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 June 30, 1999

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 August 10, 1999 was 11,600,736 and 1,510,637, respectively.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	JUNE 30, 1999 (UNAUDITED)	DECEMBER 31, 1998
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,004	$ 6,664
Accounts receivable, net	17,479	14,445
Prepaid expenses	1,423	1,461
Other current assets	1,533	1,374
Total current assets	26,439	23,944
Property and equipment	83,766	75,606
Less accumulated depreciation	(42,176)	(40,042)
Net property and equipment	41,590	35,564
Other assets:		
Excess of cost over fair value of assets acquired, net	20,901	19,765
Broadcast licenses, net	53,803	41,190
Other intangibles, deferred costs and investments, net	9,165	9,550
Total other assets	83,869	70,505
	$151,898	$130,013

See notes to unaudited condensed consolidated financial statements.

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

	JUNE 30, 1999	DECEMBER 31, 1998
	(UNAUDITED)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,874	$ 1,871
Other current liabilities	8,155	6,637
Current portion of long-term debt	264	181
Total current liabilities	10,293	8,689
Deferred income taxes	5,761	5,401
Long-term debt	82,572	70,725
Broadcast program rights	200	295
Other	193	180
STOCKHOLDERS' EQUITY:		
Common stock	131	128
Additional paid-in capital	41,311	37,355
Note receivable from principal stockholder	(480)	(648)
Retained earnings	11,898	8,755
Accumulated other comprehensive income	31	31
Treasury stock	(12)	(898)
Total stockholders' equity	52,879	44,723
	$151,898	$130,013

Note: The balance sheet at December 31, 1998 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to unaudited condensed consolidated financial statements.

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
Net operating revenue	$23,459	$20,159	$41,726	$35,779
Station operating expense:				
Programming and technical	4,843	4,129	9,514	8,148
Selling	6,411	5,810	11,389	10,257
Station general and administrative	3,177	2,807	6,262	5,543
Total station operating expense	14,431	12,746	27,165	23,948
Station operating income before corporate general and administrative, depreciation and amortization	9,028	7,413	14,561	11,831
Corporate general and administrative	1,471	1,244	2,638	2,261
Depreciation and amortization	1,959	1,539	3,762	3,167
Operating profit	5,598	4,630	8,161	6,403
Other (income) expense:				
Interest expense	1,451	1,143	2,828	2,283
Other	(320)	82	(106)	93
Income before income tax	4,467	3,405	5,439	4,027
Income tax provision	1,876	1,491	2,292	1,757
Net income and comprehensive income	$ 2,591	$ 1,914	$ 3,147	$ 2,270
Earnings per share (basic and diluted)	$ .20	$ .15	$ .24	$ .18
Weighted average common shares	13,050	12,710	12,958	12,703
Weighted average common and common equivalent shares	13,302	12,980	13,143	12,970

See notes to unaudited condensed consolidated financial statements.

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

	SIX MONTHS ENDED JUNE 30, 1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash provided by operating activities	$ 5,677	$ 4,940
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(3,028)	(2,190)
Proceeds from sale of assets	539	3
Increase in intangibles and other assets	(573)	(240)
Acquisition of stations	(16,346)	(1,930)
Net cash used in investing activities	(19,408)	(4,357)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	11,750	3,500
Payments on long-term debt	(139)	(2,539)
Net proceeds from exercise of stock options	1,460	-
Fractional shares - five for four stock split	-	(2)
Net cash provided by financing activities	13,071	959
Net increase (decrease) in cash and cash equivalents	(660)	1,542
Cash and cash equivalents, beginning of period	6,664	2,209
Cash and cash equivalents, end of period	$ 6,004	$ 3,751

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 three and six months ended June 30, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. 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, 1998.

2. INCOME TAXES

The Company's effective tax rate is higher than the statutory 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, 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.

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

3. ACQUISITIONS (CONTINUED)

All acquisitions were accounted for as purchases and, accordingly, the total costs were allocated to the acquired assets 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 and excess of cost over fair value of assets acquired.

