United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

[x] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Quarterly Period ended September 30, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from _________ to _________

Commission file number 1-11588

Saga Communications, Inc.
(Exact name of registrant as specified in its charter)

Delaware	38-3042953
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
73 Kercheval Avenue Grosse Pointe Farms, Michigan	48236
(Address of principal executive offices)	(Zip Code)

(313) 886-7070
(Registrant's telephone number, including area code)

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

The number of shares of the registrant's Class A Common Stock, $.01 par value, and Class B Common Stock, $.01 par value, outstanding as of November 6, 2000 was 14,423,849 and 1,888,296, respectively.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Saga Communications, Inc.
Condensed Consolidated Balance Sheets
(dollars in thousands)

	SEPTEMBER 30, 2000 (UNAUDITED)	DECEMBER 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,616	$ 11,342
Accounts receivable, net	18,609	18,121
Prepaid expenses	1,638	1,642
Other current assets	1,590	2,035
Total current assets	27,453	33,140
Property and equipment	95,743	88,991
Less accumulated depreciation	(48,085)	(44,536)
Net property and equipment	47,658	44,455
Other assets:		
Excess of cost over fair value of assets acquired, net	19,988	20,508
Broadcast licenses, net	73,644	53,360
Other intangibles, deferred costs and investments, net	8,280	11,033
Total other assets	101,912	84,901
	$ 177,023	$ 162,496

See notes to unaudited condensed consolidated financial statements.

Saga Communications, Inc.
Condensed Consolidated Balance Sheets
(dollars in thousands)

	SEPTEMBER 30, 2000 (UNAUDITED)	DECEMBER 31, 1999
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 924	$ 1,417
Other current liabilities	9,655	8,572
Current portion of long-term debt	7,419	395
Total current liabilities	17,998	10,384
Deferred income taxes	7,442	6,811
Long-term debt	87,295	85,379
Broadcast program rights	533	602
Other	400	218
STOCKHOLDERS' EQUITY:		
Common stock	165	165
Additional paid-in capital	42,290	42,273
Note receivable from principal stockholder	(341)	(486)
Retained earnings	23,193	17,268
Accumulated other comprehensive income	--	33
Treasury stock	(1,952)	(151)
Total stockholders' equity	63,355	59,102
	$ 177,023	$ 162,496

See notes to unaudited condensed consolidated financial statements.

Saga Communications, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income
(in thousands except per share data)
Unaudited

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
Net operating revenue	$ 25,478	$ 23,882	$ 73,700	$ 65,608
Station operating expense:				
Programming and technical	5,769	5,399	16,828	14,913
Selling	5,677	5,434	18,290	16,823
Station general and administrative	3,419	3,290	10,569	9,552
Total station operating expense	14,865	14,123	45,687	41,288
Station operating income before corporate general and administrative, depreciation and amortization	10,613	9,759	28,013	24,320
Corporate general and administrative	1,239	1,128	3,903	3,766
Depreciation and amortization	2,286	2,138	6,683	5,900
Operating profit	7,088	6,493	17,427	14,654
Other (income) expense:				
Interest expense	1,781	1,566	4,920	4,394
Other	(13)	198	2,042	92
Income before income tax	5,320	4,729	10,465	10,168
Income tax provision	2,252	1,983	4,540	4,275
Net income and comprehensive income	$ 3,068	$ 2,746	$ 5,925	$ 5,893
Earnings per share:				
Basic	$ .19	$ .17	$ .36	$ .36
Diluted	$ .18	$ .16	$ .35	$ .36
Weighted average common shares	16,479	16,403	16,479	16,266
Weighted average common and common equivalent shares	16,871	16,766	16,869	16,598

See notes to unaudited condensed consolidated financial statements.

