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Sinclair Broadcast Group, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first call comes from Bishop Cheen – Wachovia Securities.

Bishop Cheen – Wachovia Securities

Could you give us the balances of the three converts and also tell us in this current Q2 if you have bought back any other securities be the converts or bonds or stock.

Lucy Rutishauser

The 8% note, there's \$224.7 million face amount outstanding. The 4.78% note, there's \$143.5 million face amount. The 3% convert \$294.3 million face and the 6%, \$134.1 million face and we have not bought any securities back in the second quarter.

Operator

Your next question comes from Aaron Watts – Deutsche Bank.

Aaron Watts – Deutsche Bank

How much more flexibility do you have to use bank debt to buy back the converts?

Lucy Rutishauser

We would be limited based on the amount of the revolver liquidity so at the end of March we had about \$48 million of revolver available to us. That would just be without going back to the markets.

Aaron Watts – Deutsche Bank

So between that availability and your free cash flow, you're allowed to choose to so to continue to buy back that holding company debt or converts. You have restricted payment capacity is another way to put it.

Lucy Rutishauser

We have the capacity, I'll say that. We have the capacity based on our March 31 to buy that back. I'm not saying that we would or we would not though.

Aaron Watts – Deutsche Bank

It looked like you did a little better in cutting costs than what you had guided us to at the end of the last quarter. Can you talk about what might have changed or if there was just some timing that you got some of the benefit upfront here?

Steven Marks

We just went back in and took a look at everything we had, every department we had and obviously the times called for doing so. We feel we made the cuts that obviously are hurting our performance. So we did what was necessary to do.

Aaron Watts – Deutsche Bank

Could you give us some idea with the changes that are taking place in some of your affiliations of the networks with My Network TV going more toward the syndicated model, CW yesterday talking about how they're dropping Sunday, what impact is that going to have for you and the 29 to 30 stations you have affiliated with those guys in terms of revenues and expenses as we go forward?

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