NEXSTAR BROADCASTING GROUP INC
Form 10-K
March 03, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2013

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: 000-50478

NEXSTAR BROADCASTING GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	23-3083125
(State of Organization or Incorporation)	(I.R.S. Employer Identification No.)
545 E. John Carpenter Freeway, Suite 700, Irving, Texas	75062
(Address of Principal Executive Offices)	(Zip Code)

(972) 373-8800
(Registrant’s Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	NASDAQ Global Market

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

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 it was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by checkmark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer x	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of June 30, 2013, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was $1,023,403,801.

As of February 24, 2014, the Registrant had 30,598,535 shares of Class A Common Stock outstanding and no shares of Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Registrant's 2014 Annual Meeting of Stockholders will be filed with the Commission within 120 days after the close of the Registrant's fiscal year and incorporated by reference in Part III of this Annual Report on Form 10-K.

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General

Nexstar Broadcasting, Inc. has time brokerage agreements, shared services agreements and joint sales agreements (which we generally refer to as local service agreements) relating to the television stations owned by Mission Broadcasting, Inc., but does not own any of the equity interests in Mission Broadcasting, Inc. For a description of the relationship between Nexstar Broadcasting Group, Inc. and Mission Broadcasting, Inc., see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The information in this Annual Report on Form 10-K includes information related to Nexstar Broadcasting Group, Inc. and its consolidated subsidiaries. It also includes information related to Mission Broadcasting, Inc. In accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and as discussed in Note 2 to our Consolidated Financial Statements, the financial results of Mission Broadcasting, Inc. are consolidated into the Consolidated Financial Statements contained herein.

As used in this Annual Report on Form 10-K and unless the context indicates otherwise, "Nexstar" refers to Nexstar Broadcasting Group, Inc. and its consolidated subsidiaries; "Nexstar Broadcasting" refers to Nexstar Broadcasting, Inc., our wholly-owned indirect subsidiary; "Nexstar Holdings" refers to Nexstar Finance Holdings, Inc., our wholly-owned direct subsidiary; "Mission" refers to Mission Broadcasting, Inc.; the "Company" refers to Nexstar and Mission collectively; "ABRY" refers to Nexstar's former principal stockholder, ABRY Partners, LLC and its affiliated funds; and all references to "we," "our," "ours," and "us" refer to Nexstar.

In the context of describing ownership of television stations in a particular market, the term "duopoly" refers to owning or deriving the majority of the economic benefit, through ownership or local service agreements, from two or more stations in a particular market. For more information on how we derive economic benefit from a duopoly, see Item 1, "Business."

There are 210 generally recognized television markets, known as Designated Market Areas, or DMAs, in the United States. DMAs are ranked in size according to various factors based upon actual or potential audience. DMA rankings contained in this Annual Report on Form 10-K are from Investing in Television Market Report 2013 4th Edition, as published by BIA Financial Network, Inc.

Reference is made in this Annual Report on Form 10-K to the following trademarks/tradenames which are owned by the third parties referenced in parentheses: Two and a Half Men (Warner Bros. Domestic Television) and Entertainment Tonight (CBS Television Distribution).

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including: any projections or expectations of earnings, revenue, financial performance, liquidity and capital resources or other financial items; any assumptions or projections about the television broadcasting industry, any statements of our plans, strategies and objectives for our future operations, performance, liquidity and capital resources or other financial items; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," " and other similar words.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ from a projection or assumption in any of our forward-looking statements. Our future financial position and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties discussed under Item 1A. “Risk Factors” located elsewhere in this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission (“SEC”). The forward-looking statements made in this Annual Report on Form 10-K are made only as of the date hereof, and we do not have or undertake any obligation to update any forward-looking statements to reflect subsequent events or circumstances unless otherwise required by law.

PART I

Item 1. Business

Overview

We are a television broadcasting and digital media company focused exclusively on the acquisition, development and operation of television stations and interactive community websites in medium-sized markets in the United States, primarily markets that rank from 35 to 150 out of the 210 DMAs.

As of December 31, 2013, we owned, operated, programmed or provided sales and other services to 75 television stations and 18 digital multicast channels, including those owned by Mission, in 44 markets in the states of Illinois, Indiana, Maryland, Missouri, Montana, Tennessee, Texas, Pennsylvania, Louisiana, Arkansas, Alabama, New York, Florida, Wisconsin, Michigan, Utah, Vermont, California and Iowa. In 25 of the 44 markets that we serve, we own, operate, program or provide sales and other services to more than one station. We refer to these markets as duopoly markets. The stations we serve are affiliates of ABC (19 stations), NBC (16 stations), FOX (14 stations), CBS (13 stations), The CW (6 stations and 2 digital multicast channels), MyNetworkTV (5 stations and 2 digital multicast channels), Telemundo (one station), Bounce TV (9 digital multicast channels), LiveWell (3 digital multicast channels), Me-TV (1 digital multicast channel), LATV (1 digital multicast channel) and one independent station. The stations reach approximately 14.9 million viewers or 12.9% of all U.S. television households.

We believe that medium-sized markets offer significant advantages over large-sized markets, most of which result from a lower level of competition. First, because there are fewer well-capitalized acquirers with a medium-market focus, we have been successful in purchasing stations on more favorable terms than acquirers of large market stations. Second, in the majority of our markets only four to six local commercial television stations exist. As a result, we achieve lower programming costs than stations in larger markets because the supply of quality programming exceeds the demand.

The stations we own and operate or provide services to provide free over-the-air programming to our markets' television viewing audiences. This programming includes (a) programs produced by networks with which the stations are affiliated; (b) programs that the stations produce; and (c) first-run and rerun syndicated programs that the stations acquire. Our primary source of revenue is the sale of commercial air time to local and national advertisers.

We seek to grow our revenue and broadcast cash flow by increasing the audience and revenue shares of the stations we own, operate, program or provide sales and other services to, as well as through our growing portfolio of Internet-based products and services. We strive to increase the audience share of the stations by creating a strong local broadcasting presence based on highly rated local news, local sports coverage and active community sponsorship. We seek to improve revenue share by employing and supporting a high-quality local sales force that leverages the stations' strong local brands and community presence with local advertisers. We further improve broadcast cash flow by maintaining strict control over operating and programming costs. The benefits achieved through these initiatives are magnified in our duopoly markets by broadcasting the programming of multiple networks, capitalizing on multiple sales forces and achieving an increased level of operational efficiency. As a result of our operational enhancements, we expect revenue from the stations we have acquired or begun providing services to in the last four years to grow faster than that of our more mature stations.

Our principal offices are at 545 E. John Carpenter Freeway, Suite 700, Irving, TX 75062. Our telephone number is (972) 373-8800 and our website is http://www.nexstar.tv.

Recent Acquisitions

On December 18, 2013, we and Mission entered into definitive agreements to acquire 6 television stations in 2 markets. Under the terms of the purchase agreements, we will acquire the outstanding equity of the following stations for $33.5 million in cash, subject to adjustments for working capital, along with their respective network affiliation agreements: WMBB (ABC) in the Panama City, Florida market, KREX (CBS) and KGJT (MyNetworkTV), both in the Grand Junction, Colorado market, KREG (CBS), in the Glenwood Springs, Colorado market and KREY (CBS), in the Montrose, Colorado market, from Gray Television Group, Inc. ("Gray TV"). Both KREG and KREY operate as satellite stations of KREX. Mission will acquire the outstanding equity of KFQX, the FOX affiliate, in the Grand Junction, Colorado market, for $4.0 million in cash, subject to adjustments for working capital, from Excalibur Broadcasting, LLC ("Excalibur").

On November 6, 2013, we entered into a stock purchase agreement to acquire the outstanding equity of privately-held Grant Company, Inc. (“Grant”), the owner of 7 television stations in 4 markets, for $87.5 million in cash, subject to adjustments for working capital. The stations that we will acquire, along with their respective network affiliation agreements are WFXR (FOX) and WWCW (The CW), both in the Roanoke, Virginia market, WZDX (FOX), in the Huntsville, Alabama market, KGCW (the CW) and KLJB (FOX), both in the Quad Cities, Iowa market and WLAX (FOX) and WEUX (FOX), both in the LaCrosse, Wisconsin market. We paid a deposit of $8.5 million upon signing the stock purchase agreement funded by cash on hand. Simultaneous with this acquisition, we entered into a purchase agreement with Mission pursuant to which Mission will acquire KLJB from us for $15.3 million in cash.

On September 13, 2013, Mission entered into a definitive agreement to acquire WCIZ, the FOX affiliate, and WBPN-LP, the MyNetworkTV affiliate, both in the Binghamton, New York market, from Stainless Broadcasting, L.P. (“Stainless”), for $15.3 million in cash, subject to adjustments for working capital. A deposit of $0.2 million was paid upon signing the agreement.

On April 24, 2013, we and Mission entered into a stock purchase agreement to acquire the stock of privately-held Communications Corporation of America (“CCA”) and White Knight Broadcasting (“White Knight”), the owners of 19 television stations in 10 markets, for a total consideration of $270.0 million, subject to adjustments for working capital. Upon signing the agreement, we paid a deposit of $27.0 million. We have agreed to purchase all the outstanding equity of CCA and Mission has agreed to purchase all the outstanding equity of White Knight. We will acquire 10 television stations, Mission will acquire 7 television stations and Rocky Creek Communications, Inc. (“Rocky Creek”), an independent third party, will acquire 2 television stations, as follows:

Market	Market Rank	Station	Affiliation
Nexstar:			
Harlingen-Weslaco-Brownsville-McAllen, TX	86	KVEO	NBC/Estrella
Waco-Temple-Bryan, TX	88	KWKT	FOX/MyNetworkTV /Estrella
		KYLE	FOX/MyNetworkTV /Estrella
El Paso, TX	91	KTSM	NBC/Estrella
Baton Rouge, LA	94	WGMB	FOX
		WBRL-CD	The CW
Tyler-Longview, TX	107	KETK	NBC/Estrella
Lafayette, LA	124	KADN	FOX
		KLAF-LD	MyNetworkTV
Alexandria, LA	179	WNTZ	FOX/MyNetworkTV
Mission:			
Shreveport, LA	83	KMSS	FOX
Baton Rouge, LA	94	WVLA	NBC
		KZUP-CD	RTV
Tyler-Longview, TX	107	KFXK	FOX
		KFXL-LD	FOX
		KLPN-LD	MyNetworkTV
Odessa-Midland, TX	152	KPEJ	FOX/Estrella

Rocky Creek:			
Shreveport, LA	83	KSHV	MyNetworkTV
Evansville, IN	104	WEVV	CBS/FOX/ MyNetworkTV

The above acquisitions are subject to FCC approval and other customary conditions and we and Mission are projecting them to close in the second quarter of 2014. The purchase prices of the above acquisitions are expected to be funded through cash generated from operations prior to closing, borrowings under the existing credit facilities and future credit market transactions.

Operating Strategy

We seek to generate revenue and broadcast cash flow growth through the following strategies:

Develop Leading Local Franchises. Each of the stations that we own, operate, program, or provide sales and other services to creates a highly recognizable local brand, primarily through the quality of local news programming and community presence. Based on internally generated analysis, we believe that in over 77.0% of our markets in which we produce local newscasts, we rank among the top two stations in local news viewership. Strong local news typically generates higher ratings among attractive demographic profiles and enhances audience loyalty, which may result in higher ratings for programs both preceding and following the news. High ratings and strong community identity make the stations that we own, operate, program, or provide sales and other services to more attractive to local advertisers. For the year ended December 31, 2013 we earned approximately 28.0% of our advertising revenue from spots aired during local news programming. Currently, our stations and the stations we provide services to that produce local newscasts provide between 15 to 25 hours per week of local news programming. Extensive local sports coverage and active sponsorship of community events further differentiate us from our competitors and strengthen our community relationships and our local advertising appeal.

Emphasize Local Sales. We employ a high-quality local sales force in each of our markets to increase revenue from local advertisers by capitalizing on our investment in local programming. We believe that local advertising is attractive because our sales force is more effective with local advertisers, giving us a greater ability to influence this revenue source. Additionally, local advertising has historically been a more stable source of revenue than national advertising for television broadcasters. For the year ended December 31, 2013, revenue generated from local advertising represented 70.1% of our consolidated spot revenue (total of local and national advertising revenue, excluding political advertising revenue). In most of our markets, we have increased the size and quality of our local sales force. We also invest in our sales efforts by implementing comprehensive training programs and employing a sophisticated inventory tracking system to help maximize advertising rates and the amount of inventory sold in each time period.

Invest in Digital Media. We are focused on new technologies and growing our portfolio of Internet products and services. Our websites provide access to our local news and information, as well as community centric business and services. We delivered a record audience across all of our web sites in 2013, with 65 million unique visitors, who utilized over 588 million page views. Also in 2013, our mobile platform accounted for 48.0% of our overall page views by year end. We also launched redesigned web sites, ready for the emerging touch oriented platforms. We are committed to serving our local markets by providing local content to both online and mobile users wherever and whenever they want.

Operate Duopoly Markets. Owning or providing services to more than one station in a given market enables us to broaden our audience share, enhance our revenue share and achieve significant operating efficiencies. Duopoly markets broaden audience share by providing programming from multiple networks with different targeted demographics. These markets increase revenue share by capitalizing on multiple sales forces. Additionally, we achieve significant operating efficiencies by consolidating physical facilities, eliminating redundant management and leveraging capital expenditures between stations. We derived approximately 77.0% of our net broadcast revenue for the year ended December 31, 2013 from our duopoly markets.

Maintain Strict Cost Controls. We emphasize strict controls on operating and programming costs in order to increase broadcast cash flow. We continually seek to identify and implement cost savings at each of our stations and the stations we provide services to and our overall size benefits each station with respect to negotiating favorable terms

with programming suppliers and other vendors. By leveraging our size and corporate management expertise, we are able to achieve economies of scale by providing programming, financial, sales and marketing support to our stations and the stations we provide services to.