Saga Communications, Inc.
Condensed Consolidated Statements of Cash Flows
(dollars in thousands)
Unaudited

	NINE MONTHS ENDED SEPTEMBER 30, 2000	NINE MONTHS ENDED SEPTEMBER 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash provided by operating activities	$ 15,985	$ 11,577
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(4,092)	(4,194)
Proceeds from sale of assets	2,294	599
Increase in intangibles and other assets	(1,658)	(1,495)
Acquisition of stations	(25,137)	(20,870)
Net cash used in investing activities	(28,593)	(25,960)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	13,523	14,500
Payments on long-term debt	(4,634)	(185)
Purchase of shares held in treasury	(2,007)	--
Net proceeds from exercise of stock options	--	1,738
Net cash provided by financing activities	6,882	16,053
Net increase (decrease) in cash and cash equivalents	(5,726)	1,670
Cash and cash equivalents, beginning of period	11,342	6,664
Cash and cash equivalents, end of period	$ 5,616	$ 8,334

See notes to unaudited condensed consolidated financial statements.

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in the Saga Communications, Inc. Annual Report (Form 10-K) for the year ended December 31, 1999.

2. INCOME TAXES

The Company's effective tax rate is higher than the statutory federal rate as a result of certain non-deductible depreciation and amortization expenses and the inclusion of state taxes in the income tax amount.

3. ACQUISITIONS

On January 1, 2000, the Company acquired two FM and one AM radio stations (KICD-AM/FM and KLLT-FM) serving the Spencer, Iowa market for approximately $6,400,000.

On July 17, 2000, the Company acquired an FM radio station (WKIO-FM) serving the Champaign-Urbana, Illinois market for approximately $7,000,000.

On August 30, 2000, the Company acquired an AM and FM radio station (WHMP-AM and WLZX-FM) serving the Northampton, Massachusetts market for approximately $12,000,000.

The acquisitions were accounted for as purchases and, accordingly, the total costs were allocated to the acquired assets, including broadcast licenses and other intangibles, and assumed liabilities based on their estimated fair values as of the acquisition date. The excess of consideration paid over the estimated fair value of the net assets acquired has been recorded as broadcast licenses.

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
Unaudited

3. ACQUISITIONS (CONTINUED)

On January 1, 1999, the Company acquired an AM and FM radio station (KAFE-FM and KPUG-AM), serving the Bellingham, Washington market for approximately $6,350,000.

On January 14, 1999, the Company acquired a regional and state farm information network (The Michigan Farm Radio Network) for approximately $1,660,000, approximately $1,036,000 of which was paid in the Company's Class A common stock.

On April 1, 1999, the Company acquired KAVU-TV (an ABC affiliate) and a low power Univision affiliate, serving the Victoria, Texas market for approximately $11,700,000, approximately $1,840,000 of which was paid in the Company's Class A common stock. The Company also assumed an existing Local Marketing Agreement for KVCT-TV (a Fox affiliate).

On May 1, 1999, the Company acquired an AM radio station (KIXT-AM) serving the Bellingham, Washington market for approximately $1,000,000.

On July 1, 1999, the Company acquired WXVT-TV (a CBS affiliate) serving the Greenville, Mississippi market for approximately $5,200,000, approximately $600,000 of which was paid in the Company's Class A common stock.

The following unaudited pro forma results of operations of the Company for the nine months ended September 30, 2000 and 1999 assume the 1999 and 2000 acquisitions occurred as of January 1, 1999. The pro forma results give effect to certain adjustments, including depreciation, amortization of intangible assets, increased interest expense on acquisition debt and related income tax effects. The pro forma results have been prepared for comparative purposes only and do not purport to indicate the results of operations which would actually have occurred had the combinations been in effect on the dates indicated, or which may occur in the future.

Pro Forma Results of Operations for Acquisitions: (In thousands except per share data)	NINE MONTHS ENDED SEPTEMBER 30, 2000	1999
Net operating revenue	$75,884	$72,021
Net income	$5,459	$5,601
Earnings per share (basic and diluted)	$.33	$.34

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
Unaudited

4. SEGMENT INFORMATION

The Company's management evaluates the operating performance of its stations individually. For purposes of business segment reporting, the Company has aggregated operations with similar characteristics into two reportable segments: Radio and Television.

The Radio segment includes all forty-eight of the Company's radio stations and three radio information networks. The Television segment consists of four television stations and two low power television ("LPTV") stations. The Radio and Television segments derive their revenue from the sale of commercial broadcast inventory.

The category "Corporate and Other" represents the income and expense not allocated to reportable segments.

