

**QUARTERLY REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2008**

**BARRINGTON BROADCASTING GROUP LLC
BARRINGTON BROADCASTING CAPITAL CORPORATION**
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Pursuant to Section 4.3(a) of the Indenture, dated as of August 11, 2006, as supplemented by the Supplemental Indenture, dated as of March 19, 2008, by and among Barrington Broadcasting Group LLC, a Delaware limited liability company (“Barrington Group”), Barrington Broadcasting Capital Corporation, a Delaware corporation (“Barrington Capital”), U.S. Bank National Association, as trustee, and the guarantors named therein, relating to the 10½% Senior Subordinated Notes due 2014 (the “Notes”), Barrington Group and Barrington Capital are furnishing the information contained herein to holders of the Notes.

**BARRINGTON BROADCASTING GROUP LLC
BARRINGTON BROADCASTING CAPITAL CORPORATION
QUARTERLY REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2008**

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Quarterly Report are known as “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements may relate to, among other things:

- 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 the our markets; and
- our ability to integrate recent and future acquisitions of television stations and achieve certain anticipated cost savings.

These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained in this Quarterly Report that are not historical facts. When used in this Quarterly Report, the words “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions are generally intended to identify forward-looking statements. 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, including our plans, objectives, expectations and intentions and other factors discussed in Exhibit 99.1 to this Quarterly Report and elsewhere in this Quarterly Report. You should not place undue reliance on such forward-looking statements, which are based on the information currently available to us and speak only as of the date on which this Quarterly Report is posted on our website (www.barringtontv.com). We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made on related subjects in our subsequent reports furnished to holders of our 10½% Senior Subordinated Notes due 2014.

PART I

As used in this Quarterly Report, the term “Issuers” refers to Barrington Broadcasting Group LLC, a Delaware limited liability company, or Barrington Group, and Barrington Broadcasting Capital Corporation, a Delaware corporation, or Barrington Capital; the term “Barrington Corporation” refers to Barrington Broadcasting Corporation, a Delaware corporation, and its consolidated subsidiaries prior to the merger of Barrington Broadcasting Corporation with Barrington Group; and unless the context otherwise requires, the terms “we,” “us”, “our” or similar terms refer to Barrington Group and its consolidated subsidiaries.

ITEM 1. FINANCIAL STATEMENTS

Index to Financial Statements

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF BARRINGTON BROADCASTING GROUP LLC FOR THE THREE MONTHS ENDED MARCH 31, 2008 and 2007

Condensed Consolidated Balance Sheets as of March 31, 2008 and December 31, 2007

Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2008 and 2007

Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2008 and 2007

Notes to the Condensed Consolidated Financial Statements

BARRINGTON BROADCASTING GROUP LLC
Condensed Consolidated Balance Sheets

	(Unaudited)	
	March 31,	December 31,
	2008	2007
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash	\$ 3,445	\$ 2,268
Trade receivables, less allowance for doubtful accounts of \$441 and \$553, respectively	19,847	22,837
Current portion of program broadcast rights	2,175	3,149
Prepaid expenses and other current assets	1,931	1,842
	<u>27,398</u>	<u>30,096</u>
Program broadcast rights	1,166	1,169
Debt issuance costs	11,290	10,152
Investment in joint ventures	1,421	1,440
Other	38	38
Property and equipment, net	72,493	77,579
Goodwill	9,922	9,922
Other intangibles, net	267,074	267,753
TOTAL ASSETS	<u><u>\$ 390,802</u></u>	<u><u>\$ 398,149</u></u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,281	\$ 1,318
Current portion of program broadcast payable	3,488	4,523
Revolving credit facility	4,500	-
Current maturities of long-term debt, including related party loan of \$503	2,003	2,003
Current portion of contracts payable	128	138
Accrued interest	3,004	6,314
Accrued expenses and other liabilities	4,956	4,696
Deferred revenue - current	158	143
Total current liabilities	<u>19,518</u>	<u>19,135</u>
Long-term debt	271,201	271,576
Contracts payable	1,287	1,285
Program broadcast payable	1,519	1,563
Interest rate collar	7,395	3,673
Deferred revenue	1,397	1,430
MEMBER'S EQUITY		
Member's equity	95,880	103,160
Other comprehensive loss	(7,395)	(3,673)
Total member's equity	<u>88,485</u>	<u>99,487</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 390,802</u></u>	<u><u>\$ 398,149</u></u>

See accompanying notes to the condensed consolidated financial statements

BARRINGTON BROADCASTING GROUP LLC
Condensed Consolidated Statements of Operations
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2008</u>	<u>2007</u>
	(in thousands)	
NET REVENUES	\$ 26,693	\$ 26,005
OPERATING EXPENSES		
Selling, technical and program expenses	14,521	14,027
General and administrative	5,055	5,143
Depreciation and amortization	6,554	7,829
Corporate	1,838	1,160
Total operating expenses	<u>27,968</u>	<u>28,159</u>
LOSS FROM OPERATIONS	(1,275)	(2,154)
INTEREST (EXPENSE) INCOME		
Interest expense	(6,014)	(6,117)
Amortization of debt issuance costs	(424)	(416)
Interest income	14	33
Total net interest expense	<u>(6,424)</u>	<u>(6,500)</u>
OTHER NON-OPERATING INCOME		
Non-cash gain	465	-
Total non-operating income	<u>465</u>	<u>-</u>
LOSS BEFORE INCOME TAXES	(7,234)	(8,654)
INCOME TAX (EXPENSE) BENEFIT	(46)	5
NET LOSS	<u>\$ (7,280)</u>	<u>\$ (8,649)</u>

See accompanying notes to the condensed consolidated financial statements

BARRINGTON BROADCASTING GROUP LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (7,280)	\$ (8,649)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	5,838	6,298
Amortization of program broadcast rights	1,074	1,248
Payments of program broadcast payable	(1,176)	(1,195)
Amortization of intangibles, debt issuance costs	1,103	1,934
Barter revenue net of expenses	104	76
(Gain) loss on disposal, exchange and impairment of property and equipment	(446)	13
Imputed interest and amortization on long term contracts	39	(24)
Equity in loss of joint ventures	19	-
Changes in assets and liabilities that relate to operations, net of effect of acquisitions:		
Trade receivables	2,990	2,156
Prepaid expenses and other	(89)	298
Accounts payable	(148)	(73)
Accrued interest	(3,310)	(2,531)
Accrued expenses	260	494
Deferred revenue	(18)	(10)
Net cash (used in) provided by operating activities	(1,040)	35
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(301)	(3,172)
Proceeds from disposition of assets	2	11
Acquisition of television stations, net of cash acquired	-	(362)
Net cash used in investing activities	(299)	(3,523)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(375)	(375)
Borrowings on revolving loan facility, net of payments	4,500	3,000
Payments of contracts payable	(47)	(18)
Payment of debt issuance costs	(1,562)	(230)
Net cash provided by financing activities	2,516	2,377
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents, beginning of period	2,268	4,920
Cash and cash equivalents, end of period	\$ 3,445	\$ 3,809

Continued

See accompanying notes to the condensed consolidated financial statements

BARRINGTON BROADCASTING GROUP LLC
Condensed Consolidated Statements of Cash Flows (continued)
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
	(in thousands)	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments of interest	\$ 9,307	\$ 8,672
Cash (refunds) payments of income taxes	\$ 46	\$ (5)
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of program broadcast rights	\$ 97	\$ 312
Equipment acquired by barter transactions	\$ 7	\$ 48
Change in valuation of interest rate collars	\$ 3,722	\$ -
Fair market value of equipment acquired in exchange	\$ 465	\$ -
 ACQUISITION OF TELEVISION STATIONS		
Amounts paid in 2007 pertaining to 2006 acquisitions	\$ -	\$ 362

See accompanying notes to the condensed consolidated financial statements

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(Note A) – Basis of Presentation and Accounting Policies

Nature of Business – Barrington Group owns and operates 21 television stations located in 15 markets in the United States. Barrington Group’s revenues are derived primarily from the sale of advertising time and, to a lesser extent, internet advertising, network compensation, retransmission consent fees and barter transactions for goods and services. The stations sell commercial time during programs to national, regional and local advertisers. The networks also sell commercial time during the programs to national advertisers.

The advertising revenue of the stations is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to and including the holiday season. Additionally, advertising revenue in even-numbered years can benefit from demand for advertising time in Olympic broadcasts and advertising placed by candidates for political offices as well as political issue-oriented advertising. Credit arrangements are determined on an individual customer basis. Segment information is not presented because all of Barrington Group’s revenue is attributed to a single reportable segment.

Basis of Presentation – The unaudited condensed consolidated financial statements have been prepared consistent with generally accepted accounting principles for interim financial information and the instructions for Form 10-Q and Article 10 of Regulation S-X. Some of the information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. It is recommended that these financial statements be read along with the annual financial statements and footnotes thereto of Barrington Group for the year ended December 31, 2007 which are included in Barrington Group’s Annual Report on Form 10-K which was filed with the Securities and Exchange Commission, or the SEC, on March 27, 2008 and which is posted on our website (www.barringtontv.com). The unaudited condensed consolidated financial statements and the amounts provided in the footnotes thereto have been rounded to the nearest thousand.

The unaudited condensed consolidated financial statements include the accounts of Barrington Group and its television stations consisting of WEYL, Flint, Michigan; WBSF, Bay City, Michigan; WNWO, Toledo, Ohio; WSTM and WSTQ, Syracuse, New York; WACH, Columbia, South Carolina; KGBT, Harlingen, Texas; KXRM and KXTU, Colorado Springs, Colorado; WPDE, Myrtle Beach, South Carolina; WPBN and WTOM, Traverse City, Michigan; WHOI Peoria, Illinois; KVII and KVIH, Amarillo, Texas; KRCG, Columbia, Missouri; WFXL, Albany, Georgia; KHQA, Quincy, Illinois; WLUC, Marquette, Michigan; and KTVO, Kirksville, Missouri, all of which are wholly-owned. Barrington Group also programs WWMB, owned by SagamoreHill of Carolina, LLC, or SagamoreHill, in South Carolina, under a local marketing agreement, or LMA. SagamoreHill is consolidated as a variable interest entity in accordance with Financial Accounting Standards Board Interpretation No. 46 (R), or FIN 46R, “Consolidation of Variable Interest Entities—an Interpretation of ARB No. 51”. All significant intercompany accounts and transactions have been eliminated. Certain prior year financial statement amounts have been reclassified to conform to the current year presentation.

In addition, Barrington Group, through its acquisition of KGBT and WFXL, owns 50% interests in each of Tall Tower LLC, a joint venture formed to operate a television tower in Harlingen, Texas, and Albany Tower LLC, a joint venture formed to construct and operate a television tower in Albany, Georgia. Barrington Group’s interests in Tall Tower LLC and Albany Tower LLC have been consolidated using the equity method of accounting.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary to present fairly

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements - (continued)
(Unaudited)

Barrington Group's financial position, results of operations and cash flows at the dates and for the periods presented. Advertising revenue tends to be higher in even-numbered years, when national, state and local political advertising is a significant element of advertising revenue. Historically, in odd-numbered years, little if any revenue is obtained from political advertising. Results of interim periods are not necessarily indicative of anticipated results for the year. Barrington Group believes that, aside from the impact of political advertising, there is no material difference between the 2008 and 2007 reporting periods and that the results of both periods are comparable.