Capitalize on Diverse Network Affiliations. We currently own, operate, program, or provide sales and other services to a balanced portfolio of television stations with diverse network affiliations, including ABC, NBC, CBS and FOX affiliated stations which represented approximately 24.9%, 24.8%, 24.3% and 15.1%, respectively, of our 2013 net broadcast revenue. The networks provide these stations with quality programming and numerous sporting events such as NBA basketball, Major League baseball, NFL football, NCAA sports, PGA golf and the Olympic Games. Because network programming and ratings change frequently, the diversity of our station portfolio's network affiliations reduces our reliance on the quality of programming from a single network.

Attract and Retain High Quality Management. We seek to attract and retain station general managers with proven track records in larger television markets by providing equity incentives not typically offered by other station operators in our markets. Most of our station general managers have been granted stock options and have an average of over 20 years of experience in the television broadcasting industry.

Acquisition Strategy

We selectively pursue acquisitions of television stations primarily in markets ranking from 35 to 150 out of the 210 DMAs, where we believe we can improve revenue and cash flow through active management. When considering an acquisition, we evaluate the target audience share, revenue share, overall cost structure and proximity to our regional clusters. Additionally, we seek to acquire or enter into local service agreements with stations to create duopoly markets.

Relationship with Mission

Through various local service agreements with Mission, we provide sales, programming and other services to 20 television stations that are owned and operated by Mission as of December 31, 2013. Mission is 100% owned by independent third parties. We do not own Mission or any of its television stations. In compliance with Federal Communications Commission (“FCC”) regulations for both us and Mission, Mission maintains complete responsibility for and control over programming, finances, personnel and operations of its stations. However, we are deemed under U.S. GAAP to have a controlling financial interest in Mission because of (1) the local service agreements Nexstar has with the Mission stations, (2) Nexstar’s guarantee of the obligations incurred under Mission’s senior secured credit facility, (3) Nexstar having power over significant activities affecting Mission’s economic performance, including budgeting for advertising revenue, advertising sales and hiring and firing of sales force personnel and (4) purchase options granted by Mission that permit Nexstar to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. The purchase options are freely exercisable or assignable by Nexstar without consent or approval by Mission for consideration equal to the greater of (1) seven times the station’s cash flow, as defined in the option agreement, less the amount of its indebtedness, as defined in the option agreement, or (2) the amount of its indebtedness. Additionally, on November 29, 2011, Mission’s shareholders granted Nexstar an option to purchase any or all of Mission’s stock, subject to FCC consent, for a price equal to the pro rata portion of the greater of (1) five times the stations’ cash flow, as defined in the agreement, reduced by the amount of indebtedness, as defined in the agreement, or (2) $100,000. These option agreements (which expire on various dates between 2014 and 2023) are freely exercisable or assignable by Nexstar without consent by Mission or its shareholders. Therefore, Mission is consolidated into these financial statements. We expect our option agreements with Mission to be renewed upon expiration.

The Stations

The following chart sets forth general information about the stations we owned, operated, programmed or provided sales and other services to as of December 31, 2013:

Market Rank (1)	Market	Station	Affiliation	Status (2)	Commercial Stations in Market (3)	FCC License Expiration Date
8	Washington, DC/	WHAG	NBC	O&O	(4)	(5)

	Hagerstown, MD					
33	Salt Lake City, UT	KTVX (14)	ABC	O&O	15	10/1/14
		KUCW	The CW	O&O		10/1/14
43	Harrisburg-Lancaster-Lebanon-York, PA	WLYH	The CW	O&O (6)	6	(5)
48	Jacksonville, FL	WCWJ/ WCWJ-D-2	The CW/ Bounce TV	O&O	7	(5)
50	Memphis, TN	WATN	ABC	O&O	6	8/1/21
		WLMT/ WLMT-D-2	The CW/ MyNetworkTV	O&O		(5)
54	Wilkes Barre-Scranton, PA	WBRE	NBC	O&O	7	(5)
		WYOU	CBS	LSA (7)		(5)

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Market Rank (1)	Market	Station	Affiliation	Status (2)	Commercial Stations in Market (3)	FCC License Expiration Date
55	Fresno-Visalia, CA	KSEE/ KSEE-D-2	NBC/ LATV	O&O	10	12/1/14
		KGPE	CBS	O&O		12/1/14
56	Little Rock-Pine Bluff, AR	KARK	NBC	O&O	7	(5)
		KARZ/ KARZ-D-2	MyNetworkTV/ Bounce TV	O&O		(5)
		KLRT	FOX	LSA (7)		(5)
		KASN	The CW	LSA (7)		(5)
70	Green Bay-Appleton, WI	WFRV	CBS	O&O	6	(5)
72	Des Moines-Ames, IA	WOI/ WOI-D-2 (11)	ABC/ LiveWell	LSA (11)	7	(5)
75	Springfield, MO	KOLR	CBS	LSA (7)	5	(5)
		KOZL	Independent	O&O		(5)
78	Rochester, NY	WROC/ WROC-D-2	CBS/ Bounce TV	O&O	4	(5)
		WUHF	FOX	LSA (16)		(16)
82	Shreveport, LA	KTAL	NBC	O&O	6	8/1/14
84	Champaign-Springfield-Decatur, IL	WCIA	CBS	O&O	8	(5)
		WCIX	MyNetworkTV	O&O		(5)
85	Syracuse, NY	WSYR/ WSYR-D-2 (12)	ABC/ Me-TV	O&O	6	6/1/15
98	Burlington-Plattsburgh, VT	WFFF	FOX	O&O	6	4/1/2015
		WVNY	ABC	LSA (7)		4/1/2015
100	Davenport-Rock Island-Moline, IL	WHBF/ WHBF-D-2 (11)	CBS/ LiveWell	LSA (11)	5	(5)
101	Ft. Smith-Fayetteville-Springdale-Rogers, AR	KFTA	FOX/NBC	O&O	6	(5)
		KNWA	NBC/FOX	O&O		(5)
103	Johnstown-Altoona, PA	WTAJ	CBS	O&O	4	(5)
104	Evansville, IN	WEHT	ABC	O&O	4	(5)
		WTVW (12)	The CW (9)	LSA (7)		(5)
109	Ft. Wayne, IND	WFFT (12)	FOX (10)	O&O	4	(5)
117	Peoria-Bloomington, IL	WMBD/ WMBD-D-2	CBS/ Bounce TV	O&O	5	(5)
		WYZZ	FOX	LSA (8)		(5)
127	Bakersfield, CA	KGET/ KGET-D-2	NBC/ The CW	O&O	4	12/1/14
		KKEY-LP	Telemundo	O&O		12/1/14
130	Amarillo, TX	KAMR	NBC	O&O	6	(5)
		KCIT	FOX	LSA (7)		(5)
		KCPN-LP	MyNetworkTV	LSA (7)		(5)

136	Rockford, IL	WQRF/ WQRF-D-2	FOX/ Bounce TV	O&O	4	(5)
		WTVO/ WTVO-D-2	ABC/ MyNetworkTV	LSA (7)		(5)
137	Monroe, LA- El Dorado, AR	KARD/ KARD-D-2	FOX/ Bounce TV	O&O	4	(5)
		KTVE	NBC	LSA (7)		(5)

Market Rank (1)	Market	Station	Affiliation	Status (2)	Commercial Stations in Market (3)	FCC License Expiration Date
143	Lubbock, TX	KLBK	CBS	O&O	5	(5)
		KAMC/ KAMC-D-2 (15)	ABC/ Bounce TV	LSA (7)		(5)
144	Wichita Falls, TX-Lawton, OK	KFDX	NBC	O&O	4	(5)
		KJTL/ KJTL-D-2 (15)	FOX/ Bounce TV	LSA (7)		(5)
		KJBO-LP	MyNetworkTV	LSA (7)		(5)
147	Sioux City, IA	KCAU/ KCAU-D-2 (11)	ABC/ LiveWell	LSA (11)	4	(5)
149	Erie, PA	WJET	ABC	O&O	4	(5)
		WFXP	FOX	LSA (7)		(5)
150	Odessa-Midland, TX	KMID	ABC	O&O	7	(5)
152	Joplin, MO-Pittsburg, KS	KSNF	NBC	O&O	4	(5)
		KODE	ABC	LSA (7)		(5)
155	Terre Haute, IN	WTWO	NBC	O&O	3	(5)
		WAWV	ABC	LSA (7)		(5)
159	Binghamton, NY	WBGH	NBC	O&O	3	6/1/15
		WIVT	ABC	O&O		6/1/15
165	Abilene-Sweetwater, TX	KTAB (13)	CBS	O&O	4	(5)
		KRBC/ KRBC-D-2 (15)	NBC/ Bounce TV	LSA (7)		(5)
168	Billings, MT	KSVI	ABC	O&O	5	(5)
		KHMT	FOX	LSA (7)		(5)
171	Utica, NY	WFXV	FOX	O&O	3	(5)
		WPNY-LP	MyNetworkTV	O&O		(5)
		WUTR	ABC	LSA (7)		(5)
172	Dothan, AL	WDHN	ABC	O&O	3	(5)
174	Elmira, NY	WETM	NBC	O&O	3	6/1/15
176	Watertown, NY	WWTI/ WWTI-D-2	ABC/ The CW	O&O	2	6/1/15
177	Jackson, TN	WJKT	FOX	O&O	2	(5)
180	Marquette, MI	WJMN	CBS	O&O	6	(5)
198	San Angelo, TX	KSAN	NBC	LSA (7)	3	(5)
		KLST	CBS	O&O		(5)
200	St. Joseph, MO	KQTV	ABC	O&O	1	(5)

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(1) Market rank refers to ranking the size of the Designated Market Area (“DMA”) in which the station is located in relation to other DMAs. Source: Investing in Television Market Report 2013 4th Edition, as published by BIA Financial Network, Inc.

(2) O&O refers to stations that we own and operate. LSA, or local service agreement, is the general term we use to refer to a contract under which we provide services utilizing our employees to a station owned and operated by independent third parties. Local service agreements include time brokerage agreements, shared services agreements, joint sales agreements and outsourcing agreements. For further information regarding the LSAs to which we are party, see Note 2 to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K.

(3) The term “commercial station” means a television broadcast station and excludes non-commercial stations and religious stations, cable program services or networks. Source: Investing in Television Market Report 2013 4th Edition, as published by BIA Financial Network, Inc.

(4) Although WHAG is located within the Washington, DC DMA, its signal does not reach the entire Washington, DC metropolitan area. WHAG serves the Hagerstown, MD sub-market within the DMA.

(5) Application for renewal of license was submitted timely to the FCC. Under the FCC’s rules, a license expiration date automatically is extended pending review of and action on the renewal application by the FCC.

(6) Although Nexstar owns WLYH, this station is programmed by Sinclair Broadcast Group, Inc. pursuant to a time brokerage agreement.

(7) These stations are owned by Mission.

(8) On November 22, 2013, Cunningham Broadcasting Corporation acquired the assets of WYZZ from Sinclair Broadcasting Group, Inc. and became the successor to the outsourcing agreement with Nexstar. Effective January 1, 2014, the outsourcing agreement for WYZZ was extended through December 31, 2017.

(9) On January 31, 2013, WTVW became an affiliate of The CW.
(10) On March 31, 2013, WFFT became an affiliate of FOX.
(11) On September 16, 2013, Nexstar entered into definite agreements to acquire the stations which are projected to close during the first quarter of 2014. These stations are currently programmed by Nexstar pursuant to a time brokerage agreement. On January 1, 2014, the affiliation of WHBF-D-2 with LiveWell was terminated. The affiliation agreement of KCAU-D-2 and WOI-D-2 with LiveWell was extended to January 16, 2015.
(12) On January 1, 2014, Nexstar's two new digital multicast channels, WSYR-D-3 and WFFT-D-2, and Mission's new digital multicast channel, WTVW-D-2, became affiliates of Bounce TV.
(13) On January 27, 2014, KTAB launched a Telemundo digital multicast channel.
(14) On January 6, 2014, Nextar's new digital multicast channel, KTVX-D-2, became an affiliate of Me-TV.
(15) The affiliations with Bounce TV ended on December 31, 2013 and the digital multicast channels are no longer utilized.
(16) This station is owned by Sinclair Broadcasting Group, Inc. The outsourcing agreement for WUHF was not renewed and terminated on December 31, 2013.

Nexstar, Mission and Rocky Creek have also signed agreements to acquire 19 stations in 10 markets from CCA and White Knight, 7 stations in 4 markets from Grant, 6 stations in 2 markets from Gray TV and Excalibur and 2 stations from Stainless. Of these acquisitions, 16 stations are affiliated with FOX, 4 stations with NBC, 4 stations with CBS, 5 stations with MyNetworkTV, 3 stations with the CW, one station with ABC and one station with RTV. The Company is projecting the acquisitions to close in the second quarter of 2014. Refer to Recent Acquisitions for additional information.

Industry Background

Commercial television broadcasting began in the United States on a regular basis in the 1940s. Currently a limited number of channels are available for over-the-air broadcasting in any one geographic area and a license to operate a television station must be granted by the FCC. All television stations in the country are grouped by A.C. Nielsen Company, a national audience measuring service, into 210 generally recognized television markets, known as designated market areas ("DMAs") that are ranked in size according to various metrics based upon actual or potential audience. Each DMA is an exclusive geographic area consisting of all counties in which the home-market commercial stations receive the greatest percentage of total viewing hours. A.C. Nielsen periodically publishes data on estimated audiences for the television stations in the DMA. The estimates are expressed in terms of a "rating," which is a station's percentage of the total potential audience in the market, or a "share," which is the station's percentage of the audience actually watching television. A station's rating in the market can be a factor in determining advertising rates.

