



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 8, 2006**

**SAGA COMMUNICATIONS, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-11588**  
(Commission File Number)

**38-3042953**  
(IRS Employer  
Identification No.)

**73 Kercheval Avenue**  
**Grosse Pointe Farms, MI**  
(Address of Principal Executive Offices)

**48236**  
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

## **TABLE OF CONTENTS**

[Item 2.02. Results of Operations and Financial Condition.](#)

[Item 9.01. Financial Statements and Exhibits.](#)

[SIGNATURES](#)

[INDEX OF EXHIBITS](#)

[Ex-99.1 Press Release dated August 8, 2006](#)

---

[Table of Contents](#)

**Item 2.02. Results of Operations and Financial Condition.**

On August 8, 2006, Saga Communications, Inc. issued a press release announcing its financial results for the three and six months ended June 30, 2006. The press release, dated August 8, 2006, is attached as Exhibit 99.1 to this Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

99.1 Press Release dated August 8, 2006.

**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 hereunto duly authorized.

**SAGA COMMUNICATIONS, INC.**

Dated: August 8, 2006

By: /s/ Samuel D. Bush

Samuel D. Bush  
Senior Vice President, Chief Financial Officer and  
Treasurer

---

**INDEX OF EXHIBITS**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	Press Release dated August 8, 2006.

Saga Communications, Inc.  
Reports 2nd Quarter 2006 Results

**Contact:**  
Samuel D. Bush  
313/886-7070

Grosse Pointe Farms, MI — August 8, 2006 — Saga Communications, Inc. (NYSE-SGA) today reported that 2<sup>nd</sup> quarter 2006 net operating revenue increased 0.5% over the comparable period in 2005 to \$37.8 million and operating income increased 3.8% to \$8.9 million. Net income increased \$0.9 million to \$4.0 million (\$.19 per fully diluted share) for the quarter ended June 30, 2006 compared to \$3.1 million (\$.15 per fully diluted share) for the comparable period in 2005. For the same period, station operating expense decreased 1.1% to \$26.4 million (station operating expense includes depreciation and amortization attributable to the stations). On a same station basis for the quarter, net operating revenue decreased 0.7% to \$37.0 million, operating income increased 2.8% to \$8.7 million and station operating expense decreased 2.4% to \$25.8 million.

For the six month period ended June 30, 2006, net operating revenue decreased 0.7% over the comparable period in 2005 to \$68.9 million, operating income decreased 3.7% to \$13.4 million and net income increased to \$5.5 million (\$.27 per fully diluted share) compared to \$5.2 million (\$.25 per fully diluted share) for the comparable period in 2005. For the same period, station operating expense decreased 0.6% to approximately \$51.1 million (station operating expense includes depreciation and amortization attributable to the stations). On a same station basis for the six months, net operating revenue decreased 2.2% to \$67.6 million, operating income decreased 4.4% to \$13.2 million and station operating expense decreased 2.5% to \$49.9 million.

Capital expenditures in the second quarter of 2006 were \$2.8 million of which \$0.3 million were as a result of acquisitions, \$0.6 million were related to digital radio and \$0.5 million were related to digital television. For the six months capital expenditures were \$4.7 million of which \$0.7 million were as a result of acquisitions, \$0.7 million were related to digital radio and \$0.9 million were related to digital television. Currently, we expect capital expenditures for the year to be approximately \$9.5 million.

---

The attached Selected Supplemental Financial Data table discloses “as reported,” “same station” and “pro forma” information by segment. The “as reported” amounts reflect our historical financial results and include the results of operations for stations that we did not own for the entire comparable period. The “same station” amounts reflect only the results of operations for stations that we owned for the entire comparable period. The “pro forma” amounts assume the 2006 and 2005 acquisitions and dispositions occurred as of January 1, 2005.

Saga Communications utilizes certain financial measures that are not calculated in accordance with generally accepted accounting principles (GAAP) to assess its financial performance. Such non-GAAP measures include same station financial information and free cash flow. These non-GAAP measures are generally recognized by the broadcasting industry as measures of performance and are used by Saga to assess its financial performance including but not limited to evaluating individual station and market-level performance, evaluating overall operations and as a primary measure for incentive based compensation of executives and other members of management. Saga’s management believes these non-GAAP measures are used by analysts who report on the industry and by investors to provide meaningful comparisons between broadcasting groups, as well as an indicator of their market value. These measures are not measures of liquidity or of performance in accordance with GAAP, and should be viewed as a supplement to and not as a substitute for the results of operations presented on a GAAP basis including net operating revenue, operating income, and net income. Reconciliations for all of the non-GAAP financial measures to the most directly comparable GAAP measure are attached in the Selected Financial Data Non-GAAP Disclosures tables.