The following unaudited pro forma results of operations of the Company for the six months ended June 30, 1999 and 1998 assume the 1998 and 1999 acquisitions occurred as of January 1, 1998. 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)	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Net operating revenue	$42,528	$39,572
Net income	$ 3,125	$ 1,868
Basic earnings per share	$ .24	$ .15
Diluted earnings per share	$ .24	$ .14

4. SUBSEQUENT EVENT

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.

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 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 quarterly 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 involve the cost of acquiring certain syndicated programming.

During the years ended December 31, 1998 and 1997, and the six month periods ended June 30, 1999 and 1998, 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, 1998 and 1997, Columbus accounted for an aggregate of 22% and 24%, respectively, and Milwaukee accounted for an aggregate of 24%, of the Company's station operating income. For the six months ended June 30, 1999 and 1998, Columbus accounted for an aggregate of 14% and 22%, respectively, and Milwaukee accounted for an aggregate of 22% and 25%, 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 six months ended June 30, 1999 and 1998, approximately 82% of the Company's gross revenue was from local advertising. To generate national advertising sales, the Company engages an independent advertising sales representative that specializes 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 June 30, 1998, the Company owned and operated thirty-seven radio stations, one TV station and two radio information networks. As a result of acquisitions, as of June 30, 1999 the Company owned and/or operated forty-two radio stations, four TV stations, three radio information networks, and an equity interest in six FM radio stations serving Reykjavik, Iceland.

THREE MONTHS ENDED JUNE 30, 1999 COMPARED TO THREE MONTHS ENDED JUNE 30, 1998

For the three months ended June 30, 1999, the Company's net operating revenue was $23,459,000 compared with $20,159,000 for the three months ended June 30, 1998, an increase of $3,300,000 or 16%. Approximately $2,332,000 or 71% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the comparable period in 1998. The balance of the increase in net operating revenue represented a 5% 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 $1,685,000 or 13% to $14,431,000 for the three months ended June 30, 1999, compared with $12,746,000 for the three months ended June 30, 1998. Of the total increase, approximately $1,536,000 or 91% 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 1998. The remaining balance of the increase in station operating expense of $147,000 represents a total increase of 1% in stations owned and operated by the Company for the comparable period in 1998.

Operating profit increased by $968,000 or 21% to $5,598,000 for the three months ended June 30, 1999, compared with $4,630,000 for the three months ended June 30, 1998. The improvement was primarily the result of the $3,300,000 increase in net operating revenue, offset by the $1,685,000 increase in station operating expense, a $420,000 or 27% increase in depreciation and amortization, and a $227,000 or 18% increase in corporate general and administrative charges. The increase in depreciation and amortization expense was principally the result of the recent acquisitions. The increase in corporate general and administrative charges represented 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 $2,591,000 ($0.20 per share) during the three months ended June 30, 1999, compared with net income of $1,914,000 ($0.15 per share) for the three months ended June 30, 1998, an increase of approximately $677,000. The increase in net income was principally the result of the $968,000 improvement in operating profit and a $402,000 decrease in other (income)/expense, offset by a $308,000 increase in interest expense and a $385,000 increase in income tax expense. The decrease in other (income) expense was principally the result of non-recurring income of $500,000 resulting from an agreement to downgrade a FCC license at one of the Company's stations, offset by a $100,000 increase in the loss from an equity investment. The increase in interest expense was principally the result of the Company's additional borrowings to finance acquisitions. The increase in income tax expense is directly associated with the improved operating performance of the Company.

SIX MONTHS ENDED JUNE 30, 1999 COMPARED TO SIX MONTHS ENDED JUNE 30, 1998

For the six months ended June 30, 1999, the Company's net operating revenue was $41,726,000 compared with $35,779,000 for the six months ended June 30, 1998, an increase of $5,947,000 or 17%. Approximately $3,934,000 or 66% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the comparable period in 1998. The balance of the increase in net operating revenue represented an 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 $3,217,000 or 13% to $27,165,000 for the six months ended June 30, 1999, compared with $23,948,000 for the six months ended June 30, 1998. Of the total increase, approximately $2,621,000 or 81% 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 1998. The remaining balance of the increase in station operating expense of $594,000 represents a total increase of 3% in stations owned and operated by the Company for the comparable period in 1998.