The Company evaluates performance of its operating entities based on station operating income before corporate general and administrative, depreciation and amortization ("station operating income".) Management believes that station operating income is useful because it provides a meaningful comparison of operating performance between companies in the broadcasting industry and serves as an indicator of the market value of a group of stations. Station operating income is generally recognized by the broadcasting industry as a measure of performance and is used by analysts who report on the performance of broadcasting groups. Station operating income is not necessarily indicative of amounts that may be available to the Company for debt service requirements, other commitments, reinvestment in the Company or other discretionary uses. Station operating income is not a measure of liquidity or of performance in accordance with generally accepted accounting principles, and should be viewed as a supplement to and not a substitute for the results of operations presented on the basis of generally accepted accounting principles.

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
Unaudited

4. SEGMENT INFORMATION (CONTINUED)

THREE MONTHS ENDED SEPTEMBER 30, 2000:	RADIO	TELEVISION	CORPORATE AND OTHER	CONSOLIDATED
Net operating revenue	$ 22,371	$ 3,107	--	$ 25,478
Station operating expense	12,821	2,044	--	14,865
Station operating income	9,550	1,063	--	10,613
Corporate general and administrative	--	--	$ 1,239	1,239
Depreciation and amortization	1,699	493	94	2,286
Operating profit (loss)	$ 7,851	$ 570	$ (1,333)	$ 7,088

THREE MONTHS ENDED SEPTEMBER 30, 1999:	RADIO	TELEVISION	CORPORATE AND OTHER	CONSOLIDATED
Net operating revenue	$ 20,889	$ 2,993	--	$ 23,882
Station operating expense	12,083	2,040	--	14,123
Station operating income	8,806	953	--	9,759
Corporate general and administrative	--	--	$ 1,128	1,128
Depreciation and amortization	1,543	484	111	2,138
Operating profit (loss)	$ 7,263	$ 469	$ (1,239)	$ 6,493

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
Unaudited

4. SEGMENT INFORMATION (CONTINUED)

NINE MONTHS ENDED SEPTEMBER 30, 2000:	RADIO	TELEVISION	CORPORATE AND OTHER	CONSOLIDATED
Net operating revenue	$ 64,705	$ 8,995	--	$ 73,700
Station operating expense	39,304	6,383	--	45,687
Station operating income	25,401	2,612	--	28,013
Corporate general and administrative	--	--	$ 3,903	3,903
Depreciation and amortization	4,925	1,478	280	6,683
Operating profit (loss)	$ 20,476	$ 1,134	$ (4,183)	$ 17,427
Total assets at September 30, 2000	$139,974	$ 26,759	$ 10,290	$177,023

NINE MONTHS ENDED SEPTEMBER 30, 1999:	RADIO	TELEVISION	CORPORATE AND OTHER	CONSOLIDATED
Net operating revenue	$ 58,984	$ 6,624	--	$ 65,608
Station operating expense	36,810	4,478	--	41,288
Station operating income	22,174	2,146	--	24,320
Corporate general and administrative	--	--	$ 3,766	3,766
Depreciation and amortization	4,513	1,054	333	5,900
Operating profit (loss)	$ 17,661	$ 1,092	$ (4,099)	$ 14,654
Total assets at September 30, 1999	$117,574	$ 28,584	$ 13,957	$160,115

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
Unaudited

5. COMMITMENTS

In July 2000, the Company entered into an interest rate swap agreement, effective on September 30, 2000, with a total notional amount of $24,500,000. Coincident with this agreement, the Company also sold an interest rate cap under the same terms with a fixed price of 7.45%. The swap agreement will be used to convert the variable Eurodollar interest rate of a portion of its bank borrowings to a fixed interest rate. In accordance with the terms of the swap agreement, the Company pays 6.875% calculated on a $24,500,000 notional amount. The Company receives LIBOR (6.66% at September 30, 2000) calculated on a notional amount of $24,500,000. The interest rate cap agreement requires that if on any reset date LIBOR is greater than 7.45% the Company will pay the difference between 7.45% and the LIBOR rate at the reset date calculated on the notional amount of $24,500,000. As a result of this combination, the Company will pay a rate of 6.875% with benefits up to 7.45%. Should LIBOR increase above 7.45%, the Company will pay LIBOR less a 31.5 basis point benefit. Net receipts or payments under the agreement will be recognized as an adjustment to interest expense. This agreement expires in September 2001.