Saga Communications, Inc. is a broadcasting company whose business is devoted to acquiring, developing and operating broadcast properties. The company owns or operates broadcast properties in 26 markets, including 58 FM and 30 AM radio stations, 3 state radio networks, 2 farm radio networks, 5 television stations and 4 low-power television stations. As previously disclosed, Saga has entered into an agreement to acquire an FM station serving the Asheville, NC radio market. For additional information, contact us at (313) 886-7070 or visit our website at [www.sagacommunications.com](http://www.sagacommunications.com).

Saga’s second quarter 2006 results conference call will be on Tuesday, August 8 at 2:00 PM. The dial in number for domestic calls is 800/230-1059. For international callers the number is 612/332-0226. The call can be replayed for 7 days by calling domestically 800/475-6701 or internationally 320/365-3844 and referring to access code 836137. Thereafter, a transcript of the call will be available on our website.

This press release contains certain forward-looking statements that are based upon current expectations and involve certain risks and uncertainties within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “believes,” “expects,” “anticipates,” “guidance” and similar expressions are intended to identify forward-looking statements. Key risks, including risks associated with Saga’s ability to effectively integrate the stations it acquires and the impact of federal regulation on Saga’s

---

business, are described in the reports Saga Communications, Inc. periodically files with the U.S. Securities and Exchange Commission. Readers should note that these statements may be impacted by several factors, including national and local economic changes and changes in the radio and television broadcast industry in general, as well as Saga's actual performance. Results may vary from those stated herein and Saga undertakes no obligation to update the information contained here.

---

**Saga Communications, Inc.**  
**Selected Consolidated Financial Data**  
**For The Three and Six Month Periods**  
**Ended June 30, 2006 and 2005**  
(amounts in 000's except per share data)

	Three Months Ended		Six Months Ended	
	2006	2005	2006	2005
<b>Operating Results</b>				
Net operating revenue	\$ 37,745	\$ 37,554	\$ 68,936	\$ 69,384
Station operating expense	26,369	26,656	51,072	51,354
Corporate general and administrative	2,499	2,348	4,480	4,126
Operating income	8,877	8,550	13,384	13,904
Interest expense	2,355	1,806	4,632	3,429
Other (income) expense, net	(215)	1,471	(570)	1,538
Income before income tax	6,737	5,273	9,322	8,937
Income tax expense	2,749	2,201	3,809	3,700
Net income	<u>\$ 3,988</u>	<u>\$ 3,072</u>	<u>\$ 5,513</u>	<u>\$ 5,237</u>
Earnings per share:				
Basic	<u>\$ 0.19</u>	<u>\$ 0.15</u>	<u>\$ 0.27</u>	<u>\$ 0.26</u>
Diluted	<u>\$ 0.19</u>	<u>\$ 0.15</u>	<u>\$ 0.27</u>	<u>\$ 0.25</u>
Weighted average common shares	20,575	20,388	20,528	20,508
Weighted average common shares and common share equivalents	20,593	20,596	20,547	20,771
<b>Free Cash Flow</b>				
Net Income	\$ 3,988	\$ 3,072	\$ 5,513	\$ 5,237
Plus: Depreciation and amortization:				
Station	1,950	2,138	3,881	4,233
Corporate	48	49	96	99
Deferred tax provision	1,311	1,029	1,771	1,590
Other (income) expense, net	(215)	1,471	(570)	1,538
Non-cash compensation	369	84	599	109
Less: Capital expenditures	(2,745)	(3,121)	(4,712)	(7,388)
Free cash flow	<u>\$ 4,706</u>	<u>\$ 4,722</u>	<u>\$ 6,578</u>	<u>\$ 5,418</u>
<b>Balance Sheet Data</b>				
Working capital			\$ 21,755	\$ 23,673
Net fixed assets			70,337	73,301
Net intangible assets and other assets			208,203	205,654
Total assets			316,783	317,868
Long term debt (including current portion of \$0 and \$1,061, respectively)			136,911	155,911
Stockholders' equity			131,210	120,223

**Saga Communications, Inc.**  
**Selected Supplemental Financial Data**  
**For the Three Months Ended**  
**June 30, 2006 and 2005**  
(amounts in 000's except per share data)  
(Unaudited)