Most television stations are affiliated with networks and receive a significant part of their programming, including prime-time hours, from networks. Whether or not a station is affiliated with one of the four major networks (NBC, CBS, FOX or ABC) has a significant impact on the composition of the station's revenue, expenses and operations. Network programming is provided to the affiliate by the network in exchange for the network's retention of a substantial majority of the advertising time during network programs. The network then sells this advertising time and retains the revenue. The affiliate retains the revenue from the remaining advertising time it sells during network programs and from advertising time it sells during non-network programs.

Broadcast television stations compete for advertising revenue primarily with other commercial broadcast television stations, cable and satellite television systems, the Internet and, to a lesser extent, with newspapers and radio stations serving the same market. Non-commercial, religious and Spanish-language broadcasting stations in many markets also compete with commercial stations for viewers. In addition, the Internet and other leisure activities may draw viewers away from commercial television stations.

Advertising Sales

General

Television station revenue is primarily derived from the sale of local and national advertising. All network-affiliated stations are required to carry advertising sold by their networks which reduces the amount of advertising time available for sale by stations. Our stations sell the remaining advertising to be inserted in network programming and the advertising in non-network programming, retaining all of the revenue received from these sales. A national syndicated program distributor will often retain a portion of the available advertising time for programming it supplies in exchange for no fees or reduced fees charged to stations for such programming. These programming arrangements are referred to as barter programming.

Advertisers wishing to reach a national audience usually purchase time directly from the networks or advertise nationwide on a case-by-case basis. National advertisers who wish to reach a particular region or local audience often buy advertising time directly from local stations through national advertising sales representative firms. Local businesses purchase advertising time directly from the station's local sales staff.

Advertising rates are based upon a number of factors, including:

- a program's popularity among the viewers that an advertiser wishes to target;
- the number of advertisers competing for the available time;
- the size and the demographic composition of the market served by the station;
- the availability of alternative advertising media in the market;
- the effectiveness of the station's sales force;
- development of projects, features and programs that tie advertiser messages to programming; and
- the level of spending commitment made by the advertiser.

Advertising rates are also determined by a station's overall ability to attract viewers in its market area, as well as the station's ability to attract viewers among particular demographic groups that an advertiser may be targeting. Advertising revenue is positively affected by strong local economies. Conversely, declines in advertising budgets of advertisers, particularly in recessionary periods, adversely affect the broadcast industry and, as a result, may contribute to a decrease in the revenue of broadcast television stations.

Seasonality

Advertising revenue is positively affected by national and regional political election campaigns, and certain events such as the Olympic Games or the Super Bowl. Stations' advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years when state, congressional and presidential elections occur and advertising is aired during the Olympic Games.

Local Sales

Local advertising time is sold by each station's local sales staff who call upon advertising agencies and local businesses, which typically include car dealerships, retail stores and restaurants. Compared to revenue from national advertising accounts, revenue from local advertising is generally more stable and more predictable. We seek to attract new advertisers to our television stations and websites and to increase the amount of advertising time sold to existing local advertisers by relying on experienced local sales forces with strong community ties, producing news and other programming with local advertising appeal and sponsoring or co-promoting local events and activities. We place a strong emphasis on the experience of our local sales staff and maintain an on-going training program for sales personnel.

National Sales

National advertising time is sold through national sales representative firms which call upon advertising agencies, whose clients typically include automobile manufacturers and dealer groups, telecommunications companies, fast food franchisers, and national retailers (some of which may advertise locally).

Network Affiliations

Most of the stations that we own and operate, program or provide sales and other services to as of December 31, 2013 are affiliated with a network pursuant to an affiliation agreement, as described below:

Station	Market	Affiliation	Expiration
WHBF-D-2 (5)	Davenport-Rock Island-Moline, IL	LiveWell	January 2014 (5)
KSEE-D-2	Fresno-Visalia, CA	LATV	June 2014
WSYR-D-2	Syracuse, NY	Me-TV	September 2014
WBGH-CA	Binghamton, NY	NBC	December 2014
WETM	Elmira, NY	NBC	December 2014
KAMR	Amarillo, TX	NBC	December 2014
KTAL	Shreveport, LA	NBC	December 2014
KARK	Little Rock-Pine Bluff, AR	NBC	December 2014
KGET	Bakersfield, CA	NBC	December 2014
WHAG	Washington, DC/Hagerstown, MD(3)	NBC	December 2014
WBRE	Wilkes Barre-Scranton, PA	NBC	December 2014
WTWO	Terre Haute, IN	NBC	December 2014
KFDX	Wichita Falls, TX-Lawton, OK	NBC	December 2014
KSNF	Joplin, MO-Pittsburg, KS	NBC	December 2014
KTVE (1)	Monroe, LA—El Dorado, AR	NBC	December 2014
KSAN (1)	San Angelo, TX	NBC	December 2014
KRBC (1)	Abilene-Sweetwater, TX	NBC	December 2014
KNWA	Ft. Smith-Fayetteville-Springdale-Rogers, AR	NBC	December 2014
KCAU-D-2 (5)	Sioux City, IA	LiveWell	January 2015
WOI-D-2 (5)	Des Moines-Ames, IA	LiveWell	January 2015
WYOU (1)	Wilkes Barre-Scranton, PA	CBS	June 2015
KSEE	Fresno-Visalia, CA	NBC	

			December 2015
WTVW (1)(6)	Evansville, IN	The CW	December 2015
WTAJ	Johnstown-Altoona, PA	CBS	May 2016
KGPE	Fresno-Visalia, CA	CBS	June 2016
KCPN-LP (1)	Amarillo, TX	MyNetworkTV	August 2016
KJBO-LP (1)	Wichita Falls, TX-Lawton, OK	MyNetworkTV	August 2016
WTVO-D-2 (1)	Rockford, IL	MyNetworkTV	August 2016
KARZ	Little Rock-Pine Bluff, AR	MyNetworkTV	August 2016
WPNY-LP	Utica, NY	MyNetworkTV	August 2016
WCIX	Champaign-Springfield-Decatur, IL	MyNetworkTV	August 2016
WLMT-D-2	Memphis, TN	MyNetworkTV	September 2016
WCWJ	Jacksonville, FL	The CW	September 2016
WLYH (4)	Harrisburg-Lancaster-Lebanon-York, PA	The CW	September 2016
KUCW	Salt Lake City, UT	The CW	September 2016
WLMT	Memphis, TN	The CW	September 2016
KASN (1)	Little Rock-Pine Bluff, AR	The CW	September 2016
WWTI-D-2	Watertown, NY	The CW	September 2016
KGET-D-2	Bakersfield, CA	The CW	September 2016
KARD	Monroe, LA-El Dorado, AR	FOX	December 2016
KFTA	Ft. Smith-Fayetteville-Springdale-Rogers, AR	FOX	December 2016
WFFF	Burlington-Plattsburgh, VT	FOX	December 2016
WFFT (6)	Ft. Wayne, IND	FOX	December 2016
WFXV	Utica, NY	FOX	December 2016
WJKT	Jackson, TN	FOX	December 2016
WQRF	Rockford, IL	FOX	December 2016
KCIT (1)	Amarillo, TX	FOX	December 2016
WFXP (1)	Erie, PA	FOX	December 2016

Station	Market	Affiliation	Expiration
KJTL (1)	Wichita Falls, TX-Lawton, OK	FOX	December 2016
KHMT (1)	Billings, MT	FOX	December 2016
KLRT (1)	Little Rock-Pine Bluff, AR	FOX	December 2016
WCWJ-D-2	Jacksonville, FL	Bounce TV	August 2017
KARZ-D-2	Little Rock-Pine Bluff, AR	Bounce TV	August 2017
WROC-D-2	Rochester, NY	Bounce TV	August 2017
WMBD-D-2	Peoria-Bloomington, IL	Bounce TV	August 2017
WQRF-D-2	Rockford, IL	Bounce TV	August 2017
KARD-D-2	Monroe, LA-El Dorado, AR	Bounce TV	August 2017
KTVX	Salt Lake City, UT	ABC	December 2017
WATN	Memphis, TN	ABC	December 2017
WSYR (6)	Syracuse, NY	ABC	December 2017
WIVT	Binghamton, NY	ABC	December 2017
WWTI	Watertown, NY	ABC	December 2017
WDHN	Dothan, AL	ABC	December 2017
WJET	Erie, PA	ABC	December 2017
KSVI	Billings, MT	ABC	December 2017
KMID	Odessa-Midland, TX	ABC	December 2017
KQTV	St. Joseph, MO	ABC	December 2017
WAWV (1)	Terre Haute, IN	ABC	December 2017
WTVO (1)	Rockford, IL	ABC	December 2017
KAMC (1)	Lubbock, TX	ABC	December 2017
KODE (1)	Joplin, MO-Pittsburg, KS	ABC	December 2017
WEHT	Evansville, Indiana	ABC	December 2017
WVNY (1)	Burlington-Plattsburgh, VT	ABC	December 2017
WOI(5)	Des Moines-Ames, IA	ABC	December 2017
KCAU(5)	Sioux City, IA	ABC	December 2017
WYZZ (2)	Peoria-Bloomington, IL	FOX	December 2017
WFRV	Green Bay-Appleton, WI	CBS	December 2018
WJMN	Marquette, MI	CBS	December 2018
KLST	San Angelo, TX	CBS	December 2018
KTAB (7)	Abilene-Sweetwater, TX	CBS	December 2018
WROC	Rochester, NY	CBS	December 2018
KOLR (1)	Springfield, MO	CBS	December 2018
KLBK	Lubbock, TX	CBS	December 2018
WCIA	Champaign-Springfield-Decatur, IL	CBS	December 2018
WMBD	Peoria-Bloomington, IL	CBS	December 2018
WHBF(5)	Davenport-Rock Island-Moline, IL	CBS	December 2018
KKEY	Bakersfield, CA	Telemundo	December 2018

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(1) These stations are owned by Mission, which maintains the network affiliation agreements.

(2) On November 22, 2013, Cunningham Broadcasting Corporation acquired the assets of WYZZ from Sinclair Broadcasting Group, Inc. and became the successor to the outsourcing agreement with Nexstar and the network

affiliation agreement with FOX.

(3) Although WHAG is located within the Washington, DC DMA, its signal does not reach the entire Washington, DC metropolitan area. WHAG serves the Hagerstown, MD sub-market within the DMA.

(4) Under a time brokerage agreement, Nexstar allows Sinclair Broadcast Group, Inc. to program most of WLYH's broadcast time, sell its advertising time and retain the advertising revenue generated in exchange for monthly payments to Nexstar.

(5) On September 16, 2013, Nexstar entered into definite agreements to acquire the stations which are projected to close during the first quarter of 2014. These stations are currently programmed by Nexstar pursuant to a time brokerage agreement. On January 1, 2014, the affiliation of WHBF-D-2 with LiveWell was terminated.

(6) On January 1, 2014, Nexstar's two new digital multicast channels, WSYR-D-3 and WFFT-D-2, and Mission's new digital multicast channel, WTVW-D-2, became affiliates of Bounce TV.

(7) On January 27, 2014, KTAB launched a Telemundo digital multicast channel.

Nexstar, Mission and Rocky Creek have also signed agreements to acquire 19 stations in 10 markets from CCA and White Knight, 7 stations in 4 markets from Grant, 6 stations in 2 markets from Gray TV and Excalibur and 2 stations from Stainless. Of these acquisitions, 16 stations are affiliated with FOX, 4 stations with NBC, 4 stations with CBS, 5 stations with MyNetworkTV, 3 stations with the CW, one station with ABC and one station with RTV. The Company is projecting the acquisitions to close in the second quarter of 2014. Refer to Recent Acquisitions for additional information.

Each affiliation agreement provides the affiliated station with the right to broadcast all programs transmitted by the network with which it is affiliated. In exchange, the network has the right to sell a substantial majority of the advertising time during these broadcasts. We expect the network affiliation agreements listed above to be renewed upon expiration.

Competition

Competition in the television industry takes place on several levels: competition for audience, competition for programming and competition for advertising.

Audience. We compete for audience share specifically on the basis of program popularity. The popularity of a station's programming has a direct effect on the advertising rates it can charge its advertisers. A portion of the daily programming on the stations that we own or provide services to is supplied by the network with which each station is affiliated. In those periods, the stations are dependent upon the performance of the network programs in attracting viewers. Stations program non-network time periods with a combination of self-produced news, public affairs and other entertainment programming, including movies and syndicated programs. The major television networks have also begun to sell their programming directly to the consumer via portable digital devices such as tablets and cell phones, which presents an additional source of competition for television broadcaster audience share. Other sources of competition for audience include home entertainment systems (such as VCRs, DVDs and DVRs), video-on-demand and pay-per-view, the Internet (including network distribution of programming through websites) and gaming devices.

Although the commercial television broadcast industry historically has been dominated by the ABC, NBC, CBS and FOX television networks, other newer television networks and the growth in popularity of subscription systems, such as local cable and direct broadcast satellite ("DBS") systems which air exclusive programming not otherwise available in a market, have become significant competitors for the over-the-air television audience.

Programming. Competition for programming involves negotiating with national program distributors or syndicators that sell first-run and rerun packages of programming. Stations compete against in-market broadcast station operators for exclusive access to off-network reruns (such as Two and a Half Men) and first-run product (such as Entertainment Tonight) in their respective markets. Cable systems generally do not compete with local stations for programming, although various national cable networks from time to time have acquired programs that would have otherwise been offered to local television stations. Time Warner, Inc., Comcast Corporation, Viacom Inc., The News Corporation Limited and the Walt Disney Company each owns a television network and also owns or controls major production studios, which are the primary source of programming for the networks. It is uncertain whether in the future such programming, which is generally subject to short-term agreements between the studios and the networks, will be moved to the networks. Television broadcasters also compete for non-network programming unique to the markets they serve. As such, stations strive to provide exclusive news stories and unique features such as investigative reporting and coverage of community events and to secure broadcast rights for regional and local sporting events.

Advertising. Stations compete for advertising revenue with other television stations in their respective markets and other advertising media such as newspapers, radio stations, magazines, outdoor advertising, transit advertising, yellow

page directories, direct mail, local cable systems, DBS systems and the Internet. Competition for advertising dollars in the broadcasting industry occurs primarily within individual markets. Generally, a television broadcast station in a particular market does not compete with stations in other market areas.

