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

FORM 10-Q

(MARK ONE)

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

	SEPTEMBER 30, 1997 (UNAUDITED)	DECEMBER 31, 1996
ASSETS		
Current assets:		
Cash and temporary investments	$ 3,188	$ 4,339
Accounts receivable, net	12,202	11,629
Prepaid expenses	1,273	1,100
Other current assets	1,230	1,007
Total current assets	17,893	18,075
Property and equipment	69,757	63,031
Less accumulated depreciation	(35,677)	(33,327)
Net property and equipment	34,080	29,704
Other assets:		
Excess of cost over fair value of assets acquired, net	19,554	20,047
Broadcast licenses, net	32,083	20,906
Other intangibles, net	6,533	7,683
Total other assets	58,170	48,636
	$110,143	$ 96,415

See notes to unaudited condensed consolidated financial statements.

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

	SEPTEMBER 30, 1997 (UNAUDITED)	DECEMBER 31, 1996
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 650	$ 1,008
Other current liabilities	6,040	4,671
Current portion of long-term debt	6,813	1,399
Total current liabilities	13,503	7,078
Deferred income taxes	3,986	3,408
Long-term debt	55,481	52,355
Broadcast program rights	325	461
STOCKHOLDERS' EQUITY:		
Common stock	101	100
Additional paid-in capital	36,513	35,864
Note receivable from principal stockholder	(790)	(790)
Retained earnings (deficit)	1,024	(2,061)
Total stockholders' equity	36,848	33,113
	$110,143	$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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1997	1996	1997	1996
Net operating revenue	$17,091	$15,021	$48,114	$39,979
Station operating expense:				
Programming and technical	3,928	3,583	11,282	9,399
Selling	4,317	3,750	13,247	10,766
Station general and administrative	2,486	2,223	7,441	6,007
Total station operating expense	10,731	9,556	31,970	26,172
Station operating income before corporate general and administrative, depreciation and amortization	6,360	5,465	16,144	13,807
Corporate general and administrative	959	994	2,840	2,634
Depreciation and amortization	1,520	1,450	4,252	4,022
Operating profit	3,881	3,021	9,052	7,151
Other expenses:				
Interest expense	1,325	1,154	3,708	2,667
Loss (gain) on the sale of assets	-	(3)	7	17
Income before income tax	2,556	1,870	5,337	4,467
Income tax provision	1,077	800	2,252	1,910
Net income	$ 1,479	$ 1,070	$ 3,085	$ 2,557
Net income per common share (primary and fully diluted)	$ .14	$ .10	$ .30	$ .25
Weighted average common and common equivalents outstanding (Note 3)	10,329	10,259	10,296	10,234

See notes to unaudited condensed consolidated financial statements.

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

	NINE MONTHS ENDED SEPTEMBER 30, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash provided by operating activities	$ 8,139	$ 5,968
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(2,121)	(1,285)
Proceeds from sale of assets	304	20
Increase in intangibles and other assets	(522)	(4,118)
Acquisition of stations	(15,383)	(16,982)
Net cash used in investing activities	(17,722)	(22,365)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	11,250	19,384
Payments on long-term debt	(3,210)	(2,874)
Net proceeds from exercise of stock options	392	159
Net cash provided by financing activities	8,432	16,669
Net increase (decrease) in cash and temporary investments	(1,151)	272
Cash and temporary investments, beginning of period	4,339	3,221
Cash and temporary investments, end of period	$ 3,188	$ 3,493

See notes to unaudited condensed consolidated financial statements.

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

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 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. COMMITMENTS

On July 7, 1997, the Company entered into an agreement to purchase an FM radio station (WQLL-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. SUBSEQUENT EVENTS

On October 22, 1997 the Company signed a letter of intent to acquire the assets of a regional and state news and sports information network (The Illinois Radio Network) serving more than 45 radio stations throughout the state of Illinois for $1,750,000. The transaction is subject to certain conditions, including the completion of a definitive asset purchase agreement, and is expected to close during the fourth quarter of 1997.

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

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.

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 stations 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. In October, 1997 the Company signed a letter of intent to purchase a regional and state news and sports information network serving more than 45 radio stations throughout the state of Illinois.

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 nine month periods ended September 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 nine months ended September 30, 1997 and 1996, Columbus accounted for an aggregate of 25% and 22%, respectively, and Milwaukee accounted for an aggregate of 26% 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 locations' relative market position could have a significant impact on the Company's operating results as a whole.

