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, 1997

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 July 31, 1997 was 8,947,256 and 1,208,510, 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, 1997 (UNAUDITED)	DECEMBER 31, 1996
ASSETS		
Current assets:		
Cash and temporary investments	$ 2,157	$ 4,339
Accounts receivable, net	12,792	11,629
Prepaid expenses	1,069	1,100
Other current assets	1,255	1,007
Total current assets	17,273	18,075
Property and equipment	68,907	63,031
Less accumulated depreciation	(34,853)	(33,327)
Net property and equipment	34,054	29,704
Other assets:		
Excess of cost over fair value of assets acquired, net	19,718	20,047
Broadcast licenses, net	32,349	20,906
Other intangibles, net	6,741	7,683
Total other assets	58,808	48,636
	$110,135	$96,415

See notes to unaudited condensed consolidated financial statements.

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

	JUNE 30, 1997 (UNAUDITED)	DECEMBER 31, 1996
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 742	$ 1,008
Other current liabilities	5,834	4,671
Current portion of long-term debt	5,482	1,399
Total current liabilities	12,058	7,078
Deferred income taxes	3,691	3,408
Long-term debt	58,992	52,355
Broadcast program rights	361	461
STOCKHOLDERS' EQUITY:		
Common stock	101	100
Additional paid-in capital	36,178	35,864
Note receivable from principal stockholder	(790)	(790)
Accumulated deficit	(456)	(2,061)
Total stockholders' equity	35,033	33,113
	$110,135	$96,415

Note: The balance sheet at December 31, 1996 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 Income
(in thousands except per share data)
Unaudited

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1997	1996	1997	1996
Net operating revenue	$17,508	$14,003	$31,023	$24,958
Station operating expense:				
Programming and technical	3,686	2,944	7,354	5,816
Selling	5,132	3,922	8,930	7,016
Station general and administrative	2,414	1,887	4,955	3,784
Total station operating expense	11,232	8,753	21,239	16,616
Station operating income before corporate general and administrative, depreciation and amortization	6,276	5,250	9,784	8,342
Corporate general and administrative	1,074	892	1,881	1,640
Depreciation and amortization	1,450	1,303	2,732	2,572
Operating profit	3,752	3,055	5,171	4,130
Other expenses:				
Interest expense	1,172	780	2,383	1,513
Loss on the sale of assets	1	17	7	20
Income before income tax	2,579	2,258	2,781	2,597
Income tax provision	1,087	965	1,175	1,110
Net income	$ 1,492	$ 1,293	$ 1,606	$ 1,487
Net income per common share (primary and fully diluted)	$ .15	$ .13	$ .16	$ .15
Weighted average common and common equivalents outstanding (Note 3)	10,285	10,246	10,280	10,218

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, 1997	SIX MONTHS ENDED JUNE 30, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash provided by operating activities	$ 4,277	$ 3,335
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(1,274)	(899)
Proceeds from sale of assets	306	--
Increase in intangibles and other assets	(430)	(2,955)
Acquisition of stations	(15,383)	(16,982)
Net cash used in investing activities	(16,781)	(20,836)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	11,250	18,848
Payments on long-term debt	(1,030)	(2,359)
Net proceeds from exercise of stock options	102	134
Net cash provided by financing activities	10,322	16,623
Net decrease in cash and temporary investments	(2,182)	(878)
Cash and temporary investments, beginning of period	4,339	3,221
Cash and temporary investments, end of period	$ 2,157	$ 2,343

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 six months ended June 30, 1997 are not necessarily indicative of the results that may be expected for the year ended December 31, 1997. 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, 1996.

In February, 1997 SFAS No. 128 "Earnings Per Share" was issued effective for fiscal years beginning after December 15, 1997. Adoption of this statement is not expected to have a material effect on the Company.

The Company enters into interest-rate swap agreements to modify the interest characteristics of its outstanding debt. Each interest rate swap agreement is designated with all or a portion of the principal balance and term of a specific debt obligation. These agreements involve the exchange of amounts based on a fixed interest rate for amounts based on variable interest rates over the life of the agreement without an exchange of the notional amount upon which the payments are based. The differential to be paid or received as interest rates change is accrued and recognized as an adjustment of the interest expense related to the debt (the accrual accounting method). The related amount payable to or receivable from counterparties is included in other liabilities or assets. The fair values of the swap agreements are not recognized in the financial statements. Gains and losses on terminations of interest-rate swap agreements are deferred as an adjustment to interest expense related to the debt over the remaining term of the original contract life of the terminated swap agreement. In the event of the early extinguishment of a designated debt obligation, any realized or unrealized gain or loss from the swap would be recognized in income coincident with the extinguishment. Any swap agreements that are not designated with outstanding debt or notional amounts (or durations) of interest-rate swap agreements in excess of the principal amounts (or maturities) of the underlying debt obligations are recorded as an asset or liability at fair value, with changes in fair value recorded in other income or expense (the fair value method).