The broadcasting industry is continually faced with technological change and innovation which increase the popularity of competing entertainment and communications media. Further advances in technology may increase competition for household audiences and advertisers. The increased use of digital technology by cable systems and DBS, along with video compression techniques, will reduce the bandwidth required for television signal transmission. These technological developments are applicable to all video delivery systems, including over-the-air broadcasting, and have the potential to provide vastly expanded programming to highly targeted audiences. Reductions in the cost of creating additional channel capacity could lower entry barriers for new channels and encourage the development of increasingly specialized "niche" programming. This ability to reach very narrowly defined audiences is expected to alter the competitive dynamics for advertising expenditures. We are unable to predict the effect that these or other technological changes will have on the broadcast television industry or on the future results of our operations or the operations of the stations to which we provide services.

Federal Regulation

Television broadcasting is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended ("the Communications Act"). The following is a brief discussion of certain (but not all) provisions of the Communications Act and the FCC's regulations and policies that affect the business operations of television broadcast stations. Over the years, Congress and the FCC have added, amended and deleted statutory and regulatory requirements to which station owners are subject. Some of these changes have a minimal business impact whereas others may significantly affect the business or operation of individual stations or the broadcast industry as a whole. For more information about the nature and extent of FCC regulation of television broadcast stations, you should refer to the Communications Act and the FCC's rules, case precedent, public notices and policies.

License Grant and Renewal. The Communications Act prohibits the operation of broadcast stations except under licenses issued by the FCC. Television broadcast licenses are granted for a maximum term of eight years and are subject to renewal upon application to the FCC. The FCC is required to grant an application for license renewal if during the preceding term the station served the public interest, the licensee did not commit any serious violations of the Communications Act or the FCC's rules, and the licensee committed no other violations of the Communications Act or the FCC's rules which, taken together, would constitute a pattern of abuse. A majority of renewal applications are routinely granted under this standard. If a licensee fails to meet this standard the FCC may still grant renewal on terms and conditions that it deems appropriate, including a monetary forfeiture or renewal for a term less than the normal eight-year period.

After a renewal application is filed, interested parties, including members of the public, may file petitions to deny the application, to which the licensee/renewal applicant is entitled to respond. After reviewing the pleadings, if the FCC determines that there is a substantial and material question of fact whether grant of the renewal application would serve the public interest, the FCC is required to hold a trial-type hearing on the issues presented. If, after the hearing, the FCC determines that the renewal applicant has met the renewal standard, the FCC will grant the renewal application. If the licensee/renewal applicant fails to meet the renewal standard or show that there are mitigating factors entitling it to renewal subject to appropriate sanctions, the FCC can deny the renewal application. In the vast majority of cases where a petition to deny is filed against a renewal application, the FCC ultimately grants the renewal without a hearing. No competing application for authority to operate a station and replace the incumbent licensee may be filed against a renewal application.

In addition to considering rule violations in connection with a license renewal application, the FCC may sanction a station licensee for failing to observe FCC rules and policies during the license term, including the imposition of a monetary forfeiture.

Under the Communications Act, the term of a broadcast license is automatically extended during the pendency of the FCC's processing of a timely renewal application.

Station Transfer. The Communications Act prohibits the assignment or the transfer of control of a broadcast license without prior FCC approval.

Ownership Restrictions. The Communications Act limits the extent of non-U.S. ownership of companies that own U.S. broadcast stations. Under this restriction, the holder of a U.S. broadcast license may have no more than 20% non-U.S. ownership (by vote and by equity). The Communications Act prohibits more than 25% indirect foreign ownership or control of a licensee through a parent company if the FCC determines the public interest will be served by such restriction. The FCC has interpreted this provision of the Communications Act to require an affirmative public interest finding before indirect foreign ownership of a broadcast licensee may exceed 25%, and historically the FCC has made such an affirmative finding only in limited circumstances. In November 2013, the FCC clarified that it would entertain and authorize, on a case-by-case basis and upon a sufficient public interest showing, proposals to exceed the 25% indirect foreign ownership limit in broadcast licensees.

The FCC also has rules which establish limits on the ownership of broadcast stations. These ownership limits apply to attributable interests in a station licensee held by an individual, corporation, partnership or other entity. In the case of corporations, officers, directors and voting stock interests of 5% or more (20% or more in the case of qualified investment companies, such as insurance companies and bank trust departments) are considered attributable interests. For partnerships, all general partners and non-insulated limited partners are attributable. Limited liability companies are treated the same as partnerships. The FCC also considers attributable the holder of more than 33% of a licensee’s total assets (defined as total debt plus total equity), if that person or entity also provides over 15% of the station’s total weekly broadcast programming or has an attributable interest in another media entity in the same market which is subject to the FCC’s ownership rules, such as a radio or television station or daily newspaper. If a shareholder of Nexstar holds a voting stock interest of 5% or more (20% or more in the case of qualified investment companies, such as insurance companies and bank trust departments), we must report that shareholder, its parent entities, and attributable individuals and entities of both, as attributable interest holders in Nexstar.

Two of Nexstar’s directors also currently serve on the board of directors of Radio One, Inc., which owns and operates approximately 50 radio stations in 16 markets. The FCC considers the markets Radio One, Inc. participates in as attributable to Nexstar, due to this common director relationship.

Local Television Ownership (Duopoly Rule). Under the current local television ownership, or “duopoly,” rule, a single entity is allowed to own or have attributable interests in two television stations in a market if (1) the two stations do not have overlapping service areas, or (2) after the combination there are at least eight independently owned and operating full-power television stations in the DMA with overlapping service contours and one of the combining stations is not ranked among the top four stations in the DMA. The duopoly rule allows the FCC to consider waivers to permit the ownership of a second station only in cases where the second station has failed or is failing or unbuilt.

Under the duopoly rule, the FCC attributes toward the local television ownership limits another in-market station when one station owner programs that station pursuant to a time brokerage or local marketing agreement, if the programmer provides more than 15% of the second station’s weekly broadcast programming. However, local marketing agreements entered into prior to November 5, 1996 are exempt attributable interests until the FCC determines otherwise. This “grandfathering,” when reviewed by the FCC, is subject to possible extension or termination.

In certain markets, we and Mission own and operate both full-power and low-power television broadcast stations (in Utica, Nexstar owns and operates WFXV and WPNY-LP; in Binghamton, Nexstar owns and operates WIVT and WBGH-CA; in Bakersfield, Nexstar owns and operates KGET and KKEY-LP; in Wichita Falls, Mission owns and operates KJTL and KJBO-LP; and in Amarillo, Mission owns and operates KCIT and KCPN-LP). The FCC’s duopoly rules and policies regarding ownership of television stations in the same market apply only to full-power television stations and not low-power television stations such as WPNY-LP, WBGH-CA, KKEY-LP, KJBO-LP and KCPN-LP.

The only markets in which we or Mission currently are permitted to own two stations under the duopoly rule are Fresno, California, Salt Lake City, Utah, Memphis, Tennessee, Champaign-Springfield-Decatur, Illinois and Little Rock-Pine Bluff, Arkansas. However, we also are permitted to own two stations in the Fort Smith-Fayetteville-Springdale-Rogers, Arkansas market pursuant to a waiver under the FCC’s rules permitting common ownership of a “satellite” television station in a market where a licensee also owns the “primary” station.

In all of the markets where we have entered into local service agreements, except for two, we provide programming comprising less than 15% of the second station's programming and, therefore, we are not attributed with ownership of the second station. In the two markets where we provide more programming to the second station—WFXP in Erie, Pennsylvania and KHMT in Billings, Montana—the local marketing agreements were entered into prior to November 5, 1996 and are considered grandfathered. Therefore, we may continue to program these stations under the terms of these agreements until the FCC determines otherwise.

National Television Ownership. There is no nationwide limit on the number of television stations which a party may own. However, the FCC's rules limit the percentage of U.S. television households which a party may reach through its attributable interests in television stations. This rule provides that when calculating a party's nationwide aggregate audience coverage, the ownership of a UHF station is counted as 50% of a market's percentage of total national audience. In 2004, Congress determined that one party may have an attributable interest in television stations which reach, in the aggregate, 39% of all U.S. television households; and the FCC thereafter modified its corresponding rule. The FCC currently is considering whether this act has any impact on the FCC's authority to examine and modify the UHF discount. In September 2013, the FCC issued a Notice of Proposed Rulemaking to consider whether the UHF discount should be eliminated and/or whether a VHF discount should be implemented.

The stations that Nexstar owns have a combined national audience reach of 7.4% of television households with the UHF discount.

Radio/Television Cross-Ownership Rule (One-to-a-Market Rule). In markets with at least 20 independently owned media "voices," ownership of one television station and up to seven radio stations, or two television stations (if allowed under the television duopoly rule) and six radio stations is permitted. If the number of independently owned media "voices" is fewer than 20 but greater than or equal to 10, ownership of one television station (or two if allowed) and four radio stations is permitted. In markets with fewer than 10 independent media "voices," ownership of one television station (or two if allowed) and one radio station is permitted. In calculating the number of independent media "voices" in a market, the FCC includes all radio and television stations, independently owned cable systems (counted as one voice), and independently owned daily newspapers which have circulation that exceeds 5% of the households in the market. In all cases, the television and radio components of the combination must also comply, respectively, with the local television ownership rule and the local radio ownership rule.

Two of Nexstar's directors also currently serve on the board of directors of Radio One, Inc., which owns and operates approximately 50 radio stations in 16 markets. The FCC considers the markets Radio One, Inc. participates in as attributable to Nexstar, due to this common director relationship.

Local Television/Newspaper Cross-Ownership Rule. Under this rule, a party is prohibited from having an attributable interest in a television station and a daily newspaper in the same market.

The FCC is required to review its media ownership rules every four years to eliminate those rules it finds no longer serve the "public interest, convenience and necessity." During 2009, the FCC held a series of hearings designed to evaluate possible changes to its rules. In May 2010, the FCC formally initiated its 2010 review of its media ownership rules with the issuance of a Notice of Inquiry (NOI). In December 2011, the FCC issued a Notice of Proposed Rulemaking (NPRM) seeking comment on specific proposed changes to its ownership rules. Among the specific changes proposed in the NPRM are (1) elimination of the contour overlap provision of the local television ownership rule (making the rule entirely DMA-based), (2) elimination of the radio/television cross-ownership rule and (3) modest relaxation of the newspaper/broadcast cross-ownership rule. The NPRM also seeks comment on shared services agreements (SSAs) and other joint operating arrangements between television stations, and whether such

agreements should be considered attributable. Initial comments on the NPRM were filed on March 5, 2012, and reply comments were filed in April 2012. The FCC may act in this proceeding in 2014 or may defer some or all aspects of the proceeding until its next quadrennial review, which we anticipate will commence in 2014. We cannot predict what rules the FCC will adopt; however, the FCC may deem television JSAs or SSAs to be attributable ownership interests and require the termination of existing JSAs or SSAs within a specified period of time if the newly attributable JSAs or SSAs do not comply with the local television ownership limits.

Local Television/Cable Cross-Ownership. There is no FCC rule prohibiting common ownership of a cable television system and a television broadcast station in the same area.

Cable and Satellite Carriage of Local Television Signals. Broadcasters may obtain carriage of their stations' signals on cable, satellite and other multichannel video programming distributors ("MVPDs") through either mandatory carriage or through "retransmission consent." Every three years all stations must formally elect either mandatory carriage ("must-carry" for cable distributors and "carry one-carry all" for satellite television providers) or retransmission consent. The next election must be made by October 1, 2014, and will be effective January 1, 2015. Must-carry elections require that the MVPD carry one station programming stream and related data in the station's local market. However, MVPDs may decline a must-carry election in certain circumstances. MVPDs do not pay a fee to stations that elect mandatory carriage.

A broadcaster that elects retransmission consent waives its mandatory carriage rights, and the broadcaster and the MVPD must negotiate in good faith for carriage of the station's signal. Negotiated terms may include channel position, service tier carriage, carriage of multiple program streams, compensation and other consideration. If a broadcaster elects to negotiate retransmission terms, it is possible that the broadcaster and the MVPD will not reach agreement and that the MVPD will not carry the station's signal.

MVPD operators are actively seeking to change the regulations under which retransmission consent is negotiated before both the U.S. Congress and the FCC in order to increase their bargaining leverage with television stations. On March 3, 2011, the FCC initiated a Notice of Proposed Rulemaking to reexamine its rules (i) governing the requirements for good faith negotiations between MVPDs and broadcasters, including implementing a prohibition on one station negotiating retransmission consent terms for another station under a local service agreement; (ii) for providing advance notice to consumers in the event of dispute; and (iii) to extend certain cable-only obligations to all MVPDs. The FCC has also asked for comment on eliminating the network non-duplication and syndicated exclusivity protection rules, which may permit MVPDs to import out-of-market television stations during a retransmission consent dispute.

The FCC's rules also govern which local television signals a satellite subscriber may receive. Congress and the FCC have also imposed certain requirements relating to satellite distribution of local television signals to "unserved" households that do not receive a useable signal from a local network-affiliated station and to cable and satellite carriage of out-of-market signals.

In addition, certain online video distributors and other over-the-top video distributors ("OTTDs") have begun streaming broadcast programming over the Internet without the consent of the broadcast station. In two cases, a federal district court issued a preliminary injunction enjoining an OTTD from streaming broadcast programming because the court concluded that the OTTD was unlikely to demonstrate that it was eligible for the statutory copyright license that provides MVPDs with the copyrights to retransmit broadcast programming. In another case, a preliminary injunction against another entity providing access to broadcast programming over the Internet was denied. There, the federal district court concluded that the OTTD was likely to prevail in demonstrating that its operations are not a copyright violation. The U.S. Supreme Court has granted certiorari and will hear oral arguments with respect to the differing lower court interpretations in April 2014. In 2010, the FCC's Media Bureau, in a program access proceeding, tentatively concluded that one OTTD had not shown that it was an MVPD for purposes of demonstrating eligibility for the program access rules, and in March 2012, the FCC, recognizing that the classification could also have implications under the retransmission consent requirements, issued a public notice seeking comment on, among other things, the proper interpretation of the term "MVPD" under FCC rules. We cannot predict the outcome of the pending litigation or of the FCC's interpretive proceedings. However, if the courts determine that consent of the broadcast station or copyright owners is not required and/or if the FCC determines that an OTTD is not an MVPD, our business and results of operations could be materially and adversely affected.