In July 2000, the Company entered into an agreement to acquire two FM and two AM radio stations (WTKO-AM, WQNY-FM, WHCU-AM and WYXL-FM) serving the Ithaca, New York market, for approximately $13,360,000.

In September 2000, the Company entered into an agreement to acquire one FM and two AM radio stations (WCVQ-FM, WABD-AM, and WDXN-AM) and a construction permit for a new FM radio station serving the Clarksville, Tennessee - Fort Campbell, Kentucky - Hopkinsville, Kentucky market, for approximately $6,700,000.

In September 2000, the Company entered into an agreement to acquire one FM radio station serving the Clarksville, Tennessee - Fort Campbell, Kentucky - Hopkinsville, Kentucky market, (WVVR-FM) for approximately $7,000,000, including approximately $1,000,000 of the Company's Class A common stock.

The acquisitions are subject to FCC approval and are expected to close during the first quarter of 2001.

In September 2000, the Company modified its Stock Buy-Back program pursuant to which the Company may purchase up to $6,000,000 of its Class A Common Stock. Since inception of the Stock Buy-Back program in 1998 through September 30, 2000 the Company has repurchased approximately $3,300,000 of its Class A Common Stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto of Saga Communications, Inc. and its subsidiaries (the "Company") contained elsewhere herein.

GENERAL

The Company's financial results are dependent on a number of factors, the most significant of which is the ability to generate advertising revenue through rates charged to advertisers. The rates a station is able to charge are, in large part, based on a station's ability to attract audiences in the demographic groups targeted by its advertisers, as measured principally by periodic reports by independent national rating services. Various factors affect the rate a station can charge, including the general strength of the local and national economies, population growth, ability to provide popular programming, local market competition, relative efficiency of radio and/or broadcasting compared to other advertising media, signal strength and government regulation and policies. The primary operating expenses involved in owning and operating radio stations are employee salaries, depreciation and amortization, programming expenses, solicitation of advertising, and promotion expenses. In addition to these expenses, owning and operating television stations involves the cost of acquiring certain syndicated programming.

During the years ended December 31, 1999 and 1998, and the nine month periods ended September 30, 2000 and 1999, none of the Company's operating locations represented more than 15% of the Company's station operating income (i.e., net operating revenue less station operating expense), other than the Columbus, Ohio and Milwaukee, Wisconsin stations. For the years ended December 31, 1999 and 1998, Columbus accounted for an aggregate of 15% and 22%, respectively, and Milwaukee accounted for an aggregate of 22% and 24%, respectively, of the Company's station operating income. For the nine months ended September 30, 2000 and 1999, Columbus accounted for an aggregate of 16% and 14%, respectively, and Milwaukee accounted for an aggregate of 23% and 22%, respectively, of the Company's station operating income. While radio revenues in each of the Columbus and Milwaukee markets have remained relatively stable historically, an adverse change in these radio markets or these location's relative market position could have a significant impact on the Company's operating results as a whole.

Because audience ratings in the local market are crucial to a station's financial success, the Company endeavors to develop strong listener/viewer loyalty. The Company believes that the diversification of formats on its radio stations helps the Company to insulate itself from the effects of changes in musical tastes of the public on any particular format.

The number of advertisements that can be broadcast without jeopardizing listening/viewing levels (and the resulting ratings) is limited in part by the format of a particular radio station and, in the case of television stations, by restrictions imposed by the terms of certain network affiliation and syndication agreements. The Company's stations strive to maximize revenue by constantly managing the number of commercials available for sale and adjusting prices based upon local market conditions. In the broadcasting industry, stations often utilize trade (or barter) agreements to generate advertising time sales in exchange for goods or services used or useful in the operation of the stations, instead of for cash. The Company minimizes its use of trade agreements and historically has sold over 95% of its advertising time for cash.

