a questioning eye who think, "Yes, it's all political. You can't possibly create sustainability and growth in TV, because it's just like newspapers," and what are you doing in terms of initiatives to reach across to new media, to the internet, to those kinds of platforms?

Jim Yager: Let me begin by saying Bishop that you're right. We see an erosion in the newspaper spend in even our size markets. I know you read about it in major markets, but it's

occurring, and we're seeing it in our size markets, and we think this is a great opportunity. When you look at the use of commercial television, over-the-air commercial television, on the local level, you'll see very little erosion of our underlying audiences, and when we do see erosion, it's to fragmentation of where people are watching their television, which means that they are still watching primarily their local television stations. The local newspapers can't say they are still reading the local newspapers, because they are not. If you look at our late news numbers, and this is interesting, because there has been a shift over the years from the early news, the 6 or the 6:30 news, to the late news, you will see that we have maintained the same level of share and ratings on a comparable basis to where we were 5 or 6 years ago. We think that television is stepping into the void left by newspapers and, to some degree, and I know people aren't going to want to hear this, the yellow pages, and as we concentrate our efforts in shifting from the newspaper kind of yellow page databases that they were using to using the internet, and that is one reason we have put such emphasis on developing our internet strategy here and have brought in a very fine young executive to put all of our efforts in that regard together and form our own databases for our things, and we have the greatest platform in the world to promote our internet sites. Newspapers do not, and when newspapers try to get into the internet business, they are cannibalizing their existing kind of profit centers such as the classifieds. We don't have profit centers in the classifieds. So, anything we do on the internet is new and additive to us while the newspapers have got to look at that as a shift of dollars within their own kind of universe. I don't know if that answered your question.

- Bishop Cheen: Oh no. That's a very good answer. I think that's very helpful. All right. A couple of other things; the magnitude of the lift that is coming in Q4, we've seen pretty much the same magnitude pro forma each quarter. In fact, it seems to be building. Is there any reason to think that that magnitude of the pro forma gains is going to be noticeably different in Q4?
- Jim Yager: Warren, I'll let you answer that.
- Warren Spector: Well Bishop, I would say that we'll have to wait and see how Q4 finishes. I mean, that's forward, and I'll go back to the press release that political revenues exceeded our expectations.
- Bishop Cheen: Okay. Yes. I mean, everybody has – pretty much everyone has said that this is a better year than they thought it would be, and also, in the cost savings that you have been achieving, will most of your targeted cost savings be achieved by yearend, or will there still be some more that you'll capture in '07?
- Jim Yager: Chris, why don't I let you answer that?
- Chris Cornelius: Most of the cost savings that we have due to automation and so on will be done and realized by the end of the year or in early '07. Anything additional is sort of a forward-looking thought, and I think that we have to kind of go back and focus on where we were in the Q.
- Bishop Cheen: Okay. I'll let you go. Thank you.
- Speaker: Thanks Bishop.
- Operator: Thank you. Ladies and gentlemen, if there are any additional questions, please press the \* followed by the 1 at this time. As a reminder, if you're using speaker equipment, you will need to lift the handset before pressing the numbers. One moment please for the next question and the next question is a follow up from Bishop Cheen. Please go ahead.

Bishop Cheen: I'm sorry. There's one other thing. Let's talk about the core and political. In straight math, just if I back out the political from your gross revenue, kind of what's left or the core, I noticed that this time around the core seemed flattish as opposed to the other 2 quarters doing the same exercise. Is that because the political just captured so much inventory space?

Jim Yager: Pretty much so Bishop. I think you can look at the displacement factor, and it came late. Again, you really have to look at where this political came, and when you look at the whole quarter, we were moving along both on the local and the national side, until we got to September, and then, the political really dominated September. So, of the 3.3 million, I would say probably 80 percent of it came in September.

Bishop Cheen: Okay. Yes. Well then, you're probably going to see that strong demand in Q4 as well.

Jim Yager: The difference is, at the end of Q4, we have a month and 3 weeks. So, we can make good a lot of what we couldn't do in October, if that makes any sense. I mean, the waterfall effect is we can push it back into the quarter.

Bishop Cheen: Right. You've got more on the other side of it.

Jim Yager: Yes.

Bishop Cheen: And then, is there any development in retrans revenue as a new incremental revenue stream for you?

Jim Yager: Bishop, we are in negotiations as we speak. It's probably a little premature to talk about some of the negotiations we're having with Verizon and others, but there is retrans of dialogue going on with the phone companies. Now, as you know, we do have retrans coming to us from the satellite providers. We divulged those on the Road Show, and we think that probably by the end of the '08 cycle we will be in pretty strenuous renegotiation of all of our retransmission arrangements with cable.

Bishop Cheen: Okay and then, when you think about the new media and the retrans, the web, and whatever else you're cooking up, do you have a target in mind where you think X percent of your revenue or your cash flow should be from the developing new media, retrans, digital, what have you, and those kinds of initiatives?

Jim Yager: Let me tell you how we're approaching that. What we're looking at, when we look at advertising, we don't look at television and just what our share of the television dollars will be. We're trying to get a feel in each of our markets for what the total local advertising spend is, and that would be in newspapers, on radio, in yellow pages, in direct mail, in all of these other areas, and the wild card here and the one that is coming up and has come up in the past 3 years just locally is what's happening with the internet. So, as we develop our strategy, we're trying to say, "What share," not "Can we take from our competitor at CBS," if we have an ABC station, but "What share of that advertising dollar can we take," and Chris, you may remember the numbers you talked about total advertising in Peoria.

Chris Cornelius: Yes. Let me just give you an example Bishop. In Peoria, the television market is \$33 or \$34 million depending on the year, but local advertising accounts for about \$110 million in that marketplace. So, our focus is developing enterprising initiatives both for the television station and for any other ancillary kinds of media that we develop and focused on that particular share of the marketplace; the non-television share of the marketplace.

Bishop Cheen: Right. Well, I mean, it seems too that yes, there's the big established pie, and then, as we get into '08 and '09, there are parts of a pie we haven't even seen the pieces of yet. The

pie doesn't exist.

- Jim Yager: We would agree 100 percent with that Bishop.
- Bishop Cheen: Okay. So, you don't have a kind of targeted percentage of your overall revenue for...
- Jim Yager: That would be kind of forward looking.
- Warren Spector: Yes. Our interactive person that we just hired came on very recently. So, we haven't put any types of numbers in place.
- Bishop Cheen: Guys, it's a fair answer. I didn't mean to make it sound like an inquisition. Thank you for the color.
- Speaker: Thank you Bishop.
- Operator: Thank you and there are no further questions at this time. I would now like to turn the call back over to management for any closing remarks.
- Jim Yager: Well, thank you all, again, for your attention. We continue to integrate the Raycom stations into our operations, and I can say this: We are looking forward to a good fourth quarter, and we are looking forward to setting plans for 2007, and again, thank you for your participation in the call.
- Operator: Thank you sir. Ladies and gentlemen, this concludes the Barrington Broadcasting Group's 3<sup>rd</sup> Quarter Earnings Conference Call. If you would like to listen to a replay of today's conference call, please dial (303) 590-3000 or (800) 405-2236 with access code 11075188 followed by the pound sign. Once again, those numbers are (303) 590-3000 or (800) 405-2236 with access code 11075188 followed by the pound sign. You may now disconnect, and thank you for your participation.

**END**