We and Mission elected to exercise retransmission consent rights for all of our stations where we have a legal right to do so. We and Mission have negotiated retransmission consent agreements with the majority of the MVPDs serving our markets to carry the stations' signals; however, we and Mission intend to enter into negotiations for new agreements with the majority of the MVPDs which carry our stations during the fourth quarter of 2014.

Programming and Operation. The Communications Act requires broadcasters to serve "the public interest." Since the late 1970s, the FCC gradually has relaxed or eliminated many of the more formalized procedures it had developed to promote the broadcast of certain types of programming responsive to the needs of a station's community of license. However, television station licensees are still required to present programming that is responsive to community problems, needs and interests and to maintain certain records demonstrating such responsiveness. The FCC may consider complaints from viewers concerning programming when it evaluates a station's license renewal application, although viewer complaints also may be filed and considered by the FCC at any time. Stations also must follow various rules promulgated under the Communications Act that regulate, among other things:

- political advertising (its price and availability);
- sponsorship identification;
- contest and lottery advertising;
- obscene and indecent broadcasts;
- technical operations, including limits on radio frequency radiation;
- discrimination and equal employment opportunities;
- closed captioning and video description;
- children's programming;
- program ratings guidelines; and
- network affiliation agreements.

Technical Regulation. FCC rules govern the technical operating parameters of television stations, including permissible operating channel, power and antenna height and interference protections between stations. Under various FCC rules and procedures, full power television stations completed the transition from analog to digital television (DTV) broadcasting in June 2009. The FCC has adopted rules with respect to the final conversion of existing low power and television translator stations to digital operation, establishing a September 1, 2015 deadline by which low power and television translator stations must cease analog operation.

Employees

As of December 31, 2013, we and Mission had a total of 3,222 employees, comprised of 2,854 full-time and 368 part-time employees. As of December 31, 2013, 278 of our employees were covered by collective bargaining agreements. We believe that our employee relations are satisfactory, and we have not experienced any work stoppages at any of our facilities. However, we cannot assure you that our collective bargaining agreements will be renewed in the future, or that we will not experience a prolonged labor dispute, which could have a material adverse effect on our business, financial condition or results of operations.

Legal Proceedings

From time to time, we are involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these proceedings, we believe the resulting liabilities would not have a material adverse effect on our financial condition or results of operations.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements and other information filed by us at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549-0102. Please call (800) SEC-0330 for further information on the Public Reference Room. The SEC maintains an Internet website that contains reports, proxy and information statements and other information regarding issuers, including us, that file electronically with the SEC. The address for the SEC's website is http://www.sec.gov. Due to the availability of our filings on the SEC website, we do not currently make available our filings on our Internet website. Upon request, we will provide copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, and any other filings with the SEC. Requests can be sent to Nexstar Broadcasting Group, Inc., Attn: Investor Relations, 545 E. John Carpenter Freeway, Suite 700, Irving, TX 75062. Additional information about us, our stations and the stations we program or provide services to can be found on our website at www.nexstar.tv. We do not incorporate the information contained on or accessible through our corporate web site into this Annual Report on Form 10-K.

Item 1A. Risk Factors

You should carefully consider the following risk factors, which we believe are the most significant risks related to our business, as well as the other information contained in this document.

Risks Related to Our Operations

General trends in the television industry could adversely affect demand for television advertising as consumers flock to alternative media, including the Internet, for entertainment.

Television viewing among consumers has been negatively impacted by the increasing availability of alternative media, including the Internet. As a result, in recent years demand for television advertising has been declining and demand for advertising in alternative media has been increasing, and we expect this trend to continue.

The networks may stream their programming on the Internet and other distribution platforms simultaneously with, or in close proximity to, network programming broadcast on local television stations, including those we own or provide services to. These and other practices by the networks dilute the exclusivity and value of network programming originally broadcast by the local stations and may adversely affect the business, financial condition and results of operations of our stations.

The Company had history of net losses in prior years.

The Company had a net loss of $1.8 million in 2013 and $11.9 million in 2011. The Company may not be able to achieve or maintain profitability in future years.

Our substantial debt could limit our ability to grow and compete.

As of December 31, 2013, we and Mission had $1.1 billion of debt, which represented 101.3% of our and Mission's total combined capitalization. The companies' high level of debt could have important consequences to our business. For example, it could:

- limit our ability to borrow additional funds or obtain additional financing in the future;

- limit our ability to pursue acquisition opportunities;
- expose us to greater interest rate risk since the interest rate on borrowings under the senior secured credit facilities is variable;
- limit our flexibility to plan for and react to changes in our business and our industry; and
- impair our ability to withstand a general downturn in our business and place us at a disadvantage compared to our competitors that are less leveraged.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations” for disclosure of the approximate aggregate amount of principal indebtedness scheduled to mature.

We and Mission could also incur additional debt in the future. The terms of our and Mission's senior secured credit facilities, as well as the indenture governing our 6.875% Senior Unsecured Notes ("6.875% Notes"), limit, but do not prohibit us or Mission from incurring substantial amounts of additional debt. To the extent we or Mission incur additional debt we would become even more susceptible to the leverage-related risks described above.

The agreements governing the Company's debt contain various covenants that limit management's discretion in the operation of our business.

The senior secured credit facilities and the indenture governing the 6.875% Notes contains various covenants that restrict our ability to, among other things:

- incur additional debt and issue preferred stock;
- pay dividends and make other distributions;
- make investments and other restricted payments;
- make acquisitions;
- merge, consolidate or transfer all or substantially all of our assets;
- enter into sale and leaseback transactions;
- create liens;
- sell assets or stock of our subsidiaries; and
- enter into transactions with affiliates.

In addition, our and Mission's senior secured credit facilities require us to maintain or meet certain financial ratios, including maximum total and first-lien leverage ratios and a minimum fixed charge coverage ratio. Future financing agreements may contain similar, or even more restrictive, provisions and covenants. As a result of these restrictions and covenants, management's ability to operate our business at its discretion is limited, and we may be unable to compete effectively, pursue acquisitions or take advantage of new business opportunities, any of which could harm our business.

If we fail to comply with the restrictions in present or future financing agreements, a default may occur. A default could allow creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. A default could also allow creditors to foreclose on any collateral securing such debt.

The credit agreement governing Nexstar's obligations under its senior secured credit facility contains covenants that require us to comply with certain financial ratios, including maximum total and first-lien ratios and a minimum fixed charge coverage ratio. The covenants, which are calculated on a quarterly basis, include the combined results of Nexstar and Mission. The credit agreement governing Mission's obligations under its senior secured credit facility does not contain financial covenant ratio requirements; however, it includes an event of default if Nexstar does not comply with all covenants contained in the credit agreement governing its senior secured credit facilities. The indenture governing the 6.875% Notes contains restrictive covenants customary for borrowing arrangements of this type.

We may not be able to generate sufficient cash flow to meet our debt service requirements.

Our ability to service our debt depends on our ability to generate the necessary cash flow. Generation of the necessary cash flow is partially subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, that future borrowings will be available to us under our current or any replacement credit facilities, or that we will be able to

complete any necessary financings, in amounts sufficient to enable us to fund our operations or pay our debts and other obligations, or to fund our liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. Additional financing may not be available in sufficient amounts, at times or on terms acceptable to us, or at all. If we are unable to meet our debt service obligations our lenders may determine to stop making loans to us, and/or our lenders or other holders of our debt could accelerate and declare due all outstanding obligations due under the respective agreements, all of which could have a material adverse effect on us.

Mission may make decisions regarding the operation of its stations that could reduce the amount of cash we receive under our local service agreements.

Mission is 100% owned by independent third parties. Mission owns and operates 20 television stations as of December 31, 2013. Mission has also signed agreements to acquire 12 stations from various sellers subject to regulatory consent. We have entered into local service agreements with Mission, pursuant to which we provide services to Mission's stations. In return for the services we provide, we receive substantially all of Mission's available cash, after satisfaction of its operating costs and debt obligations. We also guarantee all of the obligations incurred under Mission's senior secured credit facility, which were incurred primarily in connection with Mission's acquisition of its stations.

Mission's fourth amended and restated credit agreement with Bank of America, N.A., as administrative agent and collateral agent, UBS Securities LLC, as syndication agent, joint lead arranger and joint book manager, RBC Capital Markets, as documentation agent, joint lead arranger and joint book manager, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arranger and joint book manager, and a syndicate of other lenders, provides for a first-lien credit facility (the "Mission Facilities"). As of December 31, 2013, the Mission Facilities consist of a $232.5 million term loan, unused incremental term loan facility of $90.0 million and a $30.0 million revolving credit facility. We guarantee all of the obligations incurred under the Mission Facilities, which were incurred primarily in connection with Mission's station acquisitions.

Mission has granted to us purchase options to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent, for consideration equal to the greater of (i) seven times the station's cash flow, as defined in the option agreement, less the amount of its indebtedness as defined in the option agreement or (ii) the amount of its indebtedness. Additionally, Mission's shareholders have granted Nexstar an option to purchase any or all of Mission's stock, subject to FCC consent, for a price equal to the pro rata portion of the greater of (i) five times the stations' cash flow, as defined in the option agreement, reduced by the amount of indebtedness, as defined in the option agreement, or (ii) $100,000.

We do not own Mission or its television stations. However, we are deemed under U.S. GAAP to have a controlling financial interest in Mission because of (1) the local service agreements Nexstar has with the Mission stations, (2) Nexstar's guarantee of the obligations incurred under the Mission Facilities, (3) Nexstar having power over significant activities affecting Mission's economic performance, including budgeting for advertising revenue, advertising sales and hiring and firing of sales force personnel and (4) purchase options granted by Mission that permit Nexstar to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent.

In compliance with FCC regulations for both us and Mission, Mission maintains complete responsibility for and control over programming, finances and personnel for its stations. As a result, Mission's board of directors and officers can make decisions with which we disagree and which could reduce the cash flow generated by these stations and, as a consequence, the amounts we receive under our local service agreements with Mission. For instance, Mission may decide to obtain and broadcast programming which, in our opinion, would prove unpopular and/or would generate less advertising revenue. Furthermore, subject to Mission's agreement with its lenders, Mission's board of directors, comprised solely of shareholders, could choose to pay themselves a dividend.

The recording of deferred tax asset valuation allowances in the future or the impact of tax law changes on such deferred tax assets could affect our operating results.

We and Mission currently have significant net deferred tax assets resulting from tax credit carryforwards, net operating losses and other deductible temporary differences that are available to reduce taxable income in future

periods. Based on our assessment of our deferred tax assets, we determined that as of December 31, 2013, based on projected future income, approximately $148.5 million of our deferred tax assets will more likely than not be realized in the future, and no valuation allowance is currently required for this portion of our deferred tax assets. Should we determine in the future that these assets will not be realized, we and Mission will be required to record a valuation allowance in connection with these deferred tax assets and our operating results would be adversely affected in the period such determination is made. In addition, tax law changes could negatively impact our deferred tax assets.

Our ability to use net operating loss carry-forwards (“NOLs”) to reduce future tax payments may be limited if taxable income does not reach sufficient levels or there is a change in ownership of Nexstar.

At December 31, 2013, we had NOLs of approximately $408.6 million for U.S. federal tax purposes and $95.2 million for state tax purposes. These NOLs expire at varying dates beginning 2018 through 2033. To the extent available, we intend to use these NOLs to reduce the corporate income tax liability associated with our operations. Section 382 of the Internal Revenue Code of 1986 ("Section 382"), generally imposes an annual limitation on the amount of NOLs that may be used to offset taxable income when a corporation has undergone significant changes in stock ownership. In general, an ownership change, as defined by Section 382, results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percentage points of the outstanding stock of a company by certain stockholders or public groups, which are generally outside of our control.

On May 7, 2013, ABRY sold the remainder of its common stock holdings in Nexstar and no longer holds an ownership interest in us. As a result of this sale, an ownership change has occurred resulting in a Section 382 limitation on the use of Nexstar’s NOLs. Additionally, any subsequent ownership changes in us or Mission could result in additional limitations.

The ability to use NOLs is also dependent upon our ability to generate taxable income. The NOLs could expire before we generate sufficient taxable income to use them. To the extent our use of NOLs is significantly limited, our income could be subject to corporate income tax earlier than it would if we were able to use NOLs, which could have a negative effect on our financial results and operations. Changes in ownership are largely beyond our control and we can give no assurance that we will continue to have realizable NOLs.

The revenue generated by stations we operate or provide services to could decline substantially if they fail to maintain or renew their network affiliation agreements on favorable terms, or at all.

Due to the quality of the programming provided by the networks, stations that are affiliated with a network generally have higher ratings than unaffiliated independent stations in the same market. As a result, it is important for stations to maintain their network affiliations. Most of the stations that we operate or provide services to have network affiliation agreements. As of December 31, 2013, 19 stations have primary affiliation agreements with ABC, 16 with NBC, 14 with FOX, 13 with CBS, 6 with The CW, 5 with MyNetworkTV, and 1 with Telemundo. Additionally, 18 of the stations have secondary affiliation agreements – 9 with Bounce TV, 3 with LiveWell, 2 with MyNetworkTV, 2 with The CW, 1 with Me-TV and 1 with LATV. Each of ABC, NBC and CBS generally provides affiliated stations with up to 22 hours of prime time programming per week, while each of FOX, MyNetworkTV and The CW provides affiliated stations with up to 15 hours of prime time programming per week. In return, affiliated stations broadcast the respective network’s commercials during the network programming.