Most advertising contracts are short-term, and generally run only for a few weeks. Most of the Company's revenue is generated from local advertising, which is sold primarily by each station's sales staff. For the nine months ended September 30, 2000 and 1999, approximately 80% and 81%, respectively, of the Company's gross revenue was from local advertising. To generate national advertising sales, the Company engages independent advertising sales representatives that specialize in national sales for each of its stations.

The Company's revenue varies throughout the year. Advertising expenditures, the Company's primary source of revenue, generally have been lowest during the winter months, which comprise the first quarter.

As of September 30, 1999 the Company owned and/or operated forty-two radio stations, four TV stations, two LPTV stations, and three radio information networks. As a result of acquisitions, as of September 30, 2000 the Company owned and/or operated forty-eight radio stations, four TV stations, two LPTV stations, and three radio information networks. The Company continues to actively seek and explore opportunities for expansion through the acquisition of additional broadcast properties.

THREE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1999

For the three months ended September 30, 2000, the Company's net operating revenue was $25,478,000 compared with $23,882,000 for the three months ended September 30, 1999, an increase of $1,596,000 or 7%. Approximately $958,000 or 60% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the comparable period in 1999. The balance of the increase in net operating revenue represented a 3% increase in stations owned and operated by the Company for the entire comparable period, primarily as a result of increased advertising rates at the majority of the Company's stations.

Station operating expense (i.e., programming, technical, selling and station general and administrative expenses) increased by $742,000 or 5% to $14,865,000 for the three months ended September 30, 2000, compared with $14,123,000 for the three months ended September 30, 1999. Of the total increase, approximately $625,000 or 84% was the result of the impact of the operation of stations which were not owned or operated by the Company for the comparable period in 1999. The remaining balance of the increase in station operating expense of $117,000 represents a total increase of 1% in stations owned and operated by the Company for the comparable period in 1999.

Operating profit increased by $595,000 or 9% to $7,088,000 for the three months ended September 30, 2000, compared with $6,493,000 for the three months ended September 30, 1999. The improvement was primarily the result of the $1,596,000 increase in net operating revenue, offset by the $742,000 increase in station operating expense, a $148,000 or 7% increase in depreciation and amortization and a $111,000 increase in corporate general and administrative expense. The increase in depreciation and amortization expense was principally the result of the recent acquisitions. The increase in corporate general and administrative expense represents additional costs due to the growth of the Company as a result of the Company's recent acquisitions.

The Company generated net income in the amount of approximately $3,068,000 ($0.18 per share on a fully diluted basis) during the three months ended September 30, 2000, compared with net income of $2,746,000 ($0.16 per share on a fully diluted basis) for the three months ended September 30, 1999, an increase of approximately $322,000 or 12%. The increase in net income was principally the result of the $595,000 improvement in operating profit, a decrease in other expense of $211,000, offset by a $215,000 increase in interest expense and a $269,000 increase in income tax expense. The decrease in other expense is attributable to the Company's equity in the operating loss of an investment in Reykjavik, Iceland during the comparable period in 1999 that was sold in the second quarter of 2000. The increase in interest expense was principally the result of increased debt due to the Company's recent acquisitions.

NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1999

For the nine months ended September 30, 2000, the Company's net operating revenue was $73,700,000 compared with $65,608,000 for the nine months ended September 30, 1999, an increase of $8,092,000 or 12%. Approximately $4,419,000 or 55% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the comparable period in 1999. The balance of the increase in net operating revenue represented a 6% increase in stations owned and operated by the Company for the entire comparable period, primarily as a result of increased advertising rates at the majority of the Company's stations.

Station operating expense (i.e., programming, technical, selling and station general and administrative expenses) increased by $4,399,000 or 11% to $45,687,000 for the nine months ended September 30, 2000, compared with $41,288,000 for the nine months ended September 30, 1999. Of the total increase, approximately $3,202,000 or 73% was the result of the impact of the operation of stations which were not owned or operated by the Company for the comparable period in 1999. The remaining balance of the increase in station operating expense of $1,197,000 represents a total increase of 3% in stations owned and operated by the Company for the comparable period in 1999.