(Note B) – Long-Term Debt

Long-term debt consists of the following (in thousands):

	<u>March 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Senior secured term loan B	\$ 145,288	\$ 145,656
Revolving credit facility	4,500	-
Senior subordinated notes	125,000	125,000
SagamoreHill term loan	2,413	2,420
Related party loan	503	503
	<u>277,704</u>	<u>273,579</u>
Less current portion of debt	<u>6,503</u>	<u>2,003</u>
	<u>\$ 271,201</u>	<u>\$ 271,576</u>

Our credit facility consists of a \$147,500,000 senior secured term loan B with a seven-year maturity and a \$25,000,000 revolving credit facility with a six-year maturity. The obligations under the credit facility are guaranteed by Barrington Broadcasting LLC, the parent of Barrington Group, or Barrington LLC, and all of Barrington Group's direct and indirect subsidiaries. The credit facility is secured by a first priority lien on substantially all of our existing and future assets and those of our direct and indirect subsidiaries. As of March 31, 2008, outstanding borrowings on the revolving credit facility totaled \$4,500,000.

Borrowings under the credit facility bear interest at a floating rate, which can be either LIBOR plus an applicable margin or, at our option, a base rate plus an applicable margin payable at least quarterly. Base rate is defined as the higher of (i) the Bank of America prime rate or (ii) the federal funds effective rate plus 0.50%. The applicable margin for (x) the term loan is 2.25% for LIBOR loans and 1.25% for base rate loans and (y) the revolving facility is 2.25% for LIBOR loans and 1.25% for base rate loans and is subject to a pricing grid based on total leverage. The interest rate payable under the credit facility will increase by 2.0% per annum during the continuance of an event of default. The unused portion of the revolving credit facility is subject to a commitment fee of 0.50%. The weighted average interest rate on the outstanding balances under the credit facility and the guaranteed loan was 5.43% as of March 31, 2008.

Barrington Group issued \$125,000,000 aggregate principal amount of 10½% Senior Subordinated Notes, or the notes. The notes mature on August 15, 2014. Interest is payable on the notes semi-annually in cash on February 15 and August 15 of each year. The notes are unconditionally guaranteed on an unsecured senior subordinated basis by all of Barrington Group's current and future restricted subsidiaries (other than Barrington Capital) that guarantee our and our subsidiaries' other indebtedness. The notes bear interest at a fixed rate of 10.5% and principal is due at maturity.

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements - (continued)
(Unaudited)

The credit facility and the Indenture, dated as of August 11, 2006, as supplemented by the Supplemental Indenture, dated as of March 19, 2008, by and among the Issuers, U.S. Bank National Association, as trustee, and the guarantors named therein, relating to the notes, referred to herein as the indenture, limit our ability to incur additional indebtedness and issue certain preferred stock; pay dividends on our capital stock or repurchase our capital stock or subordinated debt; make investments; create certain liens; sell certain assets or merge or consolidate with or into other companies; incur restriction on the ability of our subsidiaries to make distributions or transfer assets to us; and enter into transactions with affiliates.

The credit facility contains certain financial covenants, including, but not limited to, covenants related to interest coverage and total leverage. In addition, the credit facility contains other affirmative and negative covenants relating to, among other things, preservation of assets, compliance with laws, maintenance of insurance, financial statements and reporting, liens, payments on other debt, disposition of assets, transactions with affiliates, mergers and acquisitions, sales of assets, guarantees, and investments. The credit facility contains customary events of default for bank facilities of this kind, including default on payment of the loans or other indebtedness, certain changes in ownership, control or management of Barrington Group, bankruptcy, and loss of FCC licenses, among others. The loans are secured by Barrington Group's present and future property and mortgages on substantially all presently owned and hereafter acquired real estate, guarantees by and security interests in the assets of each of the subsidiaries of Barrington Group. Barrington Group is currently in compliance with these financial covenants.

In addition, as part of the acquisition of WPDE /WWMB in February 2006, Barrington Group guaranteed full payment of all obligations incurred by SagamoreHill and SagamoreHill of Carolina Licenses, LLC, which owns WWMB's FCC license, under a \$2,450,000 senior credit facility, or the SagamoreHill term loan, entered into by SagamoreHill and SagamoreHill of Carolina Licenses, LLC.

On August 31, 2007, Barrington Traverse City LLC, a wholly owned subsidiary of Barrington Group, or Barrington Traverse City, entered into an Asset Purchase Agreement, or the WGTU APA, with Max Media of Traverse City LLC and MTC License LLC to acquire television station WGTU and its satellite WGTQ, which serve the Traverse City-Cadillac, Michigan market. We refer to this acquisition herein as the WGTU/WGTQ acquisition. Simultaneously with entering into the WGTU APA, Barrington Traverse City assigned its rights under the WGTU APA to Tucker Broadcasting of Traverse City, Inc., or Tucker, an unrelated third party. On April 1, 2008, Tucker completed its acquisition of WGTU/WGTQ. Through our guarantee of \$3,000,000 of Tucker's debt obligations under a credit facility and the issuance of a \$4,000,000 letter of credit, we are providing credit support for certain debt obligations Tucker incurred in connection with the WGTU/WGTQ acquisition. (See Note J)

(Note C) – Consent Solicitation

On March 19, 2008, Barrington Group received consents from holders of 100% of the aggregate principal amount of the notes to adopt certain amendments to the reporting covenant under the indenture governing the notes. A supplemental indenture to effect the proposed amendments was executed on March 19, 2008. The supplemental indenture eliminated Barrington Group's requirement to file periodic and current reports with the SEC and instead required that the type of information required to be reported on Forms 10-K, 10-Q and 8-K (other than the requirement to report on internal controls under Section 404 of the Sarbanes-Oxley Act of 2002, as amended) be provided to the trustee for the notes and made available to the noteholders via the internet.

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements - (continued)
(Unaudited)

Barrington Group paid each consenting holder of the notes a consent fee of 1.25% of the face value of the notes held by such holder as consideration for their acceptance of the amendments for an aggregate fee of \$1,562,000. Barrington Group capitalized this amount as debt issuance costs and recorded other fees and costs of \$630,000 in connection with the consent solicitation, which are included as corporate expenses in the condensed consolidated statement of operations.

(Note D) – Accounting for Derivative Instruments and Hedging Activities

Under the provisions of Statement of Financial Accounting Standards, or SFAS, No. 133, “Accounting for Derivative Instruments and Hedging Activities”, as amended and interpreted, Barrington Group recognizes all derivatives at fair value, whether designated in hedging relationships or not, in the balance sheet as either an asset or liability. The accounting for changes in the fair value of a derivative, including certain derivative instruments embedded in other contracts, depends on the intended use of the derivative and the resulting designation. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item are recognized in the statement of operations. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the statement of operations when the hedged item affects net income. If a derivative does not qualify as a hedge, it is marked to fair value through the statement of operations. Any fees associated with these derivatives are amortized over their term. Under these derivatives, the differentials to be received or paid are recognized as an adjustment to interest expense over the life of the contract. Gains and losses on termination of these instruments are recognized as interest expense when terminated.

SFAS No. 133 defines requirements for designation and documentation of hedging relationships, as well as ongoing effectiveness assessments in order to use hedge accounting under this standard. Barrington Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes relating all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. Barrington Group’s derivative activities, all of which are for purposes other than trading, are initiated within the guidelines of corporate risk-management policies. Management reviews the correlation and effectiveness of its derivatives on a periodic basis.

Non Hedge Accounting Treatment

During the year ended December 31, 2005, Barrington Group entered into two interest rate cap agreements containing notional amounts of \$44,000,000 and \$20,000,000, respectively, which did not qualify for hedge accounting treatment.

These interest rate cap agreements, with a combined original cost of \$109,000, limited Barrington Group’s exposure to interest rate increases on its floating rate debt, thus reducing the impact of interest rate increases on future income. The 5.0% interest rate cap dated June 1, 2005 contained a notional amount of \$44,000,000 and expired May 31, 2007. The 5.5% interest rate cap dated November 9, 2005, contained a notional amount of \$20,000,000 and expired November 14, 2007.

The agreements provided payment to Barrington Group as of specified dates, without an exchange of the underlying principal, of a differential which represented the interest at the three-month LIBOR rate on the notional amounts in excess of 5.0% or 5.5%, as the case may be, during the term of the agreements. The differential to be received was accrued as interest rates increase above the stated LIBOR rate and recognized as a reduction to interest expense related to debt.

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements - (continued)
(Unaudited)

Barrington Group received payment on the interest caps in the amount of \$41,000 during the three months ended March 31, 2007. No payments were received during the three months ended March 31, 2008. Since the interest caps had expired during 2007, no gains or losses were recorded on the interest rate caps for the three months ended March 31, 2008. For the three months ended March 31, 2007, Barrington Group recorded a nominal loss on the interest rate caps as a result of the mark-to-market adjustment.

Hedge Accounting Treatment

In January 2007, Barrington Group entered into two interest rate collar agreements, each effective on February 12, 2007, to limit the exposure to fluctuation in short-term interest rates on a portion of our variable rate debt by locking in a range of interest rates. The notional amount of each interest rate collar agreement is \$40,000,000 and both expire on February 12, 2011.

In May 2007, Barrington Group entered into two additional interest rate collar agreements, each effective on August 14, 2007, to further limit the exposure to fluctuation in short-term interest rates on a portion of our variable rate debt by locking in a range of interest rates and to replace the \$44,000,000 interest rate cap agreement that expired in May 2007. The notional amount of each of these interest rate collar agreements is \$20,000,000. The agreements expire on August 16, 2010.

All four of the collar agreements are designated as hedging instruments under SFAS No. 133 and unrealized changes in the fair value of these agreements are recorded in other comprehensive income or loss. The interest rate collars consist of a purchased option and a sold option, which have been entered into simultaneously with the same counterparties.

The interest rate collar agreements provide that Barrington Group will receive payment when the three-month LIBOR rises above 5.5% and requires payment when the three-month LIBOR falls below 4.84% on the first \$80,000,000 and 4.845% on the subsequent \$40,000,000. During the three months ended March 31, 2008 and 2007 no payments were received or paid on the interest rate collars. At March 31, 2008, the value of the interest rate collar agreements was reflected as a liability in the amount of \$7,395,000, based on the fair value of the collars as of that date. In the event that interest rate expectations change, the effect of the change in the valuation of the interest rate collars to maturity will be reflected through other comprehensive income or loss.

(Note E) – Fair Value Measurement

The following table presents information about Barrington Group's liabilities measured at fair value on a recurring basis as of March 31, 2008, and indicates the fair value hierarchy of the valuation techniques utilized by Barrington Group to determine such fair value (in thousands):

	Balance as of March 31, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities:				
Interest rate collars	\$ 7,395	\$ -	\$ 7,395	\$ -

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements - (continued)
(Unaudited)

(Note F) – Comprehensive Loss

Comprehensive loss includes net loss and changes in member's equity from non-owner sources. For Barrington Group, the difference between net loss and comprehensive loss is due to the impact of changes in the fair market value of the interest rate collars.

Comprehensive loss consists of the following (in thousands):

	Three Months Ended March 31,	
	2008	2007
Net loss	\$ (7,280)	\$ (8,649)
Interest rate collar adjustments	(3,722)	(611)
Comprehensive loss	\$ (11,002)	\$ (9,260)

(Note G) – Related Party Loan

On August 31, 2007, Barrington Traverse City borrowed \$503,000 from Pilot Group, LP, or Pilot Group, the managing member of Barrington LLC, to fund a portion of the purchase price of the WGTU/WGTQ acquisition. The loan is unsecured and payable upon demand. The loan is subject to interest annually at a rate equal to the rate of the interest for the revolving credit facility. As of March 31, 2008, the interest rate on the related party loan was 5.11%. Accrued interest on the loan as of March 31, 2007 was approximately \$21,000. In connection with the WGTU/WGTQ acquisition, this loan was assigned to Tucker on April 1, 2008. (See Note J).