Operating profit increased by $1,758,000 or 27% to $8,161,000 for the six months ended June 30, 1999, compared with $6,403,000 for the six months ended June 30, 1998. The improvement was primarily the result of the $5,947,000 increase in net operating revenue, offset by the $3,217,000 increase in station operating expense, a $595,000 or 19% increase in depreciation and amortization, and a $377,000 or 17% increase in corporate general and administrative charges. The increase in depreciation and amortization expense was principally the result of the recent acquisitions. The increase in corporate general and administrative charges was primarily attributable to an increase in deferred compensation charges of $75,000 pertaining to a discretionary contribution to the 401(k) plan, and the remaining increase of approximately $300,000 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 $3,147,000 ($0.24 per share) during the six months ended June 30, 1999, compared with net income of $2,270,000 ($0.18 per share) for the six months ended June 30, 1998, an increase of approximately $877,000. The increase in net income was principally the result of the $1,758,000 improvement in operating profit and a decrease in other (income) expense of $199,000, offset by a $545,000 increase in interest expense and a $535,000 increase in income tax expense. The decrease in other (income) expense was principally the result of non-recurring income of $500,000 resulting from an agreement to downgrade a FCC license at one of the Company's stations, offset by a $320,000 increase in the loss of an unconsolidated affiliate. The increase in interest expense was principally the result of the Company's additional borrowings to finance acquisitions. The increase in income tax expense is directly associated with the improved operating performance of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company's policy is generally to repay its long-term debt with excess cash on hand to reduce its financing costs. As of June 30, 1999, the Company had $82,836,000 of long-term debt (including the current portion thereof) outstanding and approximately $68,250,000 of unused borrowing capacity under the Credit Agreement (as defined 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 on 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. 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 LIBOR plus 1.0% to 1.75% or the Agent bank's base rate plus 0% to .75%. The spread over LIBOR and the prime rate vary from time to time, depending upon the Company's financial leverage. The Company also pays quarterly commitment fees equal of 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.

At June 30, 1999, the Company had an interest rate swap agreement with a total notional amount of $32,000,000 that it uses to convert the variable Eurodollar interest rate of a portion of its bank borrowings to a fixed interest rate. The swap agreement was entered into to reduce the risk to the Company of rising interest rates. In accordance with the terms of the swap agreement, dated November 21, 1995, the Company pays 6.15% calculated on a $32,000,000 notional amount. The Company receives LIBOR (5.09625% at June 30, 1999) calculated on a notional amount of $32,000,000. Net receipts or payments under the agreement are recognized as an adjustment to interest expense. The swap agreement expires in December 1999. As the LIBOR increases, interest payments received and the market value of the swap position increase. Approximately $166,000 in additional interest expense was recognized as a result of the interest rate swap agreement for the three months ended June 30, 1999 and an aggregate amount of $673,000 in additional interest expense has been recognized since the inception of the agreement.

During the six months ended June 30, 1999 and 1998, the Company had net cash flows from operating activities of $5,677,000 and $4,940,000, 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, 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.

The acquisitions during the first six months of 1999 were financed through funds generated from operations and additional borrowings of $11,750,000 under the Credit Agreement.

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 Company anticipates that the above and any future acquisitions of radio and television stations 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 on acceptable terms, if any.

The Company's capital expenditures for the six months ended June 30, 1999 were approximately $3,028,000 ($2,190,000 in the comparable period in 1998). The Company anticipates capital expenditures in 1999 to be approximately $4,000,000, which it expects to finance through funds generated from operations.

IMPACT OF THE YEAR 2000

The Year 2000 Issue ("Y2K") is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Company's computer programs or hardware that have date-sensitive software or embedded chips may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to produce broadcast signals, process financial transactions, or engage in similar normal business activities. In addition, disruptions in the economy generally resulting from Y2K issues could also materially adversely affect the Company. The Company could be subject to litigation for computer systems failure, equipment shutdown or failure to properly date business records. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

Based on recent assessments, the Company has determined that it will be required to modify or replace portions of its software and certain hardware so that those systems will properly utilize dates beyond December 31, 1999. The Company presently believes that with modifications or replacements of existing software and certain hardware, Y2K can be mitigated. However, if such modifications and replacements are not made, or are not timely completed, Y2K could have a material impact on the operations of the Company.