All of the network affiliation agreements of the stations that we own, operate, program or provide sales and other services to are scheduled to expire at various times through December 2018. In order to renew certain of our affiliation agreements we may be required to make cash payments to the network and to accept other material modifications of existing affiliation agreements. If any of our stations cease to maintain affiliation agreements with networks for any reason, we would need to find alternative sources of programming, which may be less attractive to our audiences and more expensive to obtain. In addition, a loss of a specific network affiliation for a station may affect our retransmission consent payments resulting in us receiving less retransmission consent fees. Further, some of our network affiliation agreements are subject to earlier termination by the networks under specified circumstances.

For more information regarding these network affiliation agreements, see “Business—Network Affiliations.”

The loss of or material reduction in retransmission consent revenues or a regulatory change in the current retransmission consent regulations could have an adverse effect on our business, financial condition, and results of operations.

Nexstar's retransmission consent agreements with cable operators, DBS systems, and others permit the operators to retransmit our stations' signals to their subscribers in exchange for the payment of compensation to us from the system operators as consideration. Our retransmission consent agreements expire at various times with a large number of agreements set to expire during 2014. If we are unable to renegotiate these agreements on favorable terms, or at all, the failure to do so could have an adverse effect on our business, financial condition, and results of operations.

The television networks have taken the position that they, as the owners or licensees of programming we broadcast and provide for retransmission, are entitled to a portion of the compensation we receive under the retransmission consent agreements and are including provisions for these payments to them in their network affiliation agreements. In addition, our affiliation agreements with some broadcast networks include certain terms that may affect our ability to allow MVPDs to retransmit network programming, and in some cases, we may lose the right to grant retransmission consent to such providers. Inclusion of these or similar provisions in our network affiliation agreements could materially reduce this revenue source to Nexstar and could have an adverse effect on our business, financial condition, and results of operations.

In addition, system operators are actively seeking to change the regulations under which retransmission consent is negotiated before both the U.S. Congress and the FCC in order to increase their bargaining leverage with television stations. On March 3, 2011, the FCC initiated a Notice of Proposed Rulemaking to reexamine its rules (1) governing the requirements for good faith negotiations between MVPDs and broadcasters, including implementing a prohibition on one station negotiating retransmission consent terms for another station under a local service agreement; (2) for providing advance notice to consumers in the event of dispute; and (3) to extend certain cable-only obligations to all MVPDs. The FCC also asked for comment on eliminating the network non-duplication and syndicated exclusivity protection rules, which may permit MVPDs to import out-of-market television stations during a retransmission consent dispute. If the FCC prohibits joint negotiations or modifies the network non-duplication and syndicated exclusivity protection rules, such changes could materially reduce this revenue source and could have an adverse effect on our business, financial condition and results of operations.

Further, certain online video distributors and other over-the-top video distributors (“OTTDs”) have begun streaming broadcast programming over the Internet without the consent of the broadcast station. In two cases, a federal district court issued a preliminary injunction enjoining an OTTD from streaming broadcast programming because the court concluded that the OTTD was unlikely to demonstrate that it was eligible for the statutory copyright license that provides MVPDs with the copyrights to retransmit broadcast programming. In another case, a preliminary injunction against another entity providing access to broadcast programming over the Internet was denied. There, the federal district court concluded that the OTTD was likely to prevail in demonstrating that its operations are not a copyright violation. The U.S. Supreme Court has granted certiorari and will hear oral arguments with respect to the differing lower court interpretations in April 2014. In 2010, the FCC’s Media Bureau, in a program access proceeding, tentatively concluded that one OTTD had not shown that it was an MVPD for purposes of demonstrating eligibility for the program access rules, and in March 2012, the FCC, recognizing that the classification could also have implications under the retransmission consent requirements, issued a public notice seeking comment on, among other things, the proper interpretation of the term “MVPD” under FCC rules. We cannot predict the outcome of the pending litigation or of the FCC’s interpretive proceedings. However, if the courts determine that consent of the broadcast station or copyright owners is not required and/or if the FCC determines that an OTTD is not an MVPD, our business and results of operations could be materially and adversely affected.

The FCC could decide not to grant renewal of the FCC license of any of the stations we operate or provide services to which would require that station to cease operations.

Television broadcast licenses are granted for a maximum term of eight years and are subject to renewal upon application to the FCC. The FCC is required to grant an application for license renewal if, during the preceding term, the station served the public interest, the licensee did not commit any serious violations of the Communications Act or the FCC’s rules, and the licensee committed no other violations of the Communications Act or the FCC’s rules which, taken together, would constitute a pattern of abuse. A majority of renewal applications are routinely granted under this standard. If a licensee fails to meet this standard the FCC may still grant renewal on terms and conditions that it deems appropriate, including a monetary forfeiture or renewal for a term less than the normal eight-year period. However, in

an extreme case, the FCC may deny a station's license renewal application, resulting in termination of the station's authority to broadcast. Under the Communications Act, the term of a broadcast license is automatically extended during the pendency of the FCC's processing of a timely renewal application.

On October 26, 2005, the Director of the Central Illinois Chapter of the Parents Television Council ("PTC") submitted an informal objection to the application for renewal of license for Nexstar's station WCIA in Champaign, Illinois, requesting the FCC withhold action on WCIA's license renewal application until the FCC acts on the PTC's complaint regarding an allegedly indecent broadcast on WCIA.

On January 3, 2006, Cable America Corporation submitted a petition to deny the applications for renewal of license for Nexstar's station KOZL and Mission's station KOLR, both licensed to Springfield, Missouri. Cable America alleged that Nexstar's local service agreements with Mission give Nexstar improper control over Mission's operations. Nexstar and Mission submitted a joint opposition to this petition to deny and Cable America submitted a reply. Cable America subsequently requested that the FCC dismiss its petition. However, the petition remains pending with the FCC.

On December 31, 2013, an individual filed an informal objection with the FCC with respect to the application for renewal of the license of Nexstar station KSNF in Joplin, Missouri. This individual alleges that KSNF interrupted a network program with local programming sometime between 2007 and 2010. Nexstar has submitted an opposition to this objection to the FCC.

Nexstar and Mission filed renewal of license applications for their stations between June 2004 and April 2007. On June 1, 2012, the FCC's renewal cycle for television stations reinitiated. Nexstar and Mission have filed further renewal applications for their stations in the current cycle and will file additional applications before the cycle closes on April 1, 2015. The majority of Nexstar's and Mission's renewal applications, including the WCIA, KOZL, KOLR and KSNF applications discussed above, remain pending with the FCC. We and Mission expect the FCC to renew the licenses for our stations in due course but cannot provide any assurances that the FCC will do so. Third parties are permitted to submit objections to these applications.

The loss of the services of our chief executive officer could disrupt management of our business and impair the execution of our business strategies.

We believe that our success depends upon our ability to retain the services of Perry A. Sook, our founder and President and Chief Executive Officer. Mr. Sook has been instrumental in determining our strategic direction and focus. The loss of Mr. Sook's services could adversely affect our ability to manage effectively our overall operations and successfully execute current or future business strategies.

Our growth may be limited if we are unable to implement our acquisition strategy.

We have achieved much of our growth through acquisitions, including the acquisition of 8 stations and 2 digital multicast channels in 2013. We intend to continue our growth by selectively pursuing acquisitions of television stations. The television broadcast industry is undergoing consolidation, which may reduce the number of acquisition targets and increase the purchase price of future acquisitions. Some of our competitors may have greater financial or management resources with which to pursue acquisition targets. Therefore, even if we are successful in identifying attractive acquisition targets, we may face considerable competition and our acquisition strategy may not be successful.

FCC rules and policies may also make it more difficult for us to acquire additional television stations. Television station acquisitions are subject to the approval of the FCC and, potentially, other regulatory authorities. FCC rules limit the number of television stations a company may own and define the types of local service agreements that "count" as ownership by the party providing the services. Those rules are subject to change. The need for FCC and other regulatory approvals could restrict our ability to consummate future transactions if, for example, the FCC or other government agencies believe that a proposed transaction would result in excessive concentration or other public interest detriment in a market, even if the proposed combination may otherwise comply with FCC ownership limitations.

Growing our business through acquisitions involves risks and if we are unable to manage effectively our growth, our operating results will suffer.

During the three years ended December 31, 2013, we acquired 16 stations, net of station disposals, and contracted to provide service to 6 additional stations. As of December 31, 2013, we have also signed various agreements to acquire or to provide service to 34 stations. We will continue to actively pursue additional acquisition opportunities. To manage effectively our growth and address the increased reporting requirements and administrative demands that will result from future acquisitions, we will need, among other things, to continue to develop our financial and management controls and management information systems. We will also need to continue to identify, attract and retain highly skilled finance and management personnel. Failure to do any of these tasks in an efficient and timely manner could seriously harm our business.

There are other risks associated with growing our business through acquisitions. For example, with any past or future acquisition, there is the possibility that:

- we may not be able to successfully reduce costs, increase advertising revenue or audience share or realize anticipated synergies and economies of scale with respect to any acquired station;
- an acquisition may increase our leverage and debt service requirements or may result in our assuming unexpected liabilities;
- our management may be reassigned from overseeing existing operations by the need to integrate the acquired business;
- we may experience difficulties integrating operations and systems, as well as company policies and cultures;
- we may fail to retain and assimilate employees of the acquired business; and
- problems may arise in entering new markets in which we have little or no experience.

The occurrence of any of these events could have a material adverse effect on our operating results, particularly during the period immediately following any acquisition.

FCC actions may restrict our ability to create duopolies under local service agreements, which would harm our existing operations and impair our acquisition strategy.

In some of our markets, we have created duopolies by entering into what we refer to as local service agreements. While these agreements take varying forms, a typical local service agreement is an agreement between two separately owned television stations serving the same market, whereby the owner of one station provides operational assistance to the other station, subject to ultimate editorial and other controls being exercised by the latter station's owner. By operating or entering into local service agreements with more than one station in a market, we (and the other station) achieve significant operational efficiencies. We also broaden our audience reach and enhance our ability to capture more advertising spending in a given market.

While all of our existing local service agreements comply with current FCC rules and policies, the FCC may not continue to permit local service agreements as a means of creating duopoly-type opportunities.

On August 2, 2004, the FCC initiated a rule making proceeding to determine whether to make TV joint sales agreements ("JSAs") attributable under its ownership rules. Comments and reply comments were filed in this proceeding in the fourth quarter of 2004. The FCC has not yet issued a decision in this proceeding.

The FCC is required to review its media ownership rules every four years and eliminate those rules it finds no longer serve the "public interest, convenience and necessity." During 2009, the FCC held a series of hearings designed to evaluate possible changes to its rules. In May 2010, the FCC formally initiated its 2010 review of its media ownership rules with the issuance of a Notice of Inquiry ("NOI"). In December 2011, the FCC issued a Notice of Proposed Rulemaking ("NPRM") seeking comment on specific proposed changes to its ownership rules. Among the specific changes proposed in the NPRM are (1) elimination of the contour overlap provision of the local television ownership rule (making the rule entirely DMA-based), (2) elimination of the radio/television cross-ownership rule and (3) modest relaxation of the newspaper/broadcast cross-ownership rule. The NPRM also sought comment on shared services agreements ("SSAs") and other joint operating arrangements between television stations, and whether such

agreements should be considered attributable. Initial comments on the NPRM were filed on March 5, 2012, and reply comments were filed in April 2012. We cannot predict what rules the FCC will adopt or when they will be adopted. However, the FCC may deem TV JSAs or SSAs to be attributable ownership interests, may require the termination of existing JSAs or SSAs within a specified period of time if the newly attributable JSAs or SSAs do not comply with the local television ownership limits, and/or may decline to authorize JSAs or SSAs that are proposed in currently pending or future transactions. The FCC may take such actions independently, in connection with its pending 2010 quadrennial review, and/or in connection with its next quadrennial review (which we anticipate will commence in 2014). If the FCC adopts a JSA or SSA attribution rule, or any other new or modified rule affecting the ownership of or local service agreements between television stations, we will be required to comply with such rules.

The FCC may decide to terminate "grandfathered" time brokerage agreements.

The FCC attributes time brokerage agreements and local marketing agreements ("TBAs") to the programmer under its ownership limits if the programmer provides more than 15% of a station's weekly broadcast programming. However, TBAs entered into prior to November 5, 1996 are exempt attributable interests for now.

The FCC will review these "grandfathered" TBAs in the future. During this review, the FCC may determine to terminate the "grandfathered" period and make all TBAs fully attributable to the programmer. If the FCC does so, we and Mission will be required to terminate the TBAs for stations WFXP and KHMT unless the FCC simultaneously changes its duopoly rules to allow ownership of two stations in the applicable markets.

We are subject to foreign ownership limitations which limits foreign investments in us.

The Communications Act limits the extent of non-U.S. ownership of companies that own U.S. broadcast stations. Under this restriction, the holder of a U.S. broadcast license may have no more than 20% non-U.S. ownership (by vote and by equity). The Communications Act prohibits more than 25% indirect foreign ownership or control of a licensee through a parent company if the FCC determines the public interest will be served by such restriction, and the FCC has interpreted this provision to require an affirmative public interest showing before indirect foreign ownership of a broadcast licensee may exceed 25%. Therefore, certain investors may be prevented in investing in us if our foreign ownership is at or near the FCC limits.

The FCC's multiple ownership rules may limit our ability to acquire television stations in particular markets, restricting our ability to execute our acquisition strategy.

The number of television stations we may acquire in any market is limited by FCC rules and may vary depending upon whether the interests in other television stations or other media properties of persons affiliated with us are attributable under FCC rules. The broadcast or other media interests of our officers, directors and most stockholders with 5% or greater voting power are attributable under the FCC's rules, which may limit us from acquiring or owning television stations in particular markets while those officers, directors or stockholders are associated with us. In addition, the holder of otherwise non-attributable equity and/or debt in a licensee in excess of 33% of the total debt and equity of the licensee will be attributable where the holder is either a major program supplier to that licensee or the holder has an attributable interest in another broadcast station or daily newspaper in the same market.