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

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. STOCK SPLIT

On April 1, 1997 the Company consummated a five-for-four split of its Class A and Class B Common Stock, resulting in additional shares being issued of 1,772,004 and 241,702, respectively, for holders of record on March 17, 1997. All share and per share information in the accompanying financial statements has been restated retroactively to reflect the split. The common stock and accumulated deficit accounts at December 31, 1996 reflect the retroactive capitalization of the split.

4. SUBSEQUENT EVENT

On July 7, 1997, the Company entered into an agreement to purchase an FM radio station (WOXF-FM) serving the Manchester, New Hampshire market for approximately $3,300,000. The transaction is subject to the approval of the Federal Communications Commission. The Company began operating the radio station under the terms of a local market agreement on July 1, 1997, which is expected to remain in effect until such time as the Company concludes its pending acquisition of the station.

5. STATION ACQUISITIONS

The Company acquired an FM radio station (KAZR-FM) serving the Des Moines, Iowa market on March 14, 1997. The purchase price was approximately $2,700,000. The Company began operating the radio station under the terms of a local market agreement on August 1, 1996, which remained in effect until such closing.

The Company acquired an FM radio station (KLTI-FM) serving the Des Moines, Iowa market on April 17, 1997. The purchase price was approximately $3,200,000. The Company began operating the radio station under the terms of a local market agreement on January 1, 1997, which remained in effect until such closing.

5. STATION ACQUISITIONS (CONTINUED)

The Company acquired two AM and two FM radio stations (WTAX-AM, WDBR-FM, WVAX-AM, and WYXY-FM) serving the Springfield, Illinois market on May 5, 1997. The purchase price was approximately $6,000,000. The Company began operating the radio station under the terms of a local market agreement on July 1, 1996, which remained in effect until such closing.

The Company acquired two FM radio stations (WFMR-FM and WXPT-FM) serving the Milwaukee, Wisconsin market on May 9, 1997. The purchase price was approximately $5,000,000.

The acquisitions have been 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 dates. The excess of consideration paid over the estimated fair value of net assets acquired has been recorded as broadcast licenses. The condensed consolidated statements of income include the operating results of the acquired businesses from their respective dates of acquisition or operation under the terms of local market agreements.

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.

In June, 1996, the Company acquired two radio stations in Yankton, South Dakota serving the Sioux City, Iowa market and two radio stations in Portland, Maine. In March, 1997 the Company acquired an FM radio station serving the Des Moines, Iowa market. In April, 1997 the Company acquired another FM radio station serving the Des Moines, Iowa market. In May, 1997 the Company acquired four radio stations serving the Springfield, Illinois market, and two radio stations serving the Milwaukee, Wisconsin market. In July, 1997 the Company entered into an agreement to purchase a radio station serving the Manchester, New Hampshire market

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, 1996 and 1995, 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 and Milwaukee stations. For the years ended December 31, 1996 and 1995, Columbus accounted for an aggregate of 22% and 30%, respectively, and Milwaukee accounted for an aggregate of 23% and 22%, respectively, of the Company's station operating income. For the six month periods ended June 30, 1997 and 1996, none of the Company's operating locations represented more that 15% of the Company's station operating income, other than the Columbus and Milwaukee stations. For the six months ended June 30, 1997 and 1996, Columbus accounted for an aggregate of 25% and 22%, respectively, and Milwaukee accounted for an aggregate of 25% 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, 1997 and 1996, approximately 81% and 84%, respectively, 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.

THREE MONTHS ENDED JUNE 30, 1997 COMPARED TO THREE MONTHS ENDED JUNE 30, 1996

For the three months ended June 30, 1997, the Company's net operating revenue was $17,508,000 compared with $14,003,000 for the three months ended June 30, 1996, an increase of $3,505,000 or 25%. Approximately $2,359,000 or 67.3% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the comparable period in 1996. The balance of the increase in net operating revenue represented a 8.3% 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 $2,479,000 or 28% to $11,232,000 for the three months ended June 30, 1997, compared with $8,753,000 for the three months ended June 30, 1996. Of the total increase, approximately $1,892,000 or 76% 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 1996. The remaining balance of the increase in station operating expense of $587,000 represents a total increase of 6.8% in stations owned and operated by the Company for the comparable period in 1996, as a result of the related increase in revenue.