The Company's plan to resolve Y2K involves the following four phases: assessment, remediation, testing, and implementation. To date, the Company has substantially completed its assessment of all systems that could be significantly affected by Y2K. The assessment indicated that some significant financial and operational systems could be affected by Y2K, including: i) accounting and financial reporting systems, ii) broadcast studio equipment and software necessary to deliver programming, iii) certain computer hardware not capable of recognizing a four digit code for the applicable year, iv) certain traffic and billing software, and v) certain local area networks. The Company is also assessing the potential external risks associated with Y2K, including Y2K compliance status of its significant external agents. To date the Company is not aware of any external agent with a Y2K issue that would materially impact the Company's result of operations, liquidity or capital resources. However, the Company has no means of ensuring that external agents will be Y2K compliant. The inability of external agents to complete their Y2K resolution process in a timely fashion could materially impact the Company. The effect of non-compliance by external agents is not determinable.

The Company's remediation phase is to replace or upgrade to Y2K compliant software and hardware if applicable for related systems based upon its findings during the assessment phase. The Company anticipates completing this phase no later than September 30, 1999. The Company's testing and implementation phases will run concurrently for certain systems. Completion of the testing phase for all significant systems is expected by September 30, 1999.

The Company will utilize both internal and external resources to replace, upgrade, test and implement the software and operating equipment for Y2K modifications. The total Y2K project cost is estimated at approximately $500,000, which includes the cost of new software and hardware, most of which will be capitalized. The project is estimated to be completed not later than September 30, 1999, which is prior to any anticipated impact on its operating systems.

The cost of the project and the date on which the Company believes it will complete the Y2K modifications are based on management's best estimates, which were derived utilizing numerous assumptions of future events, including the continued availability of certain resources and other factors. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, the ability to locate and correct all relevant computer codes, and similar uncertainties.

The Company has contingency plans for certain critical applications and is working on such plans for others. These contingency plans involve, among other actions, manual work arounds and adjusting staffing strategies.

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. The Company cautions that a number of important factors could cause the Company's actual results for 1999 and beyond to differ materially from those expressed in any forward looking statements made by or on behalf of the Company. 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, Y2K issues, 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. See "Business - Forward Looking Statements; Risk Factors" in the Company's 1998 Form 10-K.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Annual Meeting of Stockholders was held on May 10, 1999.

(b) Not applicable

(c) At the Annual Meeting of Stockholders, the stockholders voted on the following matters:

(1) The six nominees for election as directors for the ensuing year, and until their successors are elected and qualified, received the following votes:

Name	For	Withheld
Jonathan Firestone*	9,413,970	10,806
Joseph P. Misiewicz*	9,413,696	11,080
Edward K. Christian	10,924,607	10,806
Donald Alt	10,922,519	12,894
Kristin Allen	10,924,333	11,080
Gary Stevens	10,924,333	11,080

* Elected by the holders of Class A Common Stock.

(2) The proposal to ratify the selection by the Board of Directors of Ernst & Young LLP as independent auditors to audit the Company's consolidated financial statements for the fiscal year ending December 31, 1999 was approved with 24,525,001 votes cast for, 6,071 votes cast against, 74 abstentions and 0 broker non-votes.

(3) The proposal to ratify the adoption by the Board of Directors of the Saga Communications, Inc. Employee Stock Purchase Plan was approved with 23,600,333 votes cast for, 190,275 votes cast against, 1,005 abstentions and 739,533 broker non-votes.

(d) Not applicable.

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: August 12, 1999

/s/ Samuel D. Bush

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

Date: August 12, 1999

/s/ Catherine A. Bobinski

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

5
1,000
U.S. DOLLARS

6-MOS
DEC-31-1999
JAN-01-1999
JUN-30-1999
1
6,004
0
17,479
0
0
26,439
83,766
42,176
151,898
10,293
0
0
0
131
52,748
151,898
41,726
41,726
0
33,565
(106)
0
2,828
5,439
2,292
3,147
0
0
0
3,147
.24
.24