Two of Nexstar's directors also currently serve on the board of directors of Radio One, Inc., which owns and operates approximately 50 radio stations in 16 markets. Therefore, depending on the number of stations owned by Radio One, Inc. in a given market, we may not be able to purchase a television station in that market. The FCC considers the markets Radio One, Inc. participates in as attributable to Nexstar, due to this common director relationship.

We and Mission have a material amount of goodwill and intangible assets, and therefore we and Mission could suffer losses due to future asset impairment charges.

As of December 31, 2013, $649.6 million, or 55.8%, of our and Mission's combined total assets consisted of goodwill and intangible assets, including FCC licenses and network affiliation agreements. We and Mission test goodwill and FCC licenses annually, and on an interim date if factors or indicators become apparent that would require an interim test of these assets, in accordance with accounting and disclosure requirements for goodwill and other intangible assets. We and Mission test network affiliation agreements whenever circumstances or indicators become apparent the asset may not be recoverable through expected future cash flows. The methods used to evaluate the impairment of Nexstar's and Mission's goodwill and intangible assets would be affected by a significant reduction in operating results

or cash flows at one or more of Nexstar's and Mission's television stations, or a forecast of such reductions, a significant adverse change in the advertising marketplaces in which Nexstar's and Mission's television stations operate, the loss of network affiliations, or by adverse changes to FCC ownership rules, among others, which may be beyond our or Mission's control. If the carrying amount of goodwill and intangible assets is revised downward due to impairment, such non-cash charge could materially affect Nexstar's and Mission's financial position and results of operations.

There can be no assurances concerning continuing dividend payments and any decrease or suspension of the dividend could cause our stock price to decline.

Our common stockholders are only entitled to receive the dividends declared by our board of directors. Our board of directors has declared a dividend policy for 2014 of total annual cash dividend with respect to shares of our Class A Common Stock of $0.60 per share in equal quarterly installments of $0.15 per share. We expect to continue to pay quarterly cash dividends at the rate set forth in our current dividend policy. However, future cash dividends, if any, will be at the discretion of our board of directors and can be changed or discontinued at any time. Dividend determinations (including the amount of the cash dividend, the record date and date of payment) will depend upon, among other things, our future operations and earnings, targeted future acquisitions, capital requirements and surplus, general financial condition, contractual restrictions and other factors as our board of directors may deem relevant. In addition, the senior secured credit facilities and the indentures governing our existing notes limit our ability to pay dividends. Given these considerations, our board of directors may increase or decrease the amount of the dividend at any time and may also decide to suspend or discontinue the payment of cash dividends in the future.

Risks Related to Our Industry

Our operating results are dependent on advertising revenue and as a result, we may be more vulnerable to economic downturns and other factors beyond our control than businesses not dependent on advertising.

We derive revenue primarily from the sale of advertising time on our stations and community portal websites. Our ability to sell advertising time depends on numerous factors that may be beyond our control, including:

- the health of the economy in the local markets where our stations are located and in the nation as a whole;
- the popularity of our station and website programming;
- fluctuations in pricing for local and national advertising;
- the activities of our competitors, including increased competition from other forms of advertising-based media, particularly newspapers, cable television, Internet and radio;
- the decreased demand for political advertising in non-election years; and
- changes in the makeup of the population in the areas where our stations are located.

Because businesses generally reduce their advertising budgets during economic recessions or downturns, the reliance upon advertising revenue makes our operating results susceptible to prevailing economic conditions. Our programming may not attract sufficient targeted viewership, and we may not achieve favorable ratings. Our ratings depend partly upon unpredictable and volatile factors beyond our control, such as viewer preferences, competing programming and the availability of other entertainment activities. A shift in viewer preferences could cause our programming not to gain popularity or to decline in popularity, which could cause our advertising revenue to decline. In addition, we and the programming providers upon which we rely may not be able to anticipate, and effectively react to, shifts in viewer tastes and interests in our markets.

Because a high percentage of our operating expense is fixed, a relatively small decrease in advertising revenue could have a significant negative impact on our financial results.

Our business is characterized generally by high fixed costs, primarily for debt service, broadcast rights and personnel. Other than commissions paid to our sales staff and outside sales agencies, our expenses do not vary significantly with the increase or decrease in advertising revenue. As a result, a relatively small change in advertising prices could have a disproportionate effect on our financial results. Accordingly, a minor shortfall in expected revenue could have a significant negative impact on our financial results.

Preemption of regularly scheduled programming by news coverage may affect our revenue and results of operations.

Nexstar may experience a loss of advertising revenue and incur additional broadcasting expenses due to preemption of our regularly scheduled programming by network coverage of a major global news event such as a war or terrorist attack or by local coverage of local disasters, such as tornados and hurricanes. As a result, advertising may not be aired and the revenue for such advertising may be lost unless the station is able to run the advertising at agreed-upon times in the future. Advertisers may not agree to run such advertising in future time periods, and space may not be available for such advertising. The duration of any preemption of programming cannot be predicted if it occurs. In addition, our stations and the stations we provide services to may incur additional expenses as a result of expanded news coverage of a war or terrorist attack or local disaster. The loss of revenue and increased expenses could negatively affect our results of operations.

If we are unable to respond to changes in technology and evolving industry trends, our television businesses may not be able to compete effectively.

New technologies could also adversely affect our television stations. Information delivery and programming alternatives such as cable, direct satellite-to-home services, pay-per-view, video on demand, over-the-top distribution of programming, the Internet, telephone company services, mobile devices, digital video recorders and home video and entertainment systems have fractionalized television viewing audiences and expanded the numbers and types of distribution channels for advertisers to access. Over the past decade, cable television programming services, other emerging video distribution platforms and the Internet have captured an increasing market share, while the aggregate viewership of the major television networks has declined. In addition, the expansion of cable and satellite television, the Internet and other technological changes have increased, and may continue to increase, the competitive demand for programming. Such increased demand, together with rising production costs, may increase our programming costs or impair our ability to acquire or develop desired programming.

In addition, video compression techniques now in use with MVPDs are expected to permit greater numbers of channels to be carried within existing bandwidth. These compression techniques as well as other technological developments are applicable to all video delivery systems, including over-the-air broadcasting, and have the potential to provide vastly expanded programming to targeted audiences. Reduction in the cost of creating additional channel capacity could lower entry barriers for new channels and encourage the development of increasingly specialized niche programming, resulting in more audience fractionalization. This ability to reach very narrowly defined audiences may alter the competitive dynamics for advertising expenditures. We are unable to predict the effect that these and other technological changes will have on the television industry or our results of operations.

The FCC can sanction us for programming broadcast on our stations which it finds to be indecent.

The FCC may impose substantial fines, to a maximum of $325,000 per violation, on television broadcasters for the broadcast of indecent material in violation of the Communications Act and its rules. Because our and Mission's stations' programming is in large part comprised of programming provided by the networks with which the stations are affiliated, we and Mission do not have full control over what is broadcast on our stations, and we and Mission may be subject to the imposition of fines if the FCC finds such programming to be indecent.

In June 2012, the Supreme Court decided a challenge to the FCC's indecency enforcement without resolving the constitutionality of such enforcement, and the FCC thereafter requested public comment on the appropriate substance and scope of its indecency enforcement policy. The FCC has not yet issued any further decisions or rules in this area, and the courts remain free to review the FCC's current policy or any modifications thereto. The outcomes of these proceedings could affect future FCC policies in this area, and could have a material adverse effect on our business.

Intense competition in the television industry could limit our growth and profitability.

As a television broadcasting company, we face a significant level of competition, both directly and indirectly. Generally we compete for our audience against all the other leisure activities in which one could choose to engage rather than watch television. Specifically, stations we own or provide services to compete for audience share, programming and advertising revenue with other television stations in their respective markets and with other advertising media, including newspapers, radio stations, cable television, DBS systems and the Internet.

The entertainment and television industries are highly competitive and are undergoing a period of consolidation. Many of our current and potential competitors have greater financial, marketing, programming and broadcasting resources than we do. The markets in which we operate are also in a constant state of change arising from, among other things, technological improvements and economic and regulatory developments. Technological innovation and the resulting proliferation of television entertainment, such as cable television, wireless cable, satellite-to-home distribution services, pay-per-view, home video and entertainment systems and Internet and mobile distribution of video programming have fractionalized television viewing audiences and have subjected free over-the-air television broadcast stations to increased competition. We may not be able to compete effectively or adjust our business plans to meet changing market conditions. We are unable to predict what forms of competition will develop in the future, the extent of the competition or its possible effects on our business.

The FCC could implement regulations or Congress could adopt legislation that might have a significant impact on the operations of the stations we own and the stations we provide services to or the television broadcasting industry as a whole.

The FCC has initiated proceedings to determine whether to make TV joint sales agreements and shared services agreements attributable interests under its ownership rules; to determine whether to standardize TV stations' reporting of programming responsive to local needs and interests; to determine whether to modify or eliminate certain of its broadcast ownership rules, including the radio-television cross-ownership rule and the newspaper-television cross-ownership rule; and whether to modify its retransmission consent rules. Changes to any of these rules may have significant impact on us and the stations to which we provide services.

In addition, the FCC has sought comment on whether there are alternatives to the use of DMAs to define local markets such that certain viewers whose current DMAs straddle multiple states would be provided with more in-state broadcast programming. If the FCC determines to modify the use of existing DMAs to determine a station's local market, such change might materially alter current station operations and could have an adverse effect on our business, financial condition and results of operations.

The FCC also may decide to initiate other new rule making proceedings on its own or in response to requests from outside parties, any of which might have such an impact. Congress also may act to amend the Communications Act in a manner that could impact our stations and the stations we provide services to or the television broadcast industry in general.

The FCC may reallocate some portion of the spectrum available for use by television broadcasters to wireless broadband use which alteration could substantially impact our future operations and may reduce viewer access to our programming.

The FCC has initiated various proceedings to assess the availability of spectrum to meet future wireless broadband needs. The FCC's March 2010 "National Broadband Plan" recommends the reallocation of 120 megahertz of the spectrum currently used for broadcast television for wireless broadband use. The FCC has thus far adopted rules permitting television stations to share a single 6 megahertz channel and requested comment on proposals that include, among other things, whether to add new frequency allocations in the television bands for licensed fixed and mobile wireless uses and whether to implement technical rule modifications to improve the viability of certain channels that are underutilized by digital television stations. In February 2012, the U.S. Congress adopted legislation authorizing the FCC to conduct an incentive auction whereby television broadcasters could voluntarily relinquish all or part of their spectrum in exchange for consideration. On September 28, 2012, the FCC adopted a Notice of Proposed Rule Making seeking public comment on the design of the incentive auction and various technical issues related to the reallocation of television spectrum for mobile broadband use. Comments on the notice were filed in January 2013, and reply

comments were filed in March 2013. A reallocation of television spectrum for wireless broadband use would involve a “repacking” of the television broadcast band, which would require some television stations to change channel or otherwise modify their technical facilities. Future steps to reallocate television spectrum to broadband use may be to the detriment of our investment in digital facilities, could require substantial additional investment to continue our current operations, and may require viewers to invest in additional equipment or subscription services to continue receiving broadcast television signals. We cannot predict the timing or results of television spectrum reallocation efforts or their impact to our business.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Nexstar owns and leases facilities in the following locations:

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
WBRE—Wilkes Barre-Scranton, PA			
Office-Studio	100% Owned	0.80 Acres	—
Office-Studio	100% Owned	49,556 Sq. Ft.	—
Office-Studio—Williamsport News Bureau	Leased	460 Sq. Ft.	Month to Month
Office-Studio—Stroudsburg News Bureau	Leased	320 Sq. Ft.	7/31/16
Office-Studio—Scranton News Bureau	Leased	1,627 Sq. Ft.	11/30/16
Tower/Transmitter Site—Williamsport	33% Owned	1.33 Acres	—
Tower/Transmitter Site—Sharp Mountain	33% Owned	0.23 Acres	—
Tower/Transmitter Site—Blue Mountain	100% Owned	0.998 Acres	—
Tower/Transmitter Site—Penobscot Mountain	100% Owned	20 Acres	—
Tower/Transmitter Site—Pimple Hill	Leased	400 Sq. Ft.	Month to Month
KARK/KARZ—Little Rock-Pine Bluff, AR			
Office-Studio	Leased	34,835 Sq. Ft.	3/31/22
Tower/Transmitter Site	100% Owned	40 Acres	—
Tower/Transmitter Site	Leased	1 Sq. Ft.	4/30/16
KTAL—Shreveport, LA			
Office-Studio	100% Owned	2 Acres	—
Office-Studio	100% Owned	16,000 Sq. Ft.	—
Equipment Building—Texarkana	100% Owned	0.0808 Acres	—
Office-Studio—Texarkana	Leased	2,941 Sq. Ft.	9/30/18
Tower/Transmitter Site	100% Owned	109 Acres	—
Tower/Transmitter Site	100% Owned	2,284 Sq. Ft.	—
WROC—Rochester, NY			
Office-Studio	100% Owned	3.9 Acres	—
Office-Studio	100% Owned	48,864 Sq. Ft.	—
Tower/Transmitter Site	100% Owned	0.24 Acres	—
Tower/Transmitter Site	100% Owned	2,400 Sq. Ft.	—
Tower/Transmitter Site	50% Owned	1.90 Acres	—
WCIA/WCIX—Champaign-Springfield-Decatur, IL			
Office-Studio	100% Owned	20,000 Sq. Ft.	—
Office-Studio	100% Owned	1.5 Acres	—
Office-Studio—Sales Bureau	Leased	1,600 Sq. Ft.	Month to Month
Office-Studio—News Bureau	Leased	350 Sq. Ft.	Month to Month
Office-Studio—Decatur News Bureau	Leased	300 Sq. Ft.	Month to Month
Roof Top & Boiler Space—Danville Tower	Leased	20 Sq. Ft.	Month to Month
Tower/Transmitter Site—WCIA Tower	100% Owned	38.06 Acres	—
Tower/Transmitter Site—Springfield Tower	100% Owned	2.0 Acres	—
Tower/Transmitter Site—Dewitt Tower	100% Owned	1.0 Acres	—