Operating profit increased by $2,773,000 or 19% to $17,427,000 for the nine months ended September 30, 2000, compared with $14,654,000 for the nine months ended September 30, 1999. The improvement was primarily the result of the $8,092,000 increase in net operating revenue, offset by the $4,399,000 increase in station operating expense, a $783,000 or 13% increase in depreciation and amortization, and a $137,000 or 4% increase in corporate general and administrative expense. The increase in depreciation and amortization expense was principally the result of the recent acquisitions.

The Company generated net income in the amount of approximately $5,925,000 ($0.35 per share on a fully diluted basis) during the nine months ended September 30, 2000, compared with net income of $5,893,000 ($0.36 per share on a fully diluted basis) for the nine months ended September 30, 1999, an increase of approximately $32,000. The increase in net income was principally the result of the $2,773,000 improvement in operating profit offset by a $526,000 increase in interest expense, a $1,950,000 increase in other expense (income) and a $265,000 increase in income tax expense. The increase in interest expense was principally the result of the Company's additional borrowings to finance acquisitions. The increase in other expense was principally the result of non-recurring charges including a $1,300,000 loss resulting from the Company's sale of their equity in an investment in Reykjavik, Iceland, and a $125,000 loss on the sale of a building in one of the Company's markets. Additionally during the nine months ended September 30, 1999 the Company had non-recurring income of $500,000 resulting from an agreement to downgrade an FCC license at one of the Company's stations.

OUTLOOK

As of October 20, 2000 gross revenue (before agency commissions) for the fourth quarter were pacing approximately 9% ahead of the same date last year on a same station basis. Specifically, as of October 22, 1999 gross revenue booked for the fourth quarter was $21.5 million compared to $23.3 million on October 20, 2000. Revenue pacings should only be used as an indication of the direction revenue growth rates are heading as of a specific date. Due to the nature of the current media buying habits including the vagaries of national advertising dollars the pacings will vary over time. They are however, an indication that the Company expects the revenue growth rate for the fourth quarter to be stronger than those for the third quarter.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2000, the Company had $94,714,000 of long-term debt (including the current portion thereof) outstanding and approximately $56,250,000 of unused borrowing capacity under the Credit Agreement (as described below).

The Company's credit agreement (the "Credit Agreement") has three facilities (the "Facilities"): a $70,000,000 senior secured term loan (the "Term Loan"), a $60,000,000 senior secured acquisition loan facility (the "Acquisition Facility"), and a $20,000,000 senior secured revolving credit facility (the "Revolving Facility"). The Facilities mature June 30, 2006. The Company's indebtedness under the Facilities is secured by a first priority lien on substantially all the assets of the Company and its subsidiaries, by a pledge of its subsidiaries' stock and by a guarantee of its subsidiaries.

The Acquisition Facility may be used for permitted acquisitions. The Revolving Facility may be used for general corporate purposes, including working capital, capital expenditures, permitted acquisitions (to the extent that the Acquisition Facility has been fully utilized and limited to $10,000,000) and permitted stock buybacks. On December 30, 2000, the Acquisition Facility will convert to a five and a half year term loan. However, the Company is currently negotiating an amendment to the Credit Agreement which would provide for the extension or modification of the conversion date. The Company anticipates completion of the amendment in the first quarter of 2001. The outstanding amounts of the Term Loan and the Acquisition Facility are required to be reduced quarterly in amounts ranging from 2.5% to 7.5% of the initial commitment commencing on March 31, 2001. Any outstanding amount under the Revolving Facility will be due on the maturity date of June 30, 2006. In addition, the Facilities may be further reduced by specified percentages of Excess Cash Flow (as defined in the Credit Agreement) based on leverage ratios.

Interest rates under the Facilities are payable, at the Company's option, at alternatives equal to Eurodollar plus 1.0% to 1.75% or the Agent bank's base rate plus 0% to .75%. The spread over Eurodollar and the prime rate vary from time to time, depending upon the Company's financial leverage. The Company also pays quarterly commitment fees equal to 0.375% to 0.5% per annum on the aggregate unused portion of the Acquisition and Revolving Facilities.

The Credit Agreement contains a number of financial covenants which, among other things, require the Company to maintain specified financial ratios and impose certain limitations on the Company with respect to investments, additional indebtedness, dividends, distributions, guarantees, liens and encumbrances.