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

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

Most advertising contracts are short-term, and generally run only for a few weeks. Most of the Company's revenue is generated from local advertising, which is sold primarily by each station's sales staff. For the nine months ended September 30, 1997 and 1996, approximately 81% and 83%, 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 SEPTEMBER 30, 1997 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1996

For the three months ended September 30, 1997, the Company's net operating revenue was $17,091,000 compared with $15,021,000 for the three months ended September 30, 1996, an increase of $2,070,000 or 14%. Approximately $807,000 or 39% 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 an 8.4% 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 $1,175,000 or 12% to $10,731,000 for the three months ended September 30, 1997, compared with $9,556,000 for the three months ended September 30, 1996. Of the total increase, approximately $816,000 or 69% was the result of the impact of the operation of stations which were not owned or operated by the Company for the entire comparable period in 1996. The remaining balance of the increase in station operating expense of $360,000 represents a total increase of 3.8% in stations owned and operated by the Company for the entire comparable period in 1996, as a result of the related increase in revenue.

Operating profit increased by $860,000 or 28.5% to $3,881,000 for the three months ended September 30, 1997, compared with $3,021,000 for the three months ended September 30, 1996. The improvement was primarily the result of the $2,070,000 increase in net operating revenue, offset by the $1,175,000 increase in station operating expense and a $70,000 increase in depreciation and amortization expense, and a $35,000 decrease in corporate general and administrative charges. The increase in depreciation and amortization expense was principally the result of the Company's recent acquisitions. The decrease in corporate general and administrative charges was primarily attributable to a decrease in non-recurring charges associated with certain employee benefit related matters incurred in 1996, offset by deferred compensation charges and additional costs due to the growth of the Company as a result of the recent acquisitions.

The Company generated net income in the amount of approximately $1,479,000 ($0.14 per share) during the three months ended September 30, 1997, compared with net income of $1,070,000 ($0.10 per share) for the three months ended September 30, 1996, an increase of $409,000 or 38%. The increase in net income was principally the result of the $860,000 improvement in operating profit offset by a $171,000 increase in interest costs resulting primarily from an increase in borrowed funds to finance the Company's recent acquisitions, and a $277,000 increase in income taxes directly associated with the improved operating performance of the Company.

NINE MONTHS ENDED SEPTEMBER 30, 1997 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1996

For the nine months ended September 30, 1997, the Company's net operating revenue was $48,114,000 compared with $39,979,000 for the nine months ended September 30, 1996, an increase of $8,135,000 or 20%. Approximately $5,356,000 or 66% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the entire comparable period in 1996. The balance of the increase in net operating revenue represented a 7% 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 $5,798,000 or 22% to $31,970,000 for the nine months ended September 30, 1997, compared with $26,172,000 for the nine months ended September 30, 1996. Of the total increase, approximately $4,709,000 or 81% was the result of the impact of the operation of stations which were not owned or operated by the Company for the entire comparable period in 1996. The remaining balance of the increase in station operating expense of $1,089,000 represents a total increase of 4% 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 $1,901,000 or 27% to $9,052,000 for the nine months ended September 30, 1997, compared with $7,151,000 for the nine months ended September 30, 1996. The improvement was primarily the result of the $8,135,000 increase in net operating revenue, offset by the $5,798,000 increase in station operating expense, a $206,000 increase in corporate general and administrative charges and a $230,000 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 $3,085,000 ($0.30 per share) during the nine months ended September 30, 1997, compared with net income of $2,557,000 ($0.25 per share) for the nine months ended September 30, 1996, an increase of $528,000 or 21%. The increase in net income was principally the result of the $1,901,000 improvement in operating profit offset by a $1,041,000 increase in interest costs resulting primarily from an increase in borrowed funds to finance the Company's recent acquisitions, and a $342,000 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 September 30, 1997, the Company had $62,294,000 of long-term debt (including the current portion thereof) outstanding and approximately $47,250,000 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 September 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 is required to be reduced quarterly 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 September 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 (5.7% at September 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 $123,000 in additional interest expense was recognized as a result of the interest rate swap agreement for the nine months ended September 30, 1997 and an aggregate amount of $323,000 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 nine months ended September 30, 1997 and 1996, the Company had net cash flows from operating activities of $8,139,000 and $5,968,000, 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 (WQLL-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.

On October 22, 1997 the Company signed a letter of intent to acquire the assets of a regional and state news and sports information network (The Illinois Radio Network) serving more than 45 radio stations throughout the state of Illinois for $1,750,000. The transaction is subject to certain conditions, including the completion of a definitive asset purchase agreement, and is expected to close during the fourth quarter of 1997.

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 nine months ended September 30, 1997 were approximately $2,121,000 ($1,285,000 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 6. Exhibits and Reports on Form 8-K

(a) EXHIBITS

27 Financial Data Schedule

(b) Reports on Form 8-K

None

SIGNATURES

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

SAGA COMMUNICATIONS, INC.

Date: November 14, 1997

/s/ Samuel D. Bush

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

Date: November 14, 1997

/s/ Catherine A. Bobinski

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

5
1,000
U.S. DOLLARS

9-MOS
DEC-31-1997
JAN-01-1997
SEP-30-1997
1
3,188
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12,202
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17,893
69,757
(35,677)
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3,085
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.30