(Note H) – Management Agreement and Contingent Interest

On December 30, 2003 Barrington LLC, the sole member of Barrington Group, entered into a Management Agreement with Barrington Broadcasting Company LLC, or BBCLC, which is owned by Barrington Group's executive management team. Pursuant to the Management Agreement, BBCLC was retained as the exclusive manager of the television stations owned by and acquired by Barrington Group. The term of the Management Agreement expired on December 31, 2007. In connection with the expiration of the Management Agreement, as of January 1, 2008, Barrington Group entered into employment agreements with each of K. James Yager, its Chief Executive Officer, Chris Cornelius, its Chief Operating Officer, Warren Spector, its Chief Financial Officer, Keith Bland, its Vice President and Mary Flodin, its Vice President.

In addition, on January 1, 2008, Pilot Group and BBCLC entered into the First Amendment to the Amended and Restated Limited Liability Company Operating Agreement (as amended, the Parent Operating Agreement) of Barrington LLC, which increased the amount of BBCLC's contingent profits interest to 11% of total profits. Upon the occurrence of a sale of broadcast assets or similar liquidity events, BBCLC is entitled to share in proceeds, if distributed, after Pilot Group receives the return of its cumulative capital contributions.

(Note I) – Income Taxes

Barrington Group is not subject to federal income taxes, as it is a limited liability company and passes all taxable profits or losses directly to its members, in a manner similar to a partnership.

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements - (continued)
(Unaudited)

Accordingly, no federal tax provision was recorded for the three months ended March 31, 2008 and 2007.

Income tax expense for the three months ended March 31, 2008 was \$46,000, which consisted of various state tax liabilities. For the three months ended March 31, 2007, income tax refunds in the amount of \$76,000 related to Barrington Group's LLC conversion that occurred in 2006, were partially offset by state income tax provisions totaling \$71,000, resulting in a \$5,000 net income tax benefit.

(Note J) – Subsequent Events

WGTU /WGTQ Acquisition

On August 31, 2007, Barrington Traverse City entered into the WGTU APA with Max Media of Traverse City LLC and MTC License LLC to acquire television station WGTU and its satellite WGTQ. Simultaneously with entering into the WGTU APA, Barrington Traverse City assigned its rights under the WGTU APA to Tucker, an unrelated third party. On April 1, 2008, Tucker completed its acquisition of WGTU/WGTQ.

The total purchase price for the WGTU/WGTQ acquisition was \$10,682,000, which consisted of the fair market value of the assets of \$10,000,000 and \$682,000 of transaction fees and costs. The purchase price is subject to the resolution of various contingencies, including the final transaction fee amounts. The purchase price will be allocated on a preliminary basis to acquired assets and liabilities at fair value based on an appraisal of the acquired assets. The purchase price was partially funded with \$7,000,000 of borrowings under the credit facility which Tucker entered into in connection with the WGTU/WGTQ acquisition, or the Tucker Credit Facility. The purchase price was also partially funded with \$3,300,000 which Tucker borrowed from Pilot Group in exchange for a convertible subordinated discount note. The \$3,300,000 principal amount of the note includes a loan of \$503,000 by Pilot Group to Barrington Traverse City for the purchase price deposit for the WGTU/WGTQ acquisition, which loan was subsequently assigned by Barrington Traverse City to Tucker.

In connection with the WGTU/WGTQ acquisition, Barrington Group and all of Barrington Group's direct and indirect subsidiaries entered into a guaranty, or the Tucker Guarantee, pursuant to which we agreed to guarantee \$3,000,000 of Tucker's debt obligations under the Tucker Credit Facility. Through the Tucker Guarantee and the issuance of a \$4,000,000 letter of credit, we are providing total credit support of \$7,000,000 for certain debt obligations Tucker incurred in connection with the WGTU/WGTQ acquisition.

Barrington Traverse City and Tucker entered into a Shared Services Agreement, or SSA, pursuant to which Barrington Traverse City provides technical, engineering and certain other support services to WGTU/WGTQ for a fee. In addition, Barrington Traverse City and Tucker entered into a Joint Sales Agreement, or JSA, pursuant to which Barrington Traverse City has the right to provide up to 15% of WGTU/WGTQ's weekly programming and sells WGTU/WGTQ's local advertising on a commissioned basis.

In connection with the WGTU/WGTQ acquisition, Barrington Traverse City acquired an option to purchase all of the equity of Tucker or the assets of WGTU/WGTQ subject to certain conditions. The base value of the option is \$7,000,000, and will increase annually by an amount ranging between \$87,000 and \$114,000 annually, as specified in the option agreement, until the agreement expires in 2016. The option period will be automatically extended if the JSA is renewed, and thereafter shall continue until the JSA is terminated.

BARRINGTON BROADCASTING GROUP LLC
Notes to the Condensed Consolidated Financial Statements - (continued)
(Unaudited)

Tucker is considered a variable interest entity and, in accordance with FIN 46R, our interest in Tucker will be included in our consolidated financial statements beginning as of April 1, 2008.

Separation Costs

Beginning in the second quarter of 2008, Barrington Group has initiated certain operating expense reductions to eliminate or reduce identified costs, including a reduction in Barrington Group's workforce of approximately 8%. This workforce reduction is expected to be substantially completed during the second quarter of 2008. Barrington Group expects to record an estimated cost of approximately \$600,000 in the second quarter of 2008 related to severance and contractual costs as a result of the workforce reduction.

(Note K) – New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board, or FASB, issued SFAS No. 157, "Fair Value Measurements", or SFAS No. 157. SFAS No. 157 establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. SFAS No. 157 applies to fair value measurements required by existing accounting pronouncements and does not require any new fair value measurements. Barrington Group adopted SFAS No. 157 on January 1, 2008; see Note E for disclosures required under SFAS No. 157. Barrington Group has not adopted SFAS No. 157 for non-financial assets and liabilities as permitted by FASB Staff Position No. FAS 157-2, which provides that the adoption of SFAS No. 157 with respect to non-financial assets and liabilities may be deferred until 2009.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations", or SFAS No. 141(R), which establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree. SFAS No. 141(R) also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008. Early adoption is not permitted. Barrington Group is currently evaluating the impact the adoption of SFAS No. 141(R) will have on its consolidated financial statements. Barrington Group expects the adoption of SFAS No. 141(R) to have a significant impact on any future acquisitions.

In March 2008, the FASB issued SFAS No. 161, "Disclosure about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133", or SFAS No. 161, which changes the disclosure requirements for derivative instruments and hedging activities. It is intended to enhance the current disclosure framework in FASB Statement No. 133. SFAS No. 161 is effective for fiscal years beginning after November 15, 2008. Barrington Group is currently evaluating the impact the adoption of SFAS No. 161 will have on its consolidated financial statements.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with Barrington Group's consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report.

Introduction

We are a television broadcasting company focused on smaller markets across the United States. We own or program 21 network television stations, many of which have leading positions in 15 geographically diverse, smaller markets. In 10 of our 15 markets, we operate a station ranked #1 or #2 in audience share, and all but six of our stations have a top three market share. All of our stations are affiliated with national television networks—six with NBC, four with ABC, three with CBS, three with FOX, and five with CW. In the markets where we operate a CW station, we operate duopolies.

We are subject to regulation by the FCC. In addition, we face risks that could materially adversely affect our business, consolidated financial condition, results of operations or liquidity. For a discussion of certain of the risks facing us, see the risk factors set forth in Exhibit 99.1 to this Quarterly Report.

Separation Costs

Beginning in the second quarter of 2008, we have initiated certain operating expense reductions to eliminate or reduce identified costs, including a reduction in our workforce of approximately 8%. This workforce reduction is expected to be substantially completed during the second quarter of 2008. We expect to record an estimated cost of approximately \$0.6 million in the second quarter of 2008 related to severance and contractual costs resulting from the workforce reduction.

WGTU and WGTQ Acquisition and Assignment

On August 31, 2007, we entered into the WGTU APA to acquire television station WGTU and its satellite WGTQ, which serve the Traverse City-Cadillac, Michigan market. Simultaneously with entering into the WGTU APA, we assigned our rights under the WGTU APA to Tucker. The WGTU/WGTQ acquisition closed on April 1, 2008. The purchase price for the WGTU/WGTQ acquisition was \$10.7 million, which included transaction fees and costs of \$0.7 million. The purchase price is subject to the resolution of various contingencies.

Through our guarantee of \$3.0 million of Tucker's debt obligations under the Tucker Credit Facility and our issuance of a \$4.0 million letter of credit, we are providing credit support for certain debt obligations Tucker incurred in connection with the WGTU/WGTQ acquisition. The WGTU/WGTQ acquisition was completed on April 1, 2008.

Other Recent Acquisitions

- On August 11, 2006, we completed the acquisition of substantially all of the assets of 12 television stations from Raycom Media, Inc., or Raycom, referred to herein as the Raycom acquisition. The purchase price payable in connection with the Raycom acquisition was \$264.9 million, including final transaction fees of \$3.3 million.
- On February 6, 2006, we completed the acquisition of the assets of WPDE-TV, the ABC affiliate serving Myrtle Beach, South Carolina from Diversified Communications. In addition to the assets of WPDE, we acquired the rights to operate and an option to acquire WWMB-TV, the

CW affiliate serving Myrtle Beach, South Carolina, from SagamoreHill. The total cost of the acquisition was approximately \$24.8 million, which included related fees and costs of \$0.6 million. We financed this acquisition with capital contributed by our equity sponsor and borrowings under our old credit facility.

- On August 1, 2005, we completed the acquisition of the assets of KVII-TV, the CBS affiliate in Amarillo, Texas, and KVIH-TV, in Clovis, New Mexico, from New Vision Group for a purchase price of approximately \$22.3 million plus related fees and costs of \$0.4 million. The acquisition was financed using capital contributed by our equity sponsor and borrowings under our old credit facility.
- On April 14, 2005, we completed the acquisition of a construction permit issued by the FCC for a full-power broadcasting facility in Flint-Saginaw-Bay City, Michigan, from ACME Television, Inc. The purchase price for the permit was \$4.5 million plus approximately \$0.2 million in related fees and was financed with capital contributed by our equity sponsor and borrowings under our old credit facility.
- On February 28, 2005, we completed the acquisition of the television broadcast assets of KRCG-TV, the CBS affiliate serving Columbia-Jefferson City, Missouri, from Mel Wheeler, Inc. The funding for the acquisition was provided by capital contributed by our equity sponsor and borrowings under our old credit facility. The total cost of the acquisition was approximately \$38.5 million, which included related fees of approximately \$0.5 million.
- On May 14, 2004, we completed the acquisition of the assets of WEYI-TV, the NBC affiliate serving Flint-Saginaw-Bay City, Michigan, from LIN Television, Inc. The total cost of the acquisition was approximately \$24.4 million, which included related fees of approximately \$0.4 million. The funding for the acquisition was provided by capital contributed by our equity sponsor and borrowings under our old credit facility.
- On April 30, 2004, we completed the acquisition of the television broadcast assets of WHOI-TV, the ABC affiliate in Peoria, Illinois, and KHQA-TV, the CBS affiliate in Quincy, Illinois, from Chelsey Broadcasting Company, LLC. The total cost of the acquisition was approximately \$24.1 million, which included related fees of approximately \$0.6 million. The funding for the acquisition was provided by capital contributed by our equity sponsor and borrowings under our old credit facility.