In July 2000, the Company entered into an interest rate swap agreement, effective on September 30, 2000, with a total notional amount of $24,500,000. In connection with this agreement, the Company also sold an interest rate cap under the same terms with a fixed price of 7.45%. The swap agreement will be used to convert the variable Eurodollar interest rate of a portion of its bank borrowings to a fixed interest rate. In accordance with the terms of the swap agreement, the Company pays 6.875% calculated on a $24,500,000 notional amount. The Company receives LIBOR (6.66% at September 30, 2000) calculated on a notional amount of $24,500,000. The interest rate cap agreement requires that if LIBOR is greater than 7.45% on any reset date the Company will pay the difference between 7.45% and the LIBOR rate at the reset date calculated on the notional amount of $24,500,000. As a result of this combination, the Company will pay a rate of 6.875% with benefits up to 7.45%. Should LIBOR increase above 7.45%, the Company will pay LIBOR less a 31.5 basis point benefit.

At September 30, 2000, the Company had two other interest rate swap agreements with a total notional amount of $24,500,000. In connection with these agreements, the Company also sold two interest rate caps under the same terms with a fixed price of 6.0%. The swap agreements are used to convert the variable Eurodollar interest rate of a portion of its bank borrowings to a fixed interest rate. In accordance with the terms of the swap agreements, the Company pays 5.685% calculated on a $24,500,000 notional amount. The Company receives LIBOR (6.66% at September 30, 2000) calculated on a notional amount of $24,500,000. The interest rate cap agreements requires that if LIBOR is greater than 6.00% on any reset date the Company will pay the difference between 6.00% and the LIBOR rate at the reset date calculated on the notional amount of $24,500,000. As a result of this combination, the Company will pay a rate of 5.685% with benefits up to 6.00%. Should LIBOR increase above 6.00%, the Company will pay LIBOR less a 31.5 basis point benefit.

Net receipts or payments under the swap and cap agreements are recognized as an adjustment to interest expense. These agreements expire in September 2001. Approximately $11,000 in additional interest expense was recognized as a result of the interest rate swap and cap agreements for the year ended December 31, 1999. A decrease of approximately $59,000 in interest expense was recognized as a result of the interest rate swap and cap agreements for the nine months ended September 30, 2000 and an aggregate decrease in interest expense of $48,000 has been recognized since the inception of the agreements.

During the nine months ended September 30, 2000 and 1999, the Company had cash flows from operating activities of $15,985,000 and $11,577,000, respectively. The Company believes that cash flow from operations will be sufficient to meet quarterly debt service requirements for interest and scheduled payments of principal under the Credit Agreement. If such cash flow is not sufficient to meet such debt service requirements, the Company may be required to sell additional equity securities, refinance its obligations or dispose of one or more of its properties in order to make such scheduled payments. There can be no assurance that the Company would be able to effect any such transactions on favorable terms.

On January 1, 2000, the Company acquired two FM and one AM radio stations (KICD-AM/FM and KLLT-FM) serving the Spencer, Iowa market for approximately $6,400,000. The acquisition was financed through funds generated from operations.

On July 17, 2000, the Company acquired an FM radio station (WKIO-FM) serving the Champaign-Urbana, Illinois market for approximately $7,000,000.

On August 30, 2000, the Company acquired an AM and FM radio station (WHMP-AM and WLZX-FM) serving the Northampton, Massachusetts market for approximately $12,000,000.

The acquisitions during the first nine months of 2000 were financed through funds generated from operations and additional borrowings of $13,500,000 under the credit agreement.

In July 2000, the Company entered into an agreement to acquire two FM and two AM radio stations (WTKO-AM, WQNY-FM, WHCU-AM and WYXL-FM) serving the Ithaca, New York market, for approximately $13,360,000.

In September 2000, the Company entered into an agreement to acquire one FM and two AM radio stations (WCVQ-FM, WABD-AM, and WDXN-AM) and a construction permit for a new FM radio station serving the Clarksville, Tennessee - Fort Campbell, Kentucky - Hopkinsville, Kentucky market, for approximately $6,700,000.