Operating profit increased by $697,000 or 23% to $3,752,000 for the three months ended June 30, 1997, compared with $3,055,000 for the three months ended June 30, 1996. The improvement was primarily the result of the $3,505,000 increase in net operating revenue, offset by the $2,479,000 increase in station operating expense, a $182,000 increase in corporate general and administrative charges and a $147,000 increase in depreciation and amortization expense. The increase in corporate general and administrative charges was primarily attributable to deferred compensation charges and additional costs due to the growth of the Company as a result of the recent acquisitions. The increase in depreciation and amortization expense was principally the result of the Company's recent acquisitions.

The Company generated net income in the amount of approximately $1,492,000 ($0.15 per share) during the three months ended June 30, 1997, compared with net income of $1,293,000 ($0.13 per share) for the three months ended June 30, 1996, an increase of $199,000 or 15.4%. The increase in net income was principally the result of the $697,000 improvement in operating profit offset by a $392,000 increase in interest costs resulting primarily from an increase in borrowed funds to finance the Company's recent acquisitions, and a $122,000 increase in income taxes directly associated with the improved operating performance of the Company.

SIX MONTHS ENDED JUNE 30, 1997 COMPARED TO SIX MONTHS ENDED JUNE 30, 1996

For the six months ended June 30, 1997, the Company's net operating revenue was $31,023,000 compared with $24,958,000 for the six months ended June 30, 1996, an increase of $6,065,000 or 24%. Approximately $4,551,000 or 75% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the comparable period in 1996. 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 $4,623,000 or 28% to $21,239,000 for the six months ended June 30, 1997, compared with $16,616,000 for the six months ended June 30, 1996. Of the total increase, approximately $3,812,000 or 82% 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 1996. The remaining balance of the increase in station operating expense of $811,000 represents a total increase of 5% in stations owned and operated by the Company for the comparable period in 1996, as a result of the related increase in revenue.

Operating profit increased by $1,041,000 or 25% to $5,171,000 for the six months ended June 30, 1997, compared with $4,130,000 for the six months ended June 30, 1996. The improvement was primarily the result of the $6,065,000 increase in net operating revenue, offset by the $4,623,000 increase in station operating expense, a $241,000 increase in corporate general and administrative charges and a $160,000 increase in depreciation and amortization expense. The increase in corporate general and administrative charges was primarily attributable to deferred compensation charges and additional costs due to the growth of the Company as a result of the recent acquisitions. The increase in depreciation and amortization expense was principally the result of the Company's recent acquisitions.

The Company generated net income in the amount of approximately $1,606,000 ($0.16 per share) during the six months ended June 30, 1997, compared with net income of $1,487,000 ($0.15 per share) for the six months ended June 30, 1996, an increase of $119,000 or 8%. The increase in net income was principally the result of the $1,041,000 improvement in operating profit offset by a $870,000 increase in interest costs resulting primarily from an increase in borrowed funds to finance the Company's recent acquisitions, and a $65,000 increase in income taxes 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, 1997, the Company had $64,474,000 of long-term debt (including the current portion thereof) outstanding and approximately $44,750,000 of unused borrowing capacity under the Revolving Loan (as defined below).

The Company has a bank credit agreement (the "Credit Agreement") which provides two financing facilities (the "Facilities"): a $54,000,000 senior secured term loan (the "Term Loan") and a $56,000,000 senior secured reducing revolving/term loan facility (the "Revolving Loan"). The Facilities mature June 30, 2003. 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 Revolving Loan has a total commitment of $56,000,000, of which $51,000,000 may be used for permitted acquisitions and related transaction expenses and $5,000,000 may be used for working capital needs and stand-by letters of credit. On June 30, 1998 the Revolving Loan will convert to a five year term loan. The outstanding amount of the Term Loan is required to be reduced quarterly in amounts ranging from 2.5% to 5% of the initial commitment and the outstanding amount of the Revolving Loan will be required to be reduced quarterly commencing September 30, 1997 in amounts ranging from 1.25% to 5% of the initial commitment. 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 1.125% to 1.75% or the prime rate plus 0% to .5%. 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 to 1/2% per annum on the aggregate unused portion of the Revolving Loan.