All of the acquisitions have been accounted for using the purchase method of accounting under Statement of Financial Accounting Standards, or SFAS, No. 141, *Business Combinations*, or SFAS No. 141. The aggregate acquisition consideration has been allocated to the tangible and intangible assets acquired and liabilities assumed by us based upon their respective fair values as of the acquisition date.

Revenues

Our revenues are primarily derived from the sale of local and national advertising. In addition to competing with other video programming outlets for audience share, we compete for advertising revenues with other television broadcasting stations in our respective markets and other advertising media, such as newspapers, radio stations, magazines, billboards and other outdoor advertising, transit advertising, the Yellow Pages directories, direct mail, local cable systems and local internet portals. All network-affiliated stations are required to carry advertising sold by their networks, which reduces the amount of advertising time available for sale by our stations. Our stations sell the remaining advertising time in network programming and the advertising time in non-network programming, retaining all of the revenues received from these sales.

Advertisers wishing to reach a national audience usually purchase time directly from the networks, or advertise nationwide on a case-by-case basis. National advertisers who wish to reach the audience within one of our markets often buy advertising time directly from our stations through national advertising sales representative firms. Local businesses purchase advertising time directly from our stations' local sales staffs.

Advertising rates are based upon a number of factors, including:

- a program's popularity among the viewers that an advertiser wishes to target (demographic ratings);
- the number of advertisers competing for the available time;
- the size of the market served by the station;
- the availability of alternative advertising media in the market area;
- the effectiveness of the sales forces; and
- development of projects, features and programs that tie advertiser messages to programming.

Our advertising revenues are positively affected by strong local economies, national, state and local political election campaigns, and certain events such as the Olympics or the Super Bowl. Because television broadcast stations rely on advertising revenues, declines in advertising budgets, particularly in recessionary or weak economic periods, adversely affect the broadcast industry, and as a result may contribute to a decrease in the revenues of broadcast television stations, particularly from regional and national advertisers. The gross advertising revenues of our stations are generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to and including the holiday season. Additionally, our gross advertising revenues in even-numbered years can benefit from demand for advertising time in Olympic broadcasts and advertising placed by candidates for political offices as well as political issue-oriented advertising. A station's local market strength, especially in local news ratings, is the primary factor that buyers use when placing political advertising. From time to time, proposals have been advanced in Congress to require television broadcast stations to provide some advertising time to political candidates at no charge, which could potentially reduce advertising revenues from political candidates.

Local and regional advertising is sold by each station's own sales representatives to local and other non-national advertisers or agencies. Generally, these contracts are short-term, although occasionally, longer-term packages are also sold. National spot advertising (generally a series of spot announcements between programs or within the station's own programs) is sold by the station or its sales representatives directly to agencies representing national advertisers. Political advertising is generated by national, state and local elections, which can vary greatly from both market to market and year to year.

We also derive revenues from other sources, including trade and barter programming, Internet advertisements and network compensation. A national syndicated program distributor will often retain a portion of the available advertising time for programming it supplies in exchange for no fees or reduced fees charged to the stations for such programming. These programming arrangements are referred to as barter programming. Network compensation is the amount, if any, paid by a network to its affiliated stations for broadcasting network programs.

Compared to revenues from national advertising accounts, revenues from local advertising is generally more stable and more controllable. We seek to attract new advertisers to television and to

increase the amount of advertising time sold to existing local advertisers by relying on experienced local sales forces with strong community ties, producing news and other programming with local advertising appeal and sponsoring or co-promoting local events and activities.

A television station's rates are primarily determined by the estimated number of television homes it can provide for an advertiser's message. The estimates of the total number of television homes in a market and the station's share of those homes are based on the Nielsen Media Research industry-wide television rating service. The demographic make-up of the viewing audience is equally important to advertisers. A station's rate card for national and local advertisers takes into account, in addition to audience delivered, such variables as the length of the commercial announcements and the quantity purchased. Because television stations rely on advertising revenues, they are sensitive to cyclical changes in the national and local economy. The sizes of advertisers' budgets, which are affected by broad economic trends, affect the broadcast industry in general. The strength of the local economy in each station's market also significantly impacts revenues.

Results of Operations

Combined Results of Barrington Group

Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007

The following table sets forth our operating results for the three months ended March 31, 2008 as compared to the three months ended March 31, 2007.

	Three Months Ended March 31,				
	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>% Change</u>	
	(in thousands)				
Revenue:					
Local	\$ 19,256	\$ 19,111	\$ 145	0.8	%
National	8,299	9,072	(773)	(8.5)	
Political	1,703	263	1,440	547.5	
Other	2,089	2,042	47	2.3	
Gross revenue	<u>31,347</u>	<u>30,488</u>	859	2.8	
Direct costs	4,654	4,483	171	3.8	
Net revenue	<u>26,693</u>	<u>26,005</u>	688	2.6	
Operating expenses:					
Selling, technical and program expenses	14,521	14,027	494	3.5	
General and administrative	5,055	5,143	(88)	(1.7)	
Depreciation and amortization	6,554	7,829	(1,275)	(16.3)	
Corporate	1,838	1,160	678	58.4	
	<u>27,968</u>	<u>28,159</u>	(191)	(0.7)	
Loss from operations	<u>(1,275)</u>	<u>(2,154)</u>	879	40.8	
Interest expense	(6,014)	(6,117)	103	1.7	
Amortization of debt issuance costs	(424)	(416)	(8)	(1.9)	
Interest income	14	33	(19)	(57.6)	
Net interest expense	<u>(6,424)</u>	<u>(6,500)</u>	76	(1.2)	
Non-cash gain	465	-	465	100.0	
Loss before income taxes	<u>(7,234)</u>	<u>(8,654)</u>	1,420	16.4	
Income tax (expense) benefit	(46)	5	(51)	n/m	
Net loss	<u>\$ (7,280)</u>	<u>\$ (8,649)</u>	\$ 1,369	15.8	%

Our net revenue for the three months ended March 31, 2008 was \$26.7 million, as compared to \$26.0 million for the three months ended March 31, 2007, an increase of \$0.7 million, or 2.6%. The major components of, and changes to, net revenue were as follows:

- Our gross revenue derived from political advertising for the three months ended March 31, 2008 was \$1.7 million, as compared to \$0.3 million for the three months ended March 31, 2007, an increase of approximately \$1.4 million, or 547.5%. For the three months ended March 31, 2008, gross political advertising revenue was comprised primarily of political advertising associated with the 2008 presidential campaign.
- Gross national advertising revenue for the three months ended March 31, 2008 was \$8.3 million, as compared to \$9.1 million for the three months ended March 31, 2007, a decrease of \$0.8 million, or 8.5%. The decrease was primarily due to decreased spending by national automotive and telecommunications accounts. If the economy continues to be weak, we expect the decrease to continue.

Our operating expenses for the three months ended March 31, 2008 were \$28.0 million, as compared to \$28.2 million for the three months ended March 31, 2007, a decrease of \$0.2 million, or 0.7%. The major changes to operating expenses were as follows:

- Our selling, technical and programming expenses increased \$0.5 million, or 3.5%, for the three months ended March 31, 2008, primarily caused by continued investment in the development of centrally-coordinated websites as well as the incremental costs associated with the establishment of news operations at KXRM, WACH and WBSF in 2007. The increase in selling, technical and programming expenses was offset by decreases in depreciation and amortization totaling \$1.3 million, and to a lesser extent, general and administrative expenses totaling \$0.1 million. The decline in depreciation and amortization reflects the fully depreciated status of certain equipment at the stations we acquired during 2004.
- Total corporate expenses increased by \$0.7 million to \$1.8 million for the three months ended March 31, 2008 from \$1.2 million for the three months ended March 31, 2007. The increase was primarily due to expenses incurred in connection with the consent solicitation with respect to the notes.

Our net interest expense, including amortization of debt issuance costs, for the three months ended March 31, 2008 was \$6.4 million as compared to \$6.5 million for the three months ended March 31, 2007, a decrease of \$0.1 million, or 1.2%. The decrease was primarily due to reduction in the interest rate on our term facility during the three months ended March 31, 2008.

Non-cash gain for the three months ended March 31, 2008 was \$0.5 million and is attributable to the exchange of newsgathering equipment between our stations and Sprint Nextel Corporation, or Nextel. The FCC granted Nextel the right to reclaim a portion of the spectrum in the 2GHz band from broadcasters' across the country. In order to claim this spectrum, Nextel must exchange all of the broadcasters' electronic newsgathering equipment currently using this spectrum with digital equipment capable of operating in the reformatted portion of the 2GHz band retained by the broadcasters. A gain has been recorded in 2008 to the extent that the fair market value of the equipment received exceeded the book value of the analog equipment exchanged. We expect to complete the Nextel exchange in all of our remaining markets by the end of 2008.

We had a nominal income tax expense for the three months ended March 31, 2008 compared to a nominal income tax benefit for the three months ended March 31, 2007.

Our net loss was \$7.3 million for the three months ended March 31, 2008, compared to a loss of \$8.6 million for the three months ended March 31, 2007, a change of \$1.3 million, or 15.8%.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, borrowings under our credit facility and capital contributions. Our need for liquidity arises primarily from acquisitions, capital expenditures and interest payable on our credit facility and the notes. In the first quarter of 2008, we utilized \$4.5 million of our revolving facility to fund seasonal working capital needs. We expect that cash from operations and borrowings under our revolving facility will be sufficient to cover our liquidity requirements and those required for debt service needs and capital expenditure needs during the next twelve months.

Cash flows from operating activities. Our cash flows used in operating activities for three months ended March 31, 2008 were \$1.0 million as compared to cash flows provided by operating activities of less than \$0.1 million for the three months ended March 31, 2007. The decrease in cash flows provided by operating activities of approximately \$1.0 million was primarily caused by expenses incurred in relation to the consent solicitation of \$0.6 million. Additionally, incremental costs associated with website development and additional news broadcasts totaled approximately \$0.5 million for the three months ended March 31, 2008.

Cash flows from investing activities. Our cash flows used in investing activities were \$0.3 million for the three months ended March 31, 2008, as compared to \$3.5 million for the three months ended March 31, 2007. Purchases of property and equipment for the three months ended March 31, 2008 were \$0.3 million as compared to \$3.2 million for the three months ended March 31, 2007. The decrease of \$2.9 million reflects the reduction of initial property and equipment investments, primarily related to news automation, needed at the Raycom stations during the three months ended March 31, 2007. Additionally, \$0.3 million in costs associated with the Raycom acquisition, which was completed in August 2006, were paid in the first quarter of 2007.

Cash flows from financing activities. Our cash flows provided by financing activities were \$2.5 million for the three months ended March 31, 2008, compared to \$2.4 million provided by financing activities for the three months ended March 31, 2007. The cash flows provided by financing activities for the three months ended March 31, 2008 included \$4.5 million of borrowings under our revolving credit facility which were primarily used to pay \$1.6 million in capitalized costs related to the consent solicitation with respect to the notes and to partially fund the \$6.6 million interest obligation due on the notes in February 2008. Additionally, we paid \$0.4 million in scheduled principal payments on the term facility.

Our credit facility and notes. Our credit facility is comprised of a \$147.5 million senior secured term facility and a \$25.0 million senior secured revolving facility. As of March 31, 2008, the total balance on the term facility, including the SagamoreHill term loan, was \$147.7 million. Borrowings against the revolving facility during the three months ended March 31, 2008 totaled \$4.5 million and were used to fund short term working capital needs. The balance on the revolving facility as of March 31, 2008 was \$4.5 million.

The term facility has a seven-year maturity and the revolving facility has a six-year maturity. The obligations under our credit facility are guaranteed by Barrington Group, Barrington LLC and all of Barrington Group's direct and indirect subsidiaries. Our credit facility is secured by a first priority lien on substantially all of our and our direct and indirect subsidiaries' existing and future assets.

