

SINCLAIR EARNINGS INCREASE DUE TO POLITICAL ADVERTISEMENTS



The Sinclair Broadcast Group Incorporation is enjoying the increase in earnings for the second quarter, with earnings that have increased by a whopping total of 61 percent. The reason behind the major increase in earnings is due to the political advertising that has been going on between the two presidential candidates, President Barack Obama and his opponent, Mitt Romney. The company has since earned a total of \$30.1 million, which is a major increase from the amount earned during the same month in the previous year, a year that was not an election year. Earlier on in the week, the stock for the company also jumped by 13 percent, going from \$1.31 per share up to \$11.51 per share for trading. The CEO of Sinclair, David Smith, says, "Political advertising spending in the quarter was almost triple our expectations." Smith also pointed out that the revenue from the different stations that the company owns and has owned for an entire year has already increased. The number of political advertisements being sold has increased drastically within this quarter from the previous quarter, especially since the elections are steadily approaching. In fact, during the second quarter of 2011, only about \$1.2 million was spent on the online advertisements. However, for this quarter, the number of advertisement spending was much higher, at about \$11.4 million instead. Sinclair has definitely been spending a lot of money. During the second quarter, the corporation already set deals for the acquisition of eight different television stations. Just a month ago, the corporation made an announcement about purchasing six other television stations, the Newport Television stations. With all of the acquisitions and purchases, the corporation has spent about \$1 billion during this year alone. The corporation even chose to renew an agreement that it has with the Fox Network prior to actually having to renew the agreement. Sinclair chose to renew the agreement several months earlier because the relationship between the corporation and Fox is very important for the Sinclair in the Baltimore area, which is where they are the owners of Fox 45. The chief financial officer for Sinclair, David Amy, made it clear that political advertisements have definitely increased and are expected to continue to increase within the next few months. Along with the increase in political advertisements, Amy says that automotive advertisement spending has also increased by about 17 percent during the second quarter and is expected to continue to grow throughout the following quarter. Because of this, Sinclair's revenue is also expected to drastically increase.