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, 1997, 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 (5.8% at June 30, 1997) 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 $94,000 in additional interest expense was recognized as a result of the interest rate swap agreement for the six months ended June 30, 1997 and an aggregate amount of $294,000 in additional interest expense has been recognized since the inception of the agreement.

During the years ended December 31, 1996, and 1995, the Company had net cash flows from operating activities of $7,679,000, and $9,483,000, respectively. During the six months ended June 30, 1997 and 1996, the Company had net cash flows from operating activities of $4,277,000 and $3,335,000, 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.

In June, 1996, the Company acquired an AM and FM radio station in Yankton, South Dakota, serving the Sioux City, Iowa market for approximately $7,000,000 and an AM and FM radio station serving the Portland, Maine market for approximately $10,000,000. The acquisitions were financed by borrowings under the Company's Term Loan.

The Company acquired an FM radio station (KAZR-FM) serving the Des Moines, Iowa market on March 14, 1997, an FM radio station (KLTI-FM) serving the Des Moines, Iowa market on April 17, 1997, two AM and two FM radio stations (WTAX-AM, WDBR-FM, WVAX-AM, and WYXY-FM) serving the Springfield, Illinois market on May 5, 1997, and two FM radio stations (WFMR-FM and WXPT-FM) serving the Milwaukee, Wisconsin market on May 9, 1997. The purchase price of these acquisitions was approximately $2,700,000, $3,200,000, $6,000,000 and $5,000,000, respectively. These acquisitions were financed through funds generated from operations and additional borrowings of $11,250,000 under the Revolving Loan.

On July 7, 1997, the Company entered into an agreement to purchase an FM radio station (WOXF-FM) serving the Manchester, New Hampshire market for approximately $3,300,000. The transaction is subject to the approval of the Federal Communications Commission. The Company began operating the radio station under the terms of a local market agreement on July 1, 1997, which is expected to remain in effect until such time as the Company concludes it pending acquisition of the station.

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 Revolving Loan, additional debt or equity financing, or a combination thereof. However, there can be no assurances that any such financing will be available.

The Company's capital expenditures for the six months ended June 30, 1997 were approximately $1,274,000 ($899,000 in the comparable period in 1996). The Company anticipates capital expenditures in 1997 to be approximately $2,500,000, which it expects to finance through funds generated from operations.

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 1997 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 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.

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 12, 1997.

(b) Not applicable

(c) At the Annual Meeting of Stockholders, the stockholders voted on the following matters: (Does not reflect the five-for-four stock split effective April 1, 1997)

(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*	5,838,654	6,168
Joseph P. Misiewicz*	5,837,279	7,543
Edward K. Christian	6,805,462	6,168
William P. Collatos	6,805,080	6,550
Norman L. McKee	6,805,087	6,543
Gary Stevens	6,804,962	6,668

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* Elected by the holders of Class A Common Stock.

(2) The proposal to ratify the adoption of the 1997 Non-Employee Directors Stock Option Plan was approved with 15,453,552 votes cast for, 55,195 votes cast against, 4,155 abstentions and 0 broker non-votes.

(3) The proposal to ratify the selection by the Board of Directors of Ernst & Young LLP as independent auditors to audit the Company's books and accounts for the fiscal year ending December 31, 1997 was approved with 15,509,447 votes cast for, 1,368 votes cast against, 2,087 abstentions and 0 broker non-votes.

(d) Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) EXHIBITS

10 1997 Non-Employee Directors Stock Option Plan

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 8, 1997

/s/ Edward K. Christian

Edward K. Christian
President, Chief Executive Officer,
and Chairman of the Board

Date: August 8, 1997

/s/ Catherine A. Bobinski

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

SAGA COMMUNICATIONS, INC.

1997 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

Section 1
Title

This Plan shall be known as the "Saga Communications, Inc. 1997 Non-Employee Director Stock Option Plan".

Section 2
Purpose of Plan

2.1 PURPOSE. The purpose of the Saga Communications, Inc. 1997 Non-Employee Directors Stock Option Plan is to advance the interests of Saga Communications, Inc. and its shareholders by providing a means to attract and retain highly-qualified persons to serve as non-employee Directors, and to promote ownership by non-employee Directors of a greater proprietary interest in the Company, thereby aligning such Directors' interests more closely with the interests of shareholders of the Company.

2.2 EFFECTIVE DATE. This Plan shall become effective January 1, 1997, subject to approval of the shareholders of the Company by the affirmative vote of a majority of shares present, or represented, and entitled to vote on the subject matter, at the next Annual Meeting of shareholders of the Company at which a quorum is present or by a written consent of the holders of a majority of the Company's then outstanding shares.