Borrowings under our credit facility bear interest at a floating rate, which can be either LIBOR plus an applicable margin or, at our option, a base rate plus an applicable margin payable at least

annually. Base rate is defined as the higher of (i) the Bank of America prime rate or (ii) the federal funds effective rate plus 0.50%. The applicable margin for (x) the term facility is 2.25% for LIBOR loans and 1.25% for base rate loans and (y) the revolving facility is 2.25% for LIBOR loans and 1.25% for base rate loans and subject to a pricing grid based on total leverage. The interest rate payable under our credit facility will increase by 2.0% per annum during the continuance of an event of default. The unused portion of the revolving facility is subject to a commitment fee of 0.50% per year.

We issued \$125.0 million aggregate principal amount of the notes which mature on August 15, 2014. Interest is payable on the notes semi-annually in cash on February 15 and August 15 of each year. The notes are unconditionally guaranteed on an unsecured senior subordinated basis by all of our current and future restricted subsidiaries (other than Barrington Capital) that guarantee our and our subsidiaries' other indebtedness. The notes bear interest at a fixed rate of 10.5%.

Our credit facility and the indenture governing the notes limit our ability to:

- incur additional indebtedness and issue certain preferred stock;
- pay dividends on our capital stock or repurchase our capital stock or subordinated debt;
- make investments;
- create certain liens;
- sell certain assets or merge or consolidate with or into other companies;
- incur restriction on the ability of our subsidiaries to make distributions or transfer assets to us; and
- enter into transactions with affiliates.

Our credit facility also contains certain defined conditions of default and covenants, including requirements to maintain various financial ratios and manage our business prudently. Continued availability of the revolving facility will be predicated on compliance with these covenants. For additional information regarding our credit facility and the notes, see Note B to our condensed consolidated financial statements included elsewhere in this Quarterly Report.

We anticipate that we may be in breach of certain financial covenants contained in our credit facility when measured for the period ended December 31, 2008. If such a breach occurs and we cannot obtain a waiver, the lenders party to our credit facility could terminate our ability to borrow under our credit facility, accelerate the outstanding indebtedness under our credit facility and/or block payments on the notes. If the indebtedness under our credit facility were accelerated, we would not have the ability to repay such indebtedness unless we were able to obtain new financing. There can be no assurance that such financing would be available to us on acceptable terms or at all. In addition, if the indebtedness under our credit facility were accelerated, such acceleration would also cause a default under the indenture.

Contractual Obligations

The following table summarizes our contractual obligations at March 31, 2008, and the effect such obligations are expected to have on our liquidity and cash flow in future periods.

	Total	Nine months ending December 31, 2008	2009	2010	2011	2012	2013	2014 and After
	(dollars in thousands)							
Term facility.....	\$ 145,287	\$ 1,106	\$ 1,475	\$ 1,475	\$ 1,475	\$ 1,475	\$ 138,281	\$ -
Senior subordinated notes.....	125,000	-	-	-	-	-	-	125,000
SagamoreHill term loan.....	2,414	18	25	25	25	25	2,296	-
Revolving credit facility	4,500	4,500	-	-	-	-	-	-
Related party loan	503	503	-	-	-	-	-	-
Contracts payable	1,416	100	115	112	108	555	270	156
Program broadcast payables	5,007	3,214	698	547	267	149	132	-
Total obligations reported as liabilities.....	284,127	9,441	2,313	2,159	1,875	2,204	140,979	125,156
Interest on long-term debt obligations ⁽¹⁾	126,176	15,928	21,166	21,083	21,001	20,918	17,877	8,203
Non-cancelable commitments to purchase program broadcast rights	10,831	985	3,818	3,285	1,987	682	60	14
Operating lease obligations	7,317	809	1,019	946	785	739	454	2,565
Total contractual obligations	\$ 428,451	\$ 27,163	\$ 28,316	\$ 27,473	\$ 25,648	\$ 24,543	\$ 159,370	\$ 135,938

(1) Represents estimated interest expense on the term facility of our credit facility and the SagamoreHill term loan based on the expected future debt balances and using the floating interest rates on the obligations as of March 31, 2008. Additionally, interest expense on the notes was calculated at 10.5% annually through maturity.

Seasonality

Our business has experienced and is expected to continue to experience significant seasonality due to, among other things, seasonal advertising patterns and seasonal influences on people's viewing habits. The advertising revenue of television broadcasting stations is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to and including the holiday season. In addition, advertising revenue tends to be higher in even-numbered years, when national, state and local political advertising is a significant element of advertising revenue. Historically, in odd-numbered years, little if any revenue is obtained from political advertising.

Off-Balance Sheet Arrangements

We have various operating lease obligations for equipment, land and office space that expire through March 2022. In addition, we account for program rights and obligations in accordance with SFAS No. 63, "Financial Reporting by Broadcasters", or SFAS 63, which requires us to record program rights agreements on our balance sheet on the first broadcast date of the program. We have commitments for future program rights agreements not recorded on our balance sheet at March 31, 2008. For a summary of these non-cancelable commitments, see the table under "– Contractual Obligations".

At March 31, 2008, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or variable interest entities, which

would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Our arrangements with SagamoreHill and Tucker are on-balance sheet arrangements. We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Inflation

We do not believe inflation has a significant effect on our operations.

Critical Accounting Policies and Estimates

Financial statements prepared in accordance with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying disclosures. Actual results could differ from those assumptions and estimates. The accounting policies that are most significant and sensitive to assumptions and estimates include allocation of a station's purchase price to identifiable assets, and the procedures used to evaluate various assets for impairment.

Purchase accounting. The purchase of stations involves allocation of the purchase price according to the estimated fair market values of the monetary, tangible and intangible assets acquired. The allocated values are "pushed-down" to become the restated asset costs on the books of the subsidiary companies representing the individual stations. We obtain outside appraisals following our purchases of stations. The values assigned by the appraisals may differ from the estimates initially assigned by us at the time of purchase. Generally accepted accounting principals allow up to one year for completion of the determination of allocation of values, so changes to the estimated purchase price allocations may materially change the depreciation and amortization expenses reported up to one year from purchase.

Impairment of long-lived assets. Generally accepted accounting principles require that most long-lived assets are carried at the lower of cost or fair value. Such assets compose the major portion of our total assets and exceed member's equity. We review and test our indefinite-lived assets for potential impairment at least annually and test our long-lived assets for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. This review requires assumptions and estimates of future cash flows to be generated by our stations, discount rates to be used in present value calculations, expected future benefits from network affiliation contracts and other future conditions. Changes in market conditions or our plans could change management's judgments regarding impairment of assets.

Derivative Financial Instruments. We invest in derivative financial instruments to limit our exposure to interest rate increases on our floating rate debt. We recognize at fair value all derivatives, whether designated in hedging relationships or not, in the balance sheet as either an asset or liability. The accounting for changes in the fair value of a derivative, including certain derivative instruments embedded in other contracts, depends on the intended use of the derivative and the resulting designation. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item are recognized in the statement of operations. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the statement of operations when the hedged item affects net income. If the derivative does not qualify as a hedge, its carrying value must be periodically adjusted to fair value, with any gain or loss recognized in operating results.

Recent Issued Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements", or SFAS No. 157. SFAS No. 157 establishes a framework for measuring fair value in generally accepted accounting

principles, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. SFAS No. 157 applies to fair value measurements required by existing accounting pronouncements and does not require any new fair value measurements. We adopted SFAS No. 157 on January 1, 2008; see Note E to our condensed consolidated financial statements contained in this Quarterly Report for disclosures required under SFAS No. 157. We have not adopted SFAS No. 157 for non-financial assets and liabilities as permitted by FASB Staff Position No. FAS 157-2, which provides that the adoption of SFAS No. 157 with respect to non-financial assets and liabilities may be deferred until 2009.

In December 2007, FASB issued SFAS No. 141(R), “Business Combinations”, or SFAS No. 141(R), which establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree. SFAS No. 141(R) also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008. Early adoption is not permitted. We are currently evaluating the impact the adoption of SFAS No. 141(R) will have on our consolidated financial statements. We expect the adoption of SFAS No. 141(R) to have a significant impact on any future acquisitions.

In March 2008, the FASB issued SFAS No. 161, “Disclosure about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133”, or SFAS No. 161, which changes the disclosure requirements for derivative instruments and hedging activities. It is intended to enhance the current disclosure framework in FASB Statement No. 133. SFAS No. 161 is effective for fiscal years beginning after November 15, 2008. We are currently evaluating the impact the adoption of SFAS No. 161 will have on our consolidated financial statements.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We have no cash flow exposure due to rate changes on the notes because they bear interest at fixed rates. However, our credit facility bears interest at floating rates based on LIBOR. Accordingly, we are exposed to potential losses related to changes in interest rates. If there is a rise in interest rates, our debt service obligations on the borrowings under our credit facility would increase even though the amount borrowed remained the same, which would affect our results of operations. A 1% change in LIBOR would result in our interest expense under our credit facility fluctuating approximately \$1.5 million per year, without taking into account any hedging instruments.

We do not enter into derivatives or other financial instruments for trading or speculative purposes, but rather to manage our interest rate risk.

In January 2007, we entered into two interest rate collar agreements, each effective on February 12, 2007, to limit our exposure to fluctuation in short-term interest rates on a portion of our variable rate debt by locking in a range of interest rates. The notional amount of each interest rate collar agreement is \$40,000,000 and each expires on February 12, 2011.

In May 2007, we entered into two additional interest rate collar agreements, each effective on August 14, 2007, to further limit the exposure to fluctuation in short-term interest rates on a portion of our variable rate debt by locking in a range of interest rates and to replace the \$44,000,000 interest rate cap agreement that expired in May 2007. The notional amount of each interest rate collar agreement is \$20,000,000. The agreements expire on August 16, 2010.

The collar agreements are designated as hedging instruments under SFAS No. 133 “Accounting for Derivatives and Hedging Activities”, or SFAS No. 133. In accordance with SFAS No. 133, unrealized changes in the fair value of these agreements are recorded in other comprehensive income or loss. The interest rate collars consist of a purchased option and a sold option, which have been entered into simultaneously with the same counterparties.

The interest rate collar agreements provide that we will receive payment when the three-month LIBOR rises above 5.5% and requires payment when the three-month LIBOR falls below 4.84% on the first \$80,000,000 and 4.845% on the subsequent \$40,000,000. During the three months ended March 31, 2008 and 2007, no payments were paid or received on the interest rate collars. At March 31, 2008, the value of the interest rate collar agreements was reflected as a liability in the amount of \$7.4 million based on the fair value of the collars as of that date. In the event that interest rate expectations change, the effect of the change in the valuation of the interest rate collars to maturity will be reflected through other comprehensive income or loss.

ITEM 4. Controls and Procedures.

Pursuant to Section 4.3(a) of the indenture, no certifications or attestations concerning our financial statements or disclosure controls and procedures or internal controls that would otherwise be required pursuant to the Sarbanes-Oxley Act of 2002, as amended, are required to be included in or accompany this Quarterly Report.

PART II

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in litigation arising out of operations. Management believes that we are not currently party to any legal proceedings, the adverse outcome of which, individually or in the aggregate, would have a material adverse effect on our financial position or results of operations.

ITEM 1A. RISK FACTORS

During the quarter ended March 31, 2008, there were no material changes to the risk factors disclosed in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2007.

For a discussion of the risks facing us, see Exhibit 99.1 to this Quarterly Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

The exhibits filed as part of this Quarterly Report are listed in the index to exhibits immediately preceding such exhibits, which index to exhibits, is incorporated herein by reference.