Consolidated	As-Reported Three Months Ended June 30,		Same Station Three Months Ended June 30,		Pro Forma (1) Three Months Ended June 30,	
	2006	2005	2006	2005	2006	2005
	Net operating revenue	\$ 37,745	\$ 37,554	\$ 37,026	\$ 37,286	\$ 37,745
Station operating expense	26,369	26,656	25,801	26,447	26,369	27,030
Corporate general and administrative	2,499	2,348	2,499	2,348	2,499	2,348
Operating income	8,877	8,550	\$ 8,726	\$ 8,491	8,877	8,622
Interest expense	2,355	1,806			2,355	1,894
Other (income) expense, net	(215)	1,471			(215)	1,466
Income tax expense	2,749	2,201			2,749	2,196
Net income	\$ 3,988	\$ 3,072			\$ 3,988	\$ 3,066
Earnings per share:						
Basic	\$ 0.19	\$ 0.15			\$ 0.19	\$ 0.15
Diluted	\$ 0.19	\$ 0.15			\$ 0.19	\$ 0.15
<b>Radio Segment</b>						
Net operating revenue	\$ 33,418	\$ 33,605	\$ 32,699	\$ 33,337	\$ 33,418	\$ 34,051
Station operating expense	22,960	23,316	22,392	23,107	22,960	23,690
Operating income	\$ 10,458	\$ 10,289	\$ 10,307	\$ 10,230	\$ 10,458	\$ 10,361
<b>Television Segment</b>						
Net operating revenue	\$ 4,327	\$ 3,949	\$ 4,327	\$ 3,949	\$ 4,327	\$ 3,949
Station operating expense	3,409	3,340	3,409	3,340	3,409	3,340
Operating income	\$ 918	\$ 609	\$ 918	\$ 609	\$ 918	\$ 609
<b>Depreciation and Amortization by Segment</b>						
Radio Segment	\$ 1,536	\$ 1,716	\$ 1,426	\$ 1,669	\$ 1,536	\$ 1,808
Television Segment	414	422	414	422	414	422
Corporate and Other	48	49	48	49	48	49
	\$ 1,998	\$ 2,187	\$ 1,888	\$ 2,140	\$ 1,998	\$ 2,279

(1) Pro Forma results assume all acquisitions and dispositions in 2005 and 2006 occurred as of January 1, 2005.

**Saga Communications, Inc.**  
**Selected Supplemental Financial Data**  
**For the Six Months Ended**  
**June 30, 2006 and 2005**  
(amounts in 000's except per share data)  
(Unaudited)

Consolidated	As-Reported Six Months Ended June 30,		Same Station Six Months Ended June 30,		Pro Forma (1) Six Months Ended June 30,	
	2006	2005	2006	2005	2006	2005
Net operating revenue	\$ 68,936	\$ 69,384	\$ 67,604	\$ 69,116	\$ 68,936	\$ 70,397
Station operating expense	51,072	51,354	49,889	51,145	51,072	52,311
Corporate general and administrative	4,480	4,126	4,480	4,126	4,480	4,126
Operating income	\$ 13,384	\$ 13,904	\$ 13,235	\$ 13,845	\$ 13,384	\$ 13,960
Interest expense	4,632	3,429			4,632	3,649
Other (income) expense, net	(570)	1,538			(570)	1,523
Income tax expense	3,809	3,700			3,809	3,643
Net income	\$ 5,513	\$ 5,237			\$ 5,513	\$ 5,145
Earnings per share:						
Basic	\$ 0.27	\$ 0.26			\$ 0.27	\$ 0.25
Diluted	\$ 0.27	\$ 0.25			\$ 0.27	\$ 0.25
<b>Radio Segment</b>						
Net operating revenue	\$ 60,698	\$ 61,977	\$ 59,366	\$ 61,709	\$ 60,698	\$ 62,990
Station operating expense	44,375	44,725	43,192	44,516	44,375	45,682
Operating income	\$ 16,323	\$ 17,252	\$ 16,174	\$ 17,193	\$ 16,323	\$ 17,308
<b>Television Segment</b>						
Net operating revenue	\$ 8,238	\$ 7,407	\$ 8,238	\$ 7,407	\$ 8,238	\$ 7,407
Station operating expense	6,697	6,629	6,697	6,629	6,697	6,629
Operating income	\$ 1,541	\$ 778	\$ 1,541	\$ 778	\$ 1,541	\$ 778
<b>Depreciation and Amortization by Segment</b>						
Radio Segment	\$ 3,075	\$ 3,369	\$ 2,825	\$ 3,322	\$ 3,075	\$ 3,599
Television Segment	806	864	806	864	806	864
Corporate and Other	96	99	96	99	96	99
	\$ 3,977	\$ 4,332	\$ 3,727	\$ 4,285	\$ 3,977	\$ 4,562

(1) Pro Forma results assume all acquisitions and dispositions in 2005 and 2006 occurred as of January 1, 2005.