Section 3
Definitions

3.1 "Board" means the Board of Directors of the Company.

3.2 "Common Stock" means shares of Class A Common Stock, $.01 par value, of the Company.

3.3 "Company" means Saga Communications, Inc., a Delaware corporation.

3.4 "Director" means a member of the Board who is not an employee of the Company.

3.5 "Exchange Act" means the Securities Exchange Act of 1934, as amended. References to any provisions of the Exchange Act include rules and regulations thereunder and successor provisions and rules thereto.

3.6 "Fair Market Value" means the closing sales price for the Common Stock on the American Stock Exchange on the last trading day of December immediately preceding the date of the grant, or if there were no sales on such date the closing sales price on the nearest day before the relevant date on the American Stock Exchange.

3.7 "Option" means any non-qualified stock option granted under the Plan.

3.8 "Option Agreement" means any written agreement pursuant to the Plan between the Company and a Director regarding any Option.

3.9 "Optionee" means a Director who has delivered to the Company a signed Option Agreement.

3.10 "Option Shares" means shares of Common Stock that are issued or may be required to be issued upon exercise of an option and shares that are issued thereafter with respect to such shares, including shares issued by reason of a stock split, consolidation, dividend, stock exchange, recapitalization, reclassification or the like.

3.11 "Plan" means this Saga Communications, Inc. 1997 Non-Employee Director Stock Option Plan, as amended from time to time.

3.12 "Retainer" means retainer and/or fees payable to a Director in his or her capacity as a Director.

Section 4
Administration

4.1 ADMINISTRATION. This Plan shall be administered by the Board. The grant of Options to purchase shares of Common Stock under this Plan and the amount, price and nature of the awards shall be automatic as described in Section 5. Subject to the provisions of this Plan, the Board, in its sole and absolute discretion, is authorized to do all things necessary and or desirable in connection with the administration of the Plan, including, without limitation, (i) subject to Section 8 hereof, adopt, amend and rescind rules and regulations relating to this Plan, and (ii) interpret and construe this Plan and the terms and conditions of any Option granted hereunder. The Board's determination of all matters referred to its discretion shall be final and conclusive.

4.2 BOARD DETERMINATIONS. No member of the Board nor any officer, director, employee or agent of the Company shall be liable for any action or determination made, or other action taken, in good faith with respect to the Plan or any Option.

Section 5
Terms and Conditions of Options

5.1 AMOUNT OF GRANT. (a) On the last business day in January of each year, each Director shall receive an Option in lieu of one hundred percent (100%) of the Director's Retainer for the previous year. The number of shares of Common Stock for which an Option granted pursuant to this section is exercisable shall be equal to the amount of the Retainer divided by the Fair Market Value of the Common Stock on the date of the grant minus $.01 per share.

(b) In the event a Director resigns from, or otherwise is no longer a member of, the Board prior to the applicable date of the grant, he or she shall not be eligible to receive an Option but instead shall receive the Retainer.

5.2 EXERCISE PRICE. The purchase price of Option Shares granted under an Option shall be $.01 per share.

5.3 VESTING. An Option shall vest and become exercisable immediately upon its grant; provided, however, that any Option granted prior to the date of shareholder approval of this Plan as referred to in Section 2.2 hereof shall not vest and become exercisable until the date of such shareholder approval.

5.4 MANNER OF EXERCISE. (a) Any Option shall be exercised by the holder thereof by giving written notice, signed by such holder, to the Company stating the number of Option Shares with respect to which the Option is being exercised, accompanied by payment in full of the aggregate exercise price in cash or by personal check payable to the Company. No Option may be exercised with respect to any fractional share.

(b) As promptly as administratively practicable following the receipt of the exercise notice hereunder, the Company shall issue a stock certificate registered in the name of the

Optionee exercising such Option, representing the number of shares of Common Stock issued to such Optionee upon exercise of the Option.

5.5 TERMINATION OR EXPIRATION. Each Option shall not be exercisable more than ten (10) years from the date upon which it is granted.

5.6 TRANSFERABILITY. Neither the Option nor any interest therein may be sold, assigned, conveyed, gifted, pledged, hypothecated or otherwise transferred in any manner other than by will or the laws of descent and distribution. During the recipient's lifetime, an Option may only be exercised by the Optionee or the Optionee's guardian or legal representative.