Pursuant to the requirements of Section 4.3(a) of the indenture, the Issuers have duly caused this Quarterly Report to be signed on their behalf by the undersigned thereunto duly authorized.

BARRINGTON BROADCASTING GROUP LLC
BARRINGTON BROADCASTING CAPITAL CORPORATION

By: /s/ Warren Spector

Date: May 13, 2008

Name: Warren Spector
Title: Director and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

The documents listed below are exhibits to this Quarterly Report and are available on the company website (www.barringtontv.com).

<u>Exhibit Number</u>	<u>Title</u>
2.1	Asset Purchase Agreement, dated as of March 24, 2006, by and among Raycom Media, Inc., certain subsidiaries thereof and Barrington Broadcasting Corporation
2.2	Amendment No. 1 to Asset Purchase Agreement, dated as of August 11, 2006, by and among Raycom Media, Inc., certain subsidiaries thereof and Barrington Broadcasting Corporation
2.3	Asset Purchase Agreement dated as of August 31, 2007, by and between Max Media of Traverse City LLC, MTC License LLC and Barrington Traverse City LLC
2.4	Assignment and Assumption Agreement dated August 31, 2007, by and between Tucker Broadcasting of Traverse City, Inc. and Barrington Traverse City LLC
3.1	Certificate of Formation of Barrington Broadcasting Group LLC
3.2	Certificate of Incorporation of Barrington Broadcasting Capital Corporation
3.3	Limited Liability Company Agreement of Barrington Broadcasting Group LLC
3.4	Bylaws of Barrington Broadcasting Capital Corporation
4.1	Indenture, dated as of August 11, 2006, by and among Barrington Broadcasting Group LLC, Barrington Broadcasting Capital Corporation and U.S. Bank National Association, as trustee
4.2	Form of 10½% Senior Subordinated Note due 2014 (included in Exhibit 4.1)
4.3	Registration Rights Agreement, dated as of August 11, 2006, by and among Barrington Broadcasting Group LLC, Barrington Broadcasting Capital Corporation and Banc of America Securities LLC and Wachovia Capital Markets, LLC, as initial purchasers
4.4	Supplemental Indenture dated as of March 19, 2008, by and among Barrington Broadcasting Group LLC, Barrington Broadcasting Capital Corporation, the guarantors and U.S. Bank National Association.
10.1	Credit Agreement, dated as of August 11, 2006, by and among Barrington Broadcasting Group LLC, as borrower, all subsidiaries thereof and Barrington Broadcasting LLC, as guarantors, Bank of America, N.A., as administrative agent, and lenders party thereto
10.2	Guaranty Agreement, dated as of August 11, 2006, by and among Barrington Broadcasting Group LLC, as borrower, all subsidiaries thereof and Barrington Broadcasting LLC, as guarantors, and Bank of America, N.A., as collateral agent
10.3	Security Agreement, dated as of August 11, 2006, by and among Barrington Broadcasting Group LLC, as borrower, all subsidiaries thereof and Barrington Broadcasting LLC, as guarantors, and Bank of America, N.A., as collateral agent

- 10.4 Credit Agreement, dated as of August 11, 2006, by and among SagamoreHill of Carolina, LLC, as borrower, Bank of America, N.A., as administrative agent, and lenders party thereto
- 10.5 Barrington Guaranty, dated as of August 11, 2006, by and among Barrington Broadcasting Group LLC, as borrower, all subsidiaries thereof and Barrington Broadcasting LLC, as guarantors, and Bank of America, N.A., as collateral agent
- 10.6 Amended and Restated Limited Liability Company Operating Agreement of Barrington Broadcasting LLC, dated December 30, 2003, by and between Pilot Group LP and Barrington Broadcasting Company, LLC.
- 10.7 First Amendment to Amended and Restated Limited Liability Company Operating Agreement of Barrington Broadcasting LLC dated January 1, 2008, by and among Pilot Group LP and Barrington Broadcasting Company LLC
- 10.8 Management Agreement dated as of December 30, 2003, by and between Barrington Broadcasting LLC and Barrington Broadcasting Company, LLC, as amended
- 10.9 Transition Services Agreement, dated as of August 11, 2006, by and among Raycom Media, Inc., certain subsidiaries thereof and Barrington Broadcasting Group LLC
- 10.10 Time Brokerage Agreement dated as of April 28, 1994, as amended, by and between Atlantic Media Group, Inc. and Vision Communications, Inc.
- 10.11 Amendment to and Extension of Time Brokerage Agreement, dated as of December 9, 2003, by and between Atlantic Media Group, Inc. and Diversified Communications
- 10.12 Second Amendment to Time Brokerage Agreement, dated as of July 19, 2005, by and between Atlantic Media Group, Inc. and Diversified Communications
- 10.13 Third Amendment to Time Brokerage Agreement, dated as of July 19, 2005, by and between SagamoreHill of Carolina LLC and Barrington Broadcasting South Carolina Corporation
- 10.14 Fourth Amendment to Time Brokerage Agreement, dated as of February 6, 2006, by and between SagamoreHill of Carolina LLC and Barrington Broadcasting South Carolina Corporation
- 10.15 Option Agreement, dated as of July 19, 2005, by and among SagamoreHill of Carolina LLC, SagamoreHill of Carolina Licenses LLC and Barrington Broadcasting South Carolina Corporation
- 10.16 Joint Sales Agreement, dated as of August 31, 2007, by and among Barrington Traverse City LLC and Tucker Broadcasting of Traverse City, Inc.
- 10.17 Option Agreement, dated as of August 31, 2007, by and among Barrington Traverse City LLC, Tucker Broadcasting of Traverse City, Inc. and Tucker Media and Management Consulting LLC
- 10.18 Shared Services Agreement, dated as of August 31, 2007, by and among Barrington Traverse City LLC and Tucker Broadcasting of Traverse City, Inc.
- 10.19 Employment Agreement dated as of January 1, 2008, by and between Barrington Broadcasting Group LLC and K. James Yager

- 10.20 Employment Agreement dated as of January 1, 2008, by and between Barrington Broadcasting Group LLC and Chris Cornelius
- 10.21 Employment Agreement dated as of January 1, 2008, by and between Barrington Broadcasting Group LLC and Warren Spector.
- 10.22 Employment Agreement dated as of January 1, 2008, by and between Barrington Broadcasting Group LLC and Keith Bland
- 10.23 Employment Agreement dated as of January 1, 2008, by and between Barrington Broadcasting Group LLC and Mary Flodin
- 10.24 Credit Agreement dated as of April 1, 2008 among Tucker Broadcasting of Traverse City, Inc, as borrower, Bank of America, N.A., as administrative and collateral agent, Wachovia Bank, N.A., as syndication agent and CIT Lending Service Corp., as documentation agent
- 10.25 Barrington Guaranty, dated as of April 1, 2008 among Barrington Broadcasting Group LLC, as borrower, all subsidiaries thereof and Barrington Broadcasting LLC, as guarantors and Bank of America, N.A., as administrative agent
- 21 Subsidiaries of Barrington Broadcasting Group LLC
- 99.1 Risk Factors.
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RISK FACTORS

Each of the following factors as well as the other information in this Quarterly Report should be considered in evaluating our business and our prospects. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks actually occur, our business, financial condition and operating results could be harmed substantially. Defined terms used but not defined herein shall have the meanings ascribed to them in the Quarterly Report to which this Exhibit 99.1 relates.

Risks Related to Our Business

The revenues generated by stations we operate or provide programming to could decline substantially if they fail to maintain or renew their network affiliation agreements on favorable terms, or at all.

Due to the quality of the programming provided by the networks, stations that are affiliated with a network generally have higher ratings than unaffiliated independent stations in the same market. As a result, it is important for stations to maintain their network affiliations. All of the television stations that we own and operate or which we program have affiliation agreements with a major network—six stations have affiliation agreements with NBC, three stations have affiliation agreements with CBS, four stations have affiliation agreements with ABC, three stations have affiliation agreements with FOX and five stations have affiliation agreements with CW. Each of NBC, CBS and ABC generally provides affiliated stations with up to 22 hours of prime time programming per week, while each of FOX and CW provides affiliated stations with up to 15 hours of prime time programming per week. In return, affiliated stations broadcast the respective network's commercials during the network programming.

All of the network affiliation agreements of the stations that we own and operate or to which we provide services are scheduled to expire at various times beginning in August 2008 through August 2016. Network affiliation agreements are also subject to earlier termination by the networks under limited circumstances. We cannot assure you that our affiliation agreements will be renewed or that each network will continue to provide programming to affiliates on the same basis as it currently provides programming. The non-renewal or termination of a network affiliation could adversely affect our results of operations.

Because a high percentage of our operating expenses are fixed, a relatively small decrease in gross advertising revenues could have a significant negative impact on our results of operations.

Other than commissions paid to our sales staff and outside sales agencies, our expenses do not vary significantly with the increase or decrease of gross advertising revenues. As a result, a relatively small change in gross advertising revenues could have a disproportionate effect on our financial results. Accordingly, a minor shortfall in expected gross revenues could have a significant negative impact on our results of operations.

We are dependent to a significant degree on automotive advertising.

Approximately 25% of our gross advertising revenues for the year ended December 31, 2007 and 23% for the three months ended March 31, 2008 consisted of automotive advertising revenues. A significant decrease in these revenues in the future could materially and adversely affect our results of operations and cash flows, which could affect our ability to fund operations and service our debt obligations.

Our advertising revenues are subject to cyclical and seasonal variations.

Our business is cyclical in nature. Because we depend upon the sale of advertising for a significant portion of our gross revenues, our operating results are sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising expenditures. During periods of economic contraction, gross revenues may decrease while some of our costs remain fixed, resulting in decreased earnings.

Our business has experienced and is expected to continue to experience significant seasonality due to, among other things, seasonal advertising patterns and seasonal influences on people's viewing habits. Typically, our gross revenues are lowest during the first quarter and highest during the fourth quarter of each calendar year.

Our gross revenues tend to be higher in even-numbered years, when national, state and local political advertising is a significant element of advertising revenues. In odd-numbered years, little, if any, gross revenues are obtained from political advertising. In addition, our advertising revenue tends to be higher in even-numbered years due to the positive impact of the Olympics.

We are dependent on our senior executives and our business would be negatively impacted if we were to lose their services.

We believe that our success and our ability to maintain our competitive position depends on our ability to retain the services of K. James Yager and Chris Cornelius, two of our senior executives who have entered into employment agreements with Barrington Group effective as of January 1, 2008. These individuals have extensive experience in the television broadcasting industry and have been instrumental in formulating and executing our business strategy. If we lost the services of K. James Yager or Chris Cornelius, we may not be able to timely identify and retain appropriate or suitable replacements to manage our operations. The complete or partial loss of their services could adversely affect our ability to manage effectively our overall operations and successfully execute current or future business strategies.

We face risks associated with acquiring stations and potential acquisitions.

We have grown rapidly through the acquisition of television stations and we may continue to grow as a result of additional acquisitions, some of which may be material. Growth of our business through acquisitions entails numerous risks, including:

- we may not be able to successfully reduce costs, increase gross advertising revenues or audience share or realize anticipated synergies and economies of scale with respect to any acquired station;

- we may experience difficulties integrating operations and systems, as well as company policies and cultures;
- we may fail to retain and assimilate employees of acquired stations;
- we may incur unbudgeted costs in connection with pursuing potential acquisitions which are not consummated;
- our operating results may fluctuate due to our incurrence of considerable expenses to acquire stations before receiving the anticipated revenues expected to result from the acquisitions;
- our management may be reassigned from overseeing existing operations by the need to identify potential acquisition targets, conduct due diligence, negotiate acquisition agreements and integrate acquired stations;
- we may experience difficulties in finding suitable acquisition candidates or in making acquisitions on attractive terms;
- we may face difficulties in obtaining and maintaining any required regulatory authorizations in connection with acquisitions; and
- we may encounter problems in entering new television markets in which we have little or no experience.