**Saga Communications, Inc.**  
**Selected Supplemental Financial Data**  
**Quarterly Proforma Information**  
**As of June 30, 2006**  
**(amounts in 000's except per share data)**  
**(Unaudited)**

Consolidated	Pro Forma (1) Three Months Ended March 31,		Pro Forma (1) Three Months Ended June 30,		Pro Forma (1) Three Months Ended September 30, 2005	Pro Forma (1) Three Months Ended December 31, 2005
	2006	2005	2006	2005		
	Net operating revenue	\$ 31,191	\$ 32,397	\$ 37,745	\$ 38,000	\$ 35,961
Station operating expense	24,703	25,281	26,369	27,030	26,110	26,947
Corporate general and administrative	1,981	1,778	2,499	2,348	1,934	2,114
Impairment of intangible assets	—	—	—	—	—	1,168
Operating income	4,507	5,338	8,877	8,622	7,917	5,216
Interest expense	2,277	1,755	2,355	1,894	2,082	2,075
Other (income) expense, net	(355)	57	(215)	1,466	(35)	1,165
Income tax expense	1,060	1,447	2,749	2,196	2,430	87
Net income	\$ 1,525	\$ 2,079	\$ 3,988	\$ 3,066	\$ 3,440	\$ 1,889
Earnings per share:						
Basic	\$ 0.07	\$ 0.10	\$ 0.19	\$ 0.15	\$ 0.17	\$ 0.09
Diluted	\$ 0.07	\$ 0.10	\$ 0.19	\$ 0.15	\$ 0.17	\$ 0.09
<b>Radio Segment</b>	Pro Forma (1) Three Months Ended March 31,		Pro Forma (1) Three Months Ended June 30,		Pro Forma (1) Three Months Ended September 30, 2005	Pro Forma (1) Three Months Ended December 31, 2005
	2006	2005	2006	2005		
Net operating revenue	\$ 27,280	\$ 28,939	\$ 33,418	\$ 34,051	\$ 32,263	\$ 31,357
Station operating expense	21,415	21,992	22,960	23,690	22,728	23,514
Impairment of intangible assets	—	—	—	—	—	890
Operating income	\$ 5,865	\$ 6,947	\$ 10,458	\$ 10,361	\$ 9,535	\$ 6,953
<b>Television Segment</b>	Pro Forma (1) Three Months Ended March 31,		Pro Forma (1) Three Months Ended June 30,		Pro Forma (1) Three Months Ended September 30, 2005	Pro Forma (1) Three Months Ended December 31, 2005
	2006	2005	2006	2005		
Net operating revenue	\$ 3,911	\$ 3,458	\$ 4,327	\$ 3,949	\$ 3,698	\$ 4,088
Station operating expense	3,288	3,289	3,409	3,340	3,382	3,433
Impairment of intangible assets	—	—	—	—	—	278
Operating income	\$ 623	\$ 169	\$ 918	\$ 609	\$ 316	\$ 377
<b>Depreciation and Amortization by Segment</b>	Pro Forma (1) Three Months Ended March 31,		Pro Forma (1) Three Months Ended June 30,		Pro Forma (1) Three Months Ended September 30, 2005	Pro Forma (1) Three Months Ended December 31, 2005
	2006	2005	2006	2005		
Radio Segment	\$ 1,539	\$ 1,791	\$ 1,536	\$ 1,808	\$ 1,812	\$ 1,894
Television Segment	392	442	414	422	446	456
Corporate and Other	48	50	48	49	50	50
	\$ 1,979	\$ 2,283	\$ 1,998	\$ 2,279	\$ 2,308	\$ 2,400

(1) Pro Forma results assume all acquisitions and dispositions in 2005 and 2006 occurred as of January 1, 2005.