5.7 STOCK OPTION AGREEMENT. Each grant of an Option under this Plan shall be evidenced by an agreement duly executed on behalf of the Company and the Optionee, dated as of the applicable date of the grant. Each such agreement shall set forth the number of Option Shares, the exercise price and the date upon which the Option becomes exercisable, and shall incorporate by reference the terms and conditions of this Plan.

Section 6
Stock Subject to the Plan

6.1 NUMBER OF SHARES. Subject to adjustment in accordance with the provisions of Section 7 hereof, 100,000 shares of Common Stock shall be reserved for issuance upon the exercise of Options granted under the Plan.

6.2 AUTHORIZED SHARES. Any or all of the shares subject to Options under the Plan may be authorized but unissued shares of Common Stock, or issued shares of Common Stock that have been or shall have been reacquired by the Company, as the Board shall from time to time determine.

6.3 TERMINATION OR EXPIRATION OF OPTIONS. If any Option shall expire or terminate for any reason without having been exercised in full, the unpurchased shares of Common Stock previously subject to the Option shall again be available for the purposes of the Plan

Section 7
Adjustments for Changes in Capitalization

7.1 CHANGE IN OUTSTANDING COMMON STOCK. If the outstanding securities of the class then subject to this Plan are increased, decreased, changed into or exchanged for a different number or kind of shares of the Company through reorganization, recapitalization, reclassification, stock dividend, stock split or reverse stock split, upon proper authorization of the Board, an appropriate and proportionate adjustment shall be made in the number and type of shares or other securities or cash or other property that may be acquired pursuant to the Options theretofore granted under this Plan and the maximum number and type of shares or other securities that may be issued pursuant to Options thereafter granted under this Plan.

7.2 OPTION AGREEMENT. Each Option Agreement may contain such provisions as the Board, in its discretion, shall determine to be appropriate for the termination of, adjustment in or vesting or repurchase of shares and Options, in the event of the dissolution or liquidation of the Company, or upon any consolidation or merger involving the Company, or upon sale or transfer of all or substantially all of the assets of the Company, or upon exchange by the stockholders of the Corporation of 80% or more of the shares of the Company for securities of another entity.

7.3 NO PROHIBITION ON COMPANY. The existence of any Option shall not in any way prevent the Company from engaging in any of the transactions described in this Section 7, nor shall it confer any rights upon the holder of any such Option to participate in any such transaction, except those expressly conferred by the Plan and the Option Agreement pursuant to which such Option shall have been granted.

7.4 ASSUMPTION OF OPTION. Nothing contained in this Plan shall prevent the assumption of an Option, or the substitution of a new option for an Option, by any corporation, or the parent or subsidiary of any corporation, that becomes the employer of an Optionee by reason of a merger, consolidation, acquisition, reorganization or liquidation.

Section 8
Amendment and Termination of the Plan

8.1 TERMINATION. Unless the Plan shall have been terminated sooner, the Plan shall terminate on, and no Option shall be granted after: (a) the later of the tenth (10th) anniversary of: (i) the date upon or as of which the Plan is adopted, or (ii) the date upon which the Plan is approved by the shareholders of the Company; or (b) the date upon which the total number of shares set forth in Section 6.1 of the Plan shall have been issued pursuant to the Plan.

8.2 SHAREHOLDER AMENDMENT. The shareholders of the Company may terminate, modify or amend the Plan at any time.

8.3 BOARD AMENDMENT. The Board also may amend, modify or terminate this Plan at any time and in any manner. However, no such amendment or termination shall deprive the recipient of any Option theretofore granted under this Plan, without the consent of the recipient, of any of his or her rights thereunder or with respect thereto.

Section 9
No Rights as Stockholder

Neither the recipient of an Option under this Plan or an Optionee's successor or successors in interest shall have rights as a stockholder of the Company with respect to any

Option Shares until the date of issuance of a stock certificate for such shares of Common Stock. Neither this Plan nor the granting of an Option hereunder, nor any other action taken pursuant to this Plan shall constitute or be evidence of any agreement or understanding, express or implied, that a director has a right to continue as a director for any period of time or at any particular rate of compensation.

Section 10
Governing Law

The Plan and all rights and obligations under this Plan shall be construed in accordance with and covered by the laws of the State of Delaware.

EXECUTED as of the 24th day of February, 1997.

SAGA COMMUNICATIONS, INC.

By: /s/ Edward K. Christian

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1,000
U.S. DOLLARS

6-MOS
DEC-31-1997
JAN-01-1997
JUN-30-1997
1
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.16
.16