In the future, we may need additional capital to continue growing through acquisitions. This additional capital may be raised in the form of additional debt, which would increase our leverage and could have an adverse effect on our ability to pay interest on the notes. We may not be able to raise sufficient additional capital on terms that we consider acceptable, or at all.

There can be no assurance that we will be able to successfully integrate any stations that we have acquired or might acquire in the future. If we fail to do so, or if we do so but at greater cost than anticipated, our business, financial condition and results of operations may be adversely affected.

Our business may be adversely affected by strikes and other labor protests which could cause disruptions in our operations.

As of March 31, 2008 approximately 13% of our employees were represented by various unions, including the United Auto Workers, the International Brotherhood of Electrical Workers, Radio & Broadcast Engineers and the National Broadcast Employees & Technicians / Communications Workers of America. If we were to experience a strike or work stoppage at one of our broadcasting stations, any resulting disruptions in operations could cause us to lose viewers and advertisers and might have permanent adverse effects on our business.

We are controlled by Pilot Group, and its interests may differ from the interests of note holders.

As a result of Pilot Group's controlling interest in us, Pilot Group is able to exercise a controlling influence over our business and affairs. As the managing member of Barrington LLC, Pilot Group is able to unilaterally determine the outcome of many matters, including the election and removal of directors,

the acquisition of additional television stations and the approval of any merger, consolidation or sale of all or substantially all of our assets. In addition, four of our directors are affiliated with Pilot Group. The interests of Pilot Group may differ from the interests of the holders of the notes and Pilot Group could take actions or make decisions that are not in the best interests of the note holders. Furthermore, this concentration of ownership by Pilot Group may have the effect of impeding a merger, consolidation, takeover or other business combination involving us.

Changes in FCC ownership rules may limit our ability to continue programming WWMB under a “grandfathered” local marketing agreement and/or require material modifications to our joint sales and shared services arrangements with respect to WGTU/WGTQ which could adversely affect our results of operations.

FCC ownership rules currently impose significant limitations on the ability of broadcast licensees to have attributable interests in multiple media properties. The television duopoly rule limits licensees to the ownership of one television station in most medium-sized and smaller television markets and two stations in most larger markets. In addition, the FCC ownership limitations currently restrict the programming by one station owner of a second station in the same market pursuant to a time brokerage agreement or local marketing agreement. However, time brokerage agreements or local marketing agreements entered into prior to November 5, 1996 are currently “grandfathered” from such restrictions. We currently program television station WWMB pursuant to a “grandfathered” local marketing agreement with SagamoreHill.

In 2003, the FCC voted to revise and in most cases substantially liberalize several of its national and local ownership rules. In 2004, the United States Court of Appeals for the Third Circuit found virtually all of those actions to be without adequate support and remanded to the FCC for further deliberation. In 2005, the United States Supreme Court declined to hear an appeal of the Court of Appeals' decision. The FCC commenced a further rulemaking in June 2006 in order to re-examine the ownership rules in light of the Court's decision. While the FCC has not indicated that it will review its rules regarding “grandfathered” time brokerage agreements and local marketing agreements in its current rulemaking, it likely will do so in a future proceeding. We are unable to predict the timing or outcome of any such FCC deliberations. If the FCC's duopoly rule is relaxed, we may be able to acquire full ownership of WWMB. If we are unable to acquire WWMB and the FCC decides to prohibit grandfathered time brokerage agreements or local marketing agreements, our continued programming of WWMB through our local marketing agreement may not be permitted by the FCC, which could have a material adverse effect on our operations.

Through our subsidiary that operates WPBN-TV, Traverse City, Michigan, and its satellite WTOM-TV, Cheboygan, Michigan, we have entered into a joint sales agreement and shared services agreement with Tucker, whereby we hold certain programming and advertising sales rights with respect to Tucker's television stations WGTU in Traverse City and its satellite WGTQ in Sault Ste. Marie, Michigan as well as provide certain shared services to these stations. The FCC has a pending rulemaking pertaining to the attribution of joint sales agreements in which it may determine that a joint sales agreement involving the sale of 15% or more of a same-market television station's advertising time will result in that station being attributable to the party providing the sales services for multiple ownership purposes. In the event that the FCC were to adopt such a rule, it is possible that the new rule could require material modification of our joint sales agreement and shared services agreement with Tucker.

Risks Related to Our Industry

Our television content may attract fewer viewers, limiting our ability to generate advertising revenues.

The success of each of our television stations is primarily dependent upon our ability to generate advertising revenues. The ability of television stations to generate advertising revenues depends to a significant degree upon audience acceptance. Although we are diversified in our network affiliations by having affiliation agreements with all of the major television networks, our programming may not attract sufficient targeted viewership or we may not achieve favorable ratings. Our ratings and audience acceptance is influenced by many factors, including the content offered, shifts in population, demographics, general economic conditions, public tastes, reviews by critics, promotions, the quality and acceptance of other competing content in the marketplace at or near the same time, the availability of alternative forms of entertainment and other intangible factors. All of these factors could change rapidly, and many are beyond our control. A shift in viewer preferences could cause our programming not to gain popularity or to decline in popularity, which could cause our advertising revenues to decline. In addition, we, our networks and the others on whom we rely for programming, may not be able to anticipate and react effectively to shifts in viewer tastes and interests in the markets. Such inability to anticipate shifts in viewer preferences could negatively impact our advertising revenues and our results of operations. Our advertising revenues will suffer if any of our broadcasting stations cannot maintain their audience ratings or market share or cannot continue to command the advertising rates that we anticipate.

The continued development of alternative video program distribution channels may adversely affect our ability to retain viewers.

Several of the largest national television networks—including networks with which some of our stations are affiliated—have recently begun providing access to popular network programs to viewers by means of platforms other than local television stations affiliated with such networks. These platforms include portable playing devices (such as the iPod), streaming over the Internet, and delivery to portable receivers, including specially-equipped mobile telephone devices. This phenomenon is in its very early stages and it is difficult to predict what impact it may have, if it continues or grows, upon the traditional model for the delivery of network television programs to viewers through network-affiliated local stations and multichannel video program distributors such as local cable systems and DBS service providers. However, if these platforms are successful in our markets, our revenues and results of operations could be adversely impacted.

Our industry is subject to significant syndicated and other programming costs, and increased programming costs could adversely affect our results of operations.

Our industry is subject to significant syndicated and other programming costs. Programming costs constitute one of the most significant operating costs in our industry. We may be exposed in the future to increased programming costs, which may adversely affect our operating results. We often acquire program rights two or three years in advance, making it difficult for us to accurately predict how a program will perform. In some instances, we may have to replace programs before their costs have been fully amortized, resulting in write-offs that increase station operating costs. If we are unable to obtain audience-attracting programming in the future or if we are exposed to increased programming costs, our

operating results will be negatively impacted.

The February 17, 2009 “hard date” for the cessation of analog transmissions may adversely affect us.

Full-power television stations may no longer broadcast their analog signals after February 17, 2009. Viewers who rely on over-the-air reception for television viewing will no longer be able to view our programming unless they own or acquire television receivers with digital reception capability or converter boxes that permit digital television, or DTV, signals to be viewed on analog television sets. While federal subsidies have been made available for purchasing such converter boxes, we cannot predict the extent to which our viewers will take advantage of such subsidies or purchase converter boxes without the use of subsidies. Further, the federal subsidy program will operate only from January 2008 through March 2009, and we cannot predict whether the late commencement or short duration of this program will affect the number of our viewers who purchase converter boxes using federal subsidies. The cessation of analog signals on February 17, 2009 could also encourage viewers to obtain video programming from other sources, especially the Internet. Any failure of viewers to adopt DTV technology could reduce television viewing audiences and could adversely affect our operating results.

We may be adversely affected by disruptions in our ability to receive or transmit programming.

The transmission of programming is subject to risks of equipment failure, including those failures caused by satellite defects and destruction, natural disasters, power losses, low-flying aircraft, software errors or telecommunications errors. Disruption of our programming transmissions may occur in the future and satellites or other comparable transmission equipment may not be available. Any natural disaster or extreme climatic event, such as an ice storm, could result in the loss of our ability to broadcast. Further, we own or lease antenna and transmitter space for each of our stations. If we were to lose any of our antenna tower leases or if any of our towers or transmitters were damaged, we may not be able to secure replacement leases on commercially reasonable terms, or at all, which could also prevent us from transmitting our signals. Disruptions in our ability to receive or transmit our broadcast signals could have a material adverse effect on our audience levels, advertising revenues and future results of operations.

Any potential hostilities, terrorist attacks or natural disasters may affect our revenues and results of operations.

We may experience a loss of advertising revenues and incur additional broadcasting expenses in the event that the United States engages in foreign hostilities, in the event there is a terrorist attack against the United States or upon the occurrence of a natural disaster. A significant news event like a war, a terrorist attack or a natural disaster will likely result in the preemption of regularly scheduled programming by network news coverage of the event. As a result, advertising may not be aired and the revenues for such advertising may be lost unless the broadcasting station is able to run the advertising at agreed-upon times in the future. We cannot assure you that the advertisers will agree to run such advertising in future time periods or that space will be available for such advertising. We cannot predict the extent or duration of any preemption of local programming if it occurs. In addition, our broadcasting stations may incur additional expenses as a result of expanded news coverage of the local impact of a war, terrorist attack or natural disaster. The loss of revenues and increased expenses could negatively affect our results of operations.

If we are unable to reach retransmission consent agreements with cable companies for the carriage of our stations' signals, we could lose revenues and audience share.

The Communications Act of 1934, as amended, or the Communications Act, permits stations to choose either mandatory carriage (“must-carry”) or retransmission consent. These elections are generally made at intervals of three years. Although retransmission consent agreements typically involve a concession by the cable operator in exchange for carriage of a station’s signal, stations that elect must-carry may not receive such concessions. Likewise, if a station elects retransmission consent but does not reach an agreement with the cable operator as to which it has made this election, the cable system cannot distribute the station's signal to the cable system's subscribers.

One of our stations, KRCG in Jefferson City, Missouri, has elected to exercise its so-called “must-carry” rights with several cable system operators under which those cable companies serving the station's market must carry its signal. All of our other stations have elected retransmission consent, and have negotiated agreements or extensions with cable companies for the carriage of their signals.

If direct broadcast satellite companies do not carry our stations, we could lose revenues and audience share.

Federal law allows direct broadcast satellite television service providers to transmit broadcast television signals to subscribers in local markets, provided that the satellite service providers offer to carry all local stations in that market. However, satellite providers have limited capacity to deliver all of the local station signals in all of the local markets. DirecTV and EchoStar's Dish Network carry our stations in 10 and 13 of our markets, respectively. In those markets in which satellite providers do not carry local station signals, subscribers to those satellite services are unable to view our stations without making alternative arrangements, such as installing special antennas and switches. In the event that subscribers to satellite services do not receive signals from the stations that we own and operate, or that we provide programming to under local marketing agreements, we could lose audience share which would adversely affect our results of operations.

Federal law also permits satellite service providers to import into local markets the signals of same-network-affiliated stations from distant markets, under certain conditions where the local network-affiliated station's signal does not reach certain households in the market with sufficient strength to be viewed or where the out-of-market station is “significantly viewed” in the local market. Such distant signal importation could fragment the audience for any of our stations in local markets that might be so affected, by giving viewers in that market access to a potentially superior quality signal offering the same network programming as our station offers.