In September 2000, the Company entered into an agreement to acquire one FM radio station serving the Clarksville, Tennessee - Fort Campbell, Kentucky - Hopkinsville, Kentucky market, (WVVR-FM) for approximately $7,000,000, including approximately $1,000,000 of the Company's Class A common stock.

The pending acquisitions are subject to FCC approval and are expected to close during the first quarter of 2001.

In September 2000, the Company modified its Stock Buy-Back program pursuant to which the Company may purchase up to $6,000,000 of its Class A Common Stock. Since inception of the Stock Buy-Back program in 1998 through September 30, 2000 the Company has repurchased approximately $3,300,000 of its Class A Common Stock.

The Company anticipates that the above and any future acquisitions of radio and television stations and purchases of Class A Common Stock under the Stock Buy-Back program will be financed through funds generated from operations, borrowings under the Credit Agreement, additional debt or equity financing, or a combination thereof. However, there can be no assurances that any such financing will be available.

The Company continues to actively seek and explore opportunities for expansion through the acquisition of additional broadcast properties.

The Company's capital expenditures for the nine months ended September 30, 2000 were approximately $4,092,000 ($4,194,000 in the comparable period in 1999). The Company anticipates capital expenditures in 2000 to be approximately $4,500,000, which it expects to finance through funds generated from operations.

NEW FINANCIAL ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and 138 becomes effective for all fiscal quarters for all fiscal years beginning after June 30, 2000 (effective January 1, 2001 for the Company). SFAS No. 133 is not currently expected to have a material effect on the Company as the Company does not significantly utilize derivative instruments except for the interest rate swap and cap agreements previously discussed.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 (SAB 101), "Revenue Recognition in Financial Statements". SAB 101 provides guidance for revenue recognition under certain circumstances. The accounting and disclosures prescribed by SAB 101 will be effective for the fourth quarter of fiscal year 2000. The Company believes that there will be no material impact resulting from the application of SAB 101.

INFLATION

The impact of inflation on the Company's operations has not been significant to date. There can be no assurance that a high rate of inflation in the future would not have an adverse effect on the Company's operations.

FORWARD-LOOKING STATEMENTS

Statements contained in this Form 10-Q that are not historical facts are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, when used in this Form 10-Q words such as "believes," "anticipates," "expects," and similar expressions are intended to identify forward looking statements. Forward looking statements include but are not limited to management's expectations regarding cash flows from operations, regulatory approvals of pending acquisitions and the successful completion of these acquisitions. The Company cautions that a number of important factors could cause the Company's actual results for 2000 and beyond to differ materially from those expressed in any forward looking statements made by or on behalf of the Company. Such forward looking statements involve a number of risks and uncertainties including, but not limited to, the Company's financial leverage and debt service requirements, dependence on key personnel, dependence on key stations, U.S. and local economic conditions, the successful integration of acquired stations, and regulatory matters. The Company cannot assure that it will be able to anticipate or respond timely to changes in any of the factors listed above, which could adversely affect the operating results in one or more fiscal quarters. Results of operations in any past period should not be considered, in and of itself, indicative of the results to be expected for future periods. Fluctuations in operating results may also result in fluctuations in the price of the Company's stock. For a more complete description of the prominent risks and uncertainties inherent in the Company's business, see "Business - Forward Looking Statements; Risk Factors" in the Company's Form 10-K for the year ended December 31, 1999.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) EXHIBITS

27 Financial Data Schedule

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SAGA COMMUNICATIONS, INC.

Date: November 13, 2000

/s/ Samuel D. Bush

Samuel D. Bush
Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

Date: November 13, 2000

/s/ Catherine A. Bobinski

Catherine A. Bobinski
Vice President, Corporate Controller and Chief Accounting Officer
(Principal Accounting Officer)

5
1,000
U.S. DOLLARS

9-MOS
DEC-31-2000
JAN-01-2000
SEP-30-2000
1
5,616
0
18,609
0
0
27,453
95,743
(48,085)
177,023
17,998
0
0
0
165
63,190
177,023
73,700
73,700
0
45,687
12,628
0
4,920
10,465
4,540
5,925
0
0
0
5,925
.36
.35