Saga Communications, Inc.  
Selected Financial Data Non-GAAP Disclosures  
For the Three Months Ended  
June 30, 2006 and 2005  
(amounts in 000's except per share data)  
(Unaudited)

**Reconciliation of As-Reported (historical) information to Same Station Operating Income**

Consolidated	As-Reported Three Months Ended June 30, 2006	Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period	Same Station Three Months Ended June 30, 2006	As-Reported Three Months Ended June 30, 2005	Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period	Same Station Three Months Ended June 30, 2005
Net operating revenue	\$ 37,745	(\$719)	\$ 37,026	\$ 37,554	(\$268)	\$ 37,286
Station operating expense	26,369	(568)	25,801	26,656	(209)	26,447
Corporate general and administrative	2,499	—	2,499	2,348	—	2,348
Operating income	<u>\$ 8,877</u>	<u>(\$151)</u>	<u>\$ 8,726</u>	<u>\$ 8,550</u>	<u>(\$59)</u>	<u>\$ 8,491</u>
Radio Segment	As-Reported Three Months Ended June 30, 2006	Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period	Same Station Three Months Ended June 30, 2006	As-Reported Three Months Ended June 30, 2005	Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period	Same Station Three Months Ended June 30, 2005
Net operating revenue	\$ 33,418	(\$719)	\$ 32,699	\$ 33,605	(\$268)	\$ 33,337
Station operating expense	22,960	(568)	22,392	23,316	(209)	23,107
Operating income	<u>\$ 10,458</u>	<u>(\$151)</u>	<u>\$ 10,307</u>	<u>\$ 10,289</u>	<u>(\$59)</u>	<u>\$ 10,230</u>
Television Segment	As-Reported Three Months Ended June 30, 2006	Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period	Same Station Three Months Ended June 30, 2006	As-Reported Three Months Ended June 30, 2005	Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period	Same Station Three Months Ended June 30, 2005
Net operating revenue	\$ 4,327	—	\$ 4,327	\$ 3,949	—	\$ 3,949
Station operating expense	\$ 3,409	—	\$ 3,409	\$ 3,340	—	\$ 3,340
Operating income	<u>\$ 918</u>	<u>—</u>	<u>\$ 918</u>	<u>\$ 609</u>	<u>—</u>	<u>\$ 609</u>

**Saga Communications, Inc.**  
**Selected Financial Data Non-GAAP Disclosures**  
**For the Six Months Ended**  
**June 30, 2006 and 2005**  
**(amounts in 000's except per share data)**  
**(Unaudited)**

**Reconciliation of As-Reported (historical) information to Same Station Operating Income**

<u>Consolidated</u>	<u>As-Reported Six Months Ended June 30, 2006</u>	<u>Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period</u>	<u>Same Station Six Months Ended June 30, 2006</u>	<u>As-Reported Six Months Ended June 30, 2005</u>	<u>Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period</u>	<u>Same Station Six Months Ended June 30, 2005</u>
Net operating revenue	\$ 68,936	(\$1,332)	\$ 67,604	\$ 69,384	(\$268)	\$ 69,116
Station operating expense	51,072	(1,183)	49,889	51,354	(209)	51,145
Corporate general and administrative	4,480	—	4,480	4,126	—	4,126
Operating income	<u>\$ 13,384</u>	<u>(\$149)</u>	<u>\$ 13,235</u>	<u>\$ 13,904</u>	<u>(\$59)</u>	<u>\$ 13,845</u>
<u>Radio Segment</u>	<u>As-Reported Six Months Ended June 30, 2006</u>	<u>Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period</u>	<u>Same Station Six Months Ended June 30, 2006</u>	<u>As-Reported Six Months Ended June 30, 2005</u>	<u>Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period</u>	<u>Same Station Six Months Ended June 30, 2005</u>
Net operating revenue	\$ 60,698	(\$1,332)	\$ 59,366	\$ 61,977	(\$268)	\$ 61,709
Station operating expense	44,375	(1,183)	43,192	44,725	(209)	44,516
Operating income	<u>\$ 16,323</u>	<u>(\$149)</u>	<u>\$ 16,174</u>	<u>\$ 17,252</u>	<u>(\$59)</u>	<u>\$ 17,193</u>
<u>Television Segment</u>	<u>As-Reported Six Months Ended June 30, 2006</u>	<u>Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period</u>	<u>Same Station Six Months Ended June 30, 2006</u>	<u>As-Reported Six Months Ended June 30, 2005</u>	<u>Adjustment For Acquisitions and Dispositions Not Included in Entire Comparable Period</u>	<u>Same Station Six Months Ended June 30, 2005</u>
Net operating revenue	\$ 8,238	\$ 0	\$ 8,238	\$ 7,407	\$ 0	\$ 7,407
Station operating expense	6,697	0	6,697	6,629	0	6,629
Operating income	<u>\$ 1,541</u>	<u>\$ 0</u>	<u>\$ 1,541</u>	<u>\$ 778</u>	<u>\$ 0</u>	<u>\$ 778</u>