The FCC can sanction us for programming on our stations that is found to be indecent.

Over the past several years, the FCC has increased its efforts to impose substantial fines on television stations for their broadcasts of indecent material in violation of the Communications Act and related FCC rules. As described above, the FCC’s recent decisions reflect an increased scrutiny with respect to the use of certain language on broadcast television, and the agency has recently increased the maximum forfeiture amount for indecency violations. Moreover, the FCC’s recent decisions have been in several respects inconsistent with prior decisions, and the FCC typically has not explained fully the basis

on which it distinguishes between programming that it finds indecent and programming that it does not find indecent. The ambiguity of this standard makes it difficult for broadcasters and their programming providers to predict whether a particular program may be found indecent. As a result, we may not always be able to guard against broadcasting programming that the FCC may later find to be indecent and we may therefore be subject to the imposition of fines by the FCC.

As discussed above, the FCC is currently involved in litigation over the validity of its indecency enforcement regime, and the Supreme Court has indicated that it will consider a case involving these issues. The resolution of this litigation could materially affect the FCC's indecency enforcement efforts going forward, either by increasing or decreasing the risk of an indecency finding relating to our broadcasts. Because we are unable to predict the outcome of the litigation, we cannot fully estimate the impact that indecency regulation will have on our business in the future.

Risks Relating to Our Indebtedness

We are highly leveraged and future cash flow may not be sufficient to meet our obligations, including our obligations under the notes, and we might have difficulty obtaining more financing.

We have a substantial amount of indebtedness in relation to our equity. As of March 31, 2008, we had total indebtedness of approximately \$277.7 million, comprising approximately 76% of our capitalization. In addition, on April 1, 2008, we guaranteed additional debt of \$7.0 million in connection with Tucker's acquisition of WGTU/WGTQ through our guarantee of \$3.0 million of Tucker's debt obligations under the Tucker Credit Facility and our issuance of a \$4.0 million letter of credit. Our substantial indebtedness could have important consequences. For example, it could:

- adversely affect our cash flow and make it more difficult for us to satisfy our obligations with respect to the notes;
- limit our ability to pursue acquisition opportunities;
- limit our ability to respond to changing business, economic and industry conditions and to withstand competitive pressures, which may affect our financial condition;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- result in an event of default if we fail to comply with the financial and other restrictive covenants contained in the indenture governing the notes, our credit facility or our other indebtedness;
- limit our ability to borrow additional funds or obtain additional financing in the future;
- expose us to greater interest rate risk since the interest rate on borrowings under our credit facility will fluctuate with the current market rates; and
- place us at a competitive disadvantage to our competitors who are not as highly leveraged.

Under the terms of the indenture and our credit facility, we are permitted, subject to certain conditions and limitations, to incur additional indebtedness. If we incur additional indebtedness, the risks described above will be exacerbated.

If there were an event of default under one of our debt instruments, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt instruments, if accelerated upon an event of default, or that we would be able to repay, refinance or restructure the payments on those debt instruments.

The Issuers' ability to make payments under the notes substantially depends on cash flow from our operating subsidiaries. If such subsidiaries cannot make distributions to the Issuers, or such distributions decrease, the Issuers may not be able to make payments on the notes.

Barrington Group and Barrington Capital have no revenue generating operations except for those conducted through Barrington Group's operating subsidiaries. Accordingly, our only material source of cash, including cash to make payments on or redeem the notes, is distributions with respect to our ownership interests in our operating subsidiaries that are derived from the earnings and cash flow generated by such operating subsidiaries. Distributions to Barrington Group from its operating subsidiaries will depend on:

- the financial performance of our operating subsidiaries;
- covenants contained in our debt agreements, including the agreements governing our credit facility and the indenture governing the notes;
- covenants contained in other agreements to which we or our subsidiaries are or may become subject;
- business and tax considerations; and
- applicable law, including laws regarding the payment of distributions.

The operating results of our operating subsidiaries at any given time may not be sufficient to make distributions or other payments to us and any distributions and/or payments to us may not be adequate to pay any amounts due under the notes or our other indebtedness. If the cash flows and capital resources of our operating subsidiaries are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and our operating subsidiaries might be required to dispose of material assets or operations to meet our debt service and other obligations. Our credit facility and the indenture governing the notes restrict our ability to dispose of assets and use the proceeds from the disposition. Our operating subsidiaries may not be able to consummate those dispositions or to obtain the proceeds which could be realized from them and these proceeds may not be adequate to meet any debt service obligations then due. Any inability to meet our debt service obligations would have a material adverse effect on our results of operations.

Our ability to engage in certain transactions is restricted by the agreements governing our credit

facility and the indenture governing the notes.

The agreements governing our credit facility and the indenture governing the notes contain covenants that limit our and our restricted subsidiaries' ability to engage in specific types of transactions. The covenants include, among other things, limitations on our ability to:

- make distributions on our equity interests, repurchase, repay or redeem our equity interests or prepay subordinated indebtedness;
- issue preferred equity;
- make certain investments;
- incur additional indebtedness;
- create liens on assets to secure indebtedness;
- transfer or sell all or substantially all of our assets;
- merge or consolidate with another entity;
- enter into certain transactions with affiliates; and
- enter into sale and leaseback transactions.

The agreements governing our credit facility require us to satisfy various financial covenants, including maximum total leverage, minimum interest coverage ratios, and limit our total capital expenditures. Future indebtedness or other contracts could contain financial or other covenants more restrictive than those applicable to our credit facility and the notes. These restrictive covenants may limit our ability to expand our operations, pursue our business strategies and react to events and opportunities as they unfold or present themselves. If we are unable to capitalize on future business opportunities, our business may be harmed.

Our ability to comply with these provisions may be affected by general economic conditions, industry conditions and other events beyond our control. As a result, we cannot assure you that we will be able to comply with these covenants. Our failure to comply with the covenants contained in our credit facility or the indenture governing the notes could result in an event of default, which could materially and adversely affect our operating results and our financial condition.

Floating rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Our credit facility is subject to floating rates of interest. If there is a rise in interest rates, our debt service obligations on the borrowings under our credit facility would increase even though the amount borrowed remained the same, which would affect our results of operations. A 1% change in LIBOR would result in our interest expense under our credit facility fluctuating approximately \$1.5 million per year without taking into account the effect of any hedging instruments. We entered into interest rate hedging agreements which effectively fixed the interest rate on the majority of our borrowings under our credit facility at no greater than 5.5%. There can be no assurance that when the interest rate hedging

agreements expire we will be able to enter into other interest rate hedging agreements on favorable terms or at all. In addition, if LIBOR decreases to a rate lower than 4.845%, our interest expense will increase as we will owe additional interest to the counterparty to our interest rate hedging agreements.

Risks Relating to the Notes

The notes are contractually junior in right of payment to our senior indebtedness, and the guarantees are contractually junior in right of payment to all senior indebtedness of the guarantors.

The notes are contractually junior in right of payment to all of our existing and future senior indebtedness, and the guarantees are contractually junior in right of payment to all existing and future senior indebtedness of the guarantors. As of March 31, 2008, we had approximately \$147.7 million of senior indebtedness, consisting of indebtedness under our credit facility (excluding an additional \$25.0 million of borrowings available thereunder), and our guarantee of a \$2.4 million term loan of SagamoreHill, which owns WWMB, a station we program pursuant to a LMA. In addition, we guaranteed \$7.0 million of additional debt incurred by Tucker in connection with Tucker's April 1, 2008 acquisition of WGTU, to which we provide services pursuant to the JSA and SSA. We may not pay principal, premium, if any, interest or other amounts on the notes in the event of a payment default in respect of certain senior indebtedness, including debt under our credit facility, unless that indebtedness has been paid in full or the default has been cured or waived. In addition, if certain other defaults regarding certain senior indebtedness occur, we may be prohibited from paying any amount on the notes and the guarantors may be prohibited from paying any amount on the guarantees for a designated period of time. In the event of bankruptcy, liquidation or dissolution, our assets would be available to pay obligations on the notes only after all payments had been made on our senior indebtedness. Similarly, in the event of bankruptcy, liquidation or dissolution of any guarantor, its assets would be available to pay obligations on its guarantee of the notes only after all payments had been made on its senior indebtedness. Accordingly, we may not have enough assets remaining after payments to holders of our senior indebtedness to make any payments on the notes.

The notes are not secured by our assets or the assets of our subsidiaries.

The notes and the guarantees are not secured by the Issuers' assets or the assets of the guarantors. However, the indebtedness incurred under our credit facility and the guarantees of the SagamoreHill term loan are secured by a security interest in all or substantially all of the Issuers' assets, and all or substantially all of the assets of the guarantors. In addition, future indebtedness that the Issuers and the guarantors incur may be secured by the Issuers' assets and those of the guarantors. If the Issuers or the guarantors become insolvent, or are liquidated, or if payment of any secured indebtedness is accelerated, the holders of the secured indebtedness will be entitled to exercise the remedies available to secured lenders under applicable laws including the ability to foreclose on and sell the Issuers' and the guarantors' collateral securing the indebtedness in order to satisfy the secured indebtedness. In such circumstances, we may not have sufficient assets to repay the notes.

Federal and state fraudulent transfer and conveyance laws allow courts, under specific circumstances, to void guarantees and to require note holders to return payments received from us or the guarantors.

The Issuers' creditors or the creditors of our guarantors could challenge the note guarantees

issued by the guarantors as fraudulent transfers or conveyances or on other grounds. Under the federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, the delivery of the guarantees could be voided as fraudulent transfers or conveyances if a court determined that the guarantor, at the time it incurred the indebtedness evidenced by its guarantees:

- delivered the guarantees with the intent to hinder, delay or defraud its existing or future creditors; or
- received less than reasonably equivalent value or did not receive fair consideration for the delivery of the guarantees, and if the guarantor:
 - was insolvent or rendered insolvent at the time it delivered the guarantees;
 - was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
 - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

If the guarantees issued by the guarantors were voided or limited under fraudulent transfer or conveyance or other laws, any claim noteholders may make against such guarantors for amounts payable on the notes would be effectively subordinated to all of the indebtedness and other obligations of such guarantors, including trade payables and any subordinated indebtedness. If the granting of liens to secure the guarantees issued by the guarantors were voided or limited under fraudulent transfer or conveyance or other laws, the guarantees would become unsecured claims to the extent of the avoidance or limitation, ranking equally with all general unsecured claims of such guarantors.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, is greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts, including contingent liabilities, as they become due.

We cannot be sure what standard a court would apply in making these determinations or, regardless of the standard, that a court would not void the guarantees issued by the guarantors or that any such guarantees would not be subordinated to a guarantor's other indebtedness.

Noteholders may not be entitled to require us to repurchase the notes in connection with certain transactions because the term “all or substantially all” in the context of a change of control has no established meaning under the relevant law.

One of the ways a change of control can occur under the indenture governing the notes is upon a sale of all or substantially all of our assets. The meaning of the phrase “all or substantially all” as used in

that definition varies according to the facts and circumstances of the subject transaction, has no clearly established meaning under applicable law and is subject to judicial interpretation. Accordingly, in certain circumstances there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of “all or substantially all” of the assets of a person and therefore it may be unclear whether a change of control has occurred and whether noteholders have the right to require us to repurchase the notes.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture.

Upon the occurrence of certain specific kinds of change of control events, we are required to offer to repurchase all of our outstanding notes at 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of the notes or that restrictions in our credit facility will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations, that would increase the level of our indebtedness, would not constitute a change of control under the indenture.