WMBD—Peoria-Bloomington, IL			
Office-Studio	100% Owned	0.556 Acres	—
Office-Studio	100% Owned	18,360 Sq. Ft.	—
Building-Transmitter Site	100% Owned	2,350 Sq. Ft.	—
Building-Transmitter Site	100% Owned	800 Sq. Ft.	—
Tower/Transmitter Site	100% Owned	34.93 Acres	—
Tower/Transmitter Site	100% Owned	1.0 Acres	—
WTWO—Terre Haute, IN			
Office-Studio	100% Owned	4.774 Acres	—
Office-Studio—Tower/Transmitter Site	100% Owned	17,375 Sq. Ft.	—

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
WJET—Erie, PA			
Tower/Transmitter Site	100% Owned	2 Sq. Ft.	—
Office-Studio	100% Owned	9.87 Acres	—
Office-Studio	100% Owned	15,533 Sq. Ft.	—
KFDX—Wichita Falls, TX—Lawton, OK			
Office-Studio-Tower/Transmitter Site	100% Owned	28.06 Acres	—
Office-Studio	100% Owned	13,568 Sq. Ft.	—
KSNF—Joplin, MO-Pittsburg, KS			
Office-Studio	100% Owned	13.36 Acres	—
Office-Studio	100% Owned	13,169 Sq. Ft.	—
Tower/Transmitter Site	Leased	900 Sq. Ft.	7/31/15
KMID—Odessa-Midland, TX			
Office-Studio	100% Owned	1.127 Acres	—
Office-Studio	100% Owned	14,000 Sq. Ft.	—
Tower/Transmitter Site	100% Owned	69.87 Acres	—
Tower/Transmitter Site	100% Owned	0.322 Acres	—
Tower/Transmitter Site	Leased	.29 Acres	12/1/23
KTAB—Abilene-Sweetwater, TX			
Office-Studio (1)	—	—	—
Tower/Transmitter Site	100% Owned	25.55 Acres	—
KQTV—St Joseph, MO			
Office-Studio	100% Owned	3 Acres	—
Office-Studio	100% Owned	15,100 Sq. Ft.	—
Tower/Transmitter Site	100% Owned	9,360 Sq. Ft.	—
Offsite Storage	Leased	130 Sq. Ft.	Month to Month
WDHN—Dothan, AL			
Office-Studio—Tower/Transmitter Site	100% Owned	10 Acres	—
Office-Studio	100% Owned	7,812 Sq. Ft.	—
KLST—San Angelo, TX			
Office-Studio	100% Owned	7.31 Acres	—
Tower/Transmitter Site	100% Owned	8 Acres	—
WHAG—Washington, DC/Hagerstown, MD			
Office-Studio	Leased	12,000 Sq. Ft.	6/30/15
Sales Office-Frederick	Leased	885 Sq. Ft.	3/31/16
Office-Studio—Berryville News Bureau	Leased	700 Sq. Ft.	7/31/16
Tower/Transmitter Site	Leased	11.2 Acres	5/12/21
WEHT—Evansville, IN			

Office-Studio-Evanvsille, IN	100% Owned	1.834 Acres	—
Office-Studio-Evansville, IN	100% Owned	14,280 Sq. Ft.	—
Office-Studio-Henderson, KY	100% Owned	10.22 Acres	—
Tower/Transmitter Site	Leased	144 Sq. Ft.	2/28/14
Tower/Transmitter Site	Leased	144 Sq. Ft.	5/31/14
KOZL—Springfield, MO			
Office-Studio (2)	—	—	—
Tower/Transmitter Site—Kimberling City	100% Owned	.25 Acres	—
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21
WFFT—Fort Wayne, IN			
Office-Studio	100% Owned	21.84 Acres	—
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
KAMR—Amarillo, TX			
Office-Studio	100% Owned	26,000 Sq. Ft.	—
Tower/Transmitter Site	Leased	110.2 Acres	5/12/21
Translator Site	Leased	0.5 Acres	Month to Month
KARD—Monroe, LA			
Office-Studio	100% Owned	14,450 Sq. Ft.	—
Tower/Transmitter Site	Leased	26 Acres	5/12/21
Tower/Transmitter Site	Leased	80 Sq. Ft.	Month to Month
KLBK—Lubbock, TX			
Office-Studio	100% Owned	11.5 Acres	—
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21
WFXV—Utica, NY			
Office-Studio (3)	—	—	—
Tower/Transmitter Site—Burlington Flats	100% Owned	6.316 Acres	—
WPNY–LP—Utica, NY			
Office-Studio (4)	—	—	—
KSVI—Billings, MT			
Office-Studio	100% Owned	9,700 Sq. Ft.	—
Tower/Transmitter Site	Leased	10 Acres	5/12/21
Tower/Transmitter Site	Leased	75 Sq. Ft.	6/30/18
Tower/Transmitter Site—Coburn Road	Leased	75 Sq. Ft.	10/31/15
Tower/Transmitter Site	Leased	75 Sq. Ft.	12/31/22
Tower/Transmitter Site—Columbus	Leased	75 Sq. Ft.	5/31/24
Tower/Transmitter Site—Sarpy	Leased	75 Sq. Ft.	Month to Month
Tower/Transmitter Site—Rosebud	Leased	1 Acre	Year to Year
Tower/Transmitter Site—Miles City	Leased	.25 Acre	3/23/15
Tower/Transmitter Site—McCullough Pks, WY	Leased	75 Sq. Ft.	Month to Month
WCWJ—Jacksonville, FL			
Office-Studio	100% Owned	19,847 Sq. Ft.	—
Office-Studio—Tower Transmitter Site	100% Owned	7.92 Acres	—
Building-Transmitter Site	100% Owned	200 Sq. Ft.	—
WQRF—Rockford, IL			
Office-Studio (5)	—	—	—
Tower/Transmitter Site	Leased	2,000 Sq. Ft.	5/12/21
KFTA/KNWA—Fort Smith-Fayetteville-Springdale-Rogers, AR			

Office-Studio—Fayetteville	Leased	2,848 Sq. Ft.	9/30/22
Office—Rogers	Leased	1,612 Sq. Ft.	7/31/16
Tower/Transmitter Site	Leased	216 Sq. Ft.	Month to Month
Tower/Transmitter Site	Leased	3.7 Acres	7/31/15
Tower/Transmitter Site	100% Owned	1.61 Acres	—
Microwave Relay Site	100% Owned	166 Sq. Ft.	—
Microwave Site	Leased	216 Sq. Ft.	Month to Month
WTAJ–Altoona-Johnstown, PA			
Office-Studio	Leased	22,367 Sq. Ft.	5/31/14
Office-Johnstown	Leased	672 Sq. Ft.	2/28/14
Office-State College Bureau	Leased	2,915 Sq. Ft.	2/28/16
Office-Dubois Bureau	Leased	315 Sq. Ft.	7/31/16
Tower/Transmitter Site	100% Owned	4,400 Sq. Ft.	—

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
WFRV/WJMN-Green Bay-Appleton, WI and Marquette, MI			
Office-Studio	100% Owned	19,200 Sq. Ft.	—
Office-Veridea	Leased	125 Sq. Ft.	6/30/17
Office-Little Chute	Leased	125 Sq. Ft.	5/31/17
Tower/Transmitter Site-De Pere	100% Owned	8.8 Acres	—
Tower/Transmitter Site-Rapid River	100% Owned	1.0 Acres	—
Tower/Transmitter Site-Paper Valley	Leased	4 Sq. Ft.	Month to Month
Tower/Transmitter Site-Oshkosh Museum	Leased	4 Sq. Ft.	Month to Month
KTVX/KUCW–Salt Lake City, UT			
Office-Studio	100% Owned	33,820 Sq. Ft.	—
Tower/Transmitter Site-Farnsworth Peak	25% Owned	6.0 Acres	—
Antenna/Microwave-Translator Sites-TSM	Leased	1.0 Acres	3/31/18
Antenna/Microwave-Nelson Peak	Leased	1.0 Acres	12/31/14
Communication Site-Beaver Dam Mountain	Leased	1.0 Acres	5/31/16
WETM–Elmira, NY			
Office-Studio	100% Owned	1.4 Acres	—
Tower/Transmitter-Big Flats	100% Owned	35.4 Acres	—
Translator-Spafford, NY	100% Owned	1.2 Acres	—
Office-Corning, NY	Leased	550 Sq. Ft.	6/30/17
WIVT/WBGH–Binghamton, NY			
Office-Studio/Transmitter	100% Owned	7.0 Acres	—
WATN/WLMT–Memphis, TN			
Office-Studio-Memphis, TN	Leased	26,526 Sq. Ft.	5/31/28
Tower/Transmitter-Brunswick	Leased	1.0 Acres	3/31/17
Transmitter-Haywood	Leased	1.0 Acres	2/28/17
WJKT–Jackson, TN			
Transmitter-Alamo	100% Owned	33.0 Acres	—

Office-Jackson	Leased	969 Sq. Ft.	7/31/15
WSYR–Syracuse, NY			
Studio-Syracuse	100% Owned	6.5 Acres	—
Office-Dewitt	100% Owned	10,000 Sq. Ft.	—
Transmitter-Pompey	100% Owned	98.0 Acres	—
WWTI–Watertown, NY			
Studio-Watertown	Leased	10,000 Sq. Ft.	6/30/20
Transmitter-Denmark	100% Owned	16.5 Acres	—
KSEE/KGPE–Fresno, CA			
Office-Studio-McKinley Ave	100% Owned	32,000 Sq. Ft.	—
Office-Studio-McKinley Ave	100% Owned	2.68 Acres	—
Office-Studio-First St.	100% Owned	17,613 Sq. Ft.	—
Office-Studio-First St.	100% Owned	1.86 Acres	—
Tower/Transmitter Site-Bear Mtn	Leased	2,400 Sq. Ft.	12/31/53
Tower/Transmitter Site-Auberry	100% Owned	3.0 Acres	—
KGET/KKEY–Bakersfield, CA			
Office-Studio	100% Owned	35,000 Sq. Ft.	—
Office-Studio	100% Owned	0.96 Acres	—
Tower/Transmitter Site	Leased	1,575 Sq. Ft.	12/31/18

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
WFFF–Burlington, VT-Plattsburgh, NY			
Office-Studio	100% Owned	15,000 Sq. Ft.	—
Office-Studio	100% Owned	2.03 Acres	—
Tower/Transmitter Site	Leased	1.0 Acres	6/30/25
Corporate Office—Irving, TX	Leased	22,061 Sq. Ft.	12/31/24
GoLocal.Biz Office—St. George, UT	Leased	1,860 Sq. Ft.	Month to Month
Inergize Digital Media Office	Leased	8,469 Sq. Ft.	11/30/14
Corporate Office Offsite Storage—Dallas, TX	Leased	475 Sq. Ft.	Month to Month

(1) The office space and studio used by KTAB are owned by KRBC.
(2) The office space and studio used by KOZL are owned by KOLR.
(3) The office space and studio used by WFXV are owned by WUTR.
(4) The office space and studio used by WPNY-LP are owned by WUTR.
(5) The office space and studio used by WQRF are owned by WTVO.

Mission owns and leases facilities in the following locations:

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
WYOU—Wilkes Barre-Scranton, PA			
Office-Studio (1)	—	—	—
Tower/Transmitter Site—Penobscot Mountain	100% Owned	120.33 Acres	—
Tower/Transmitter Site—Bald Mountain	100% Owned	7.2 Acres	—
Tower/Transmitter Site—Williamsport	33% Owned	1.35 Acres	—
Tower/Transmitter Site—Sharp Mountain	33% Owned	0.23 Acres	—
Tower/Transmitter Site—Stroudsburg	Leased	10,000 Sq. Ft.	Month to Month
WAWV—Terre Haute, IN			
Office-Studio (2)	—	—	—
Tower/Transmitter Site	100% Owned	1 Acre	—
WFXP—Erie, PA			
Office-Studio (3)	—	—	—
Tower/Transmitter Site (3)	—	—	—
KJTL/KJBO-LP—Wichita Falls, TX—Lawton, OK			

Office-Studio (4)	—	—	—
Tower/Transmitter Site	Leased	40 Acres	1/30/15
Tower/Transmitter Site	Leased	5 Acres	Year to Year
KODE—Joplin, MO-Pittsburg, KS			
Office-Studio	100% Owned	2.74 Acres	—
Tower/Transmitter Site	Leased	215 Sq. Ft.	4/30/27
KRBC—Abilene-Sweetwater, TX			
Office-Studio	100% Owned	5.42 Acres	—
Office-Studio	100% Owned	19,312 Sq. Ft.	—
Tower/Transmitter Site (9)	—	—	—
KTVE—Monroe, LA/El Dorado, AR			
Office-Studio (10)	—	—	—
Tower/Transmitter Site	Leased	2 Acres	4/30/32
Tower/Transmitter Site—El Dorado	Leased	3 Acres	4/30/32
Tower/Transmitter Site—Bolding	Leased	11.5 Acres	4/30/32

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
KSAN—San Angelo, TX			
Office-Studio (5)	—	—	—
Tower/Transmitter Site	Leased	10 Acres	5/15/15
KOLR—Springfield, MO			
Office-Studio	100% Owned	30,000 Sq. Ft.	—
Office-Studio	100% Owned	7 Acres	—
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21
KCIT/KCPN-LP—Amarillo, TX			
Office-Studio (6)	—	—	—
Tower/Transmitter Site	Leased	100 Acres	5/12/21
Tower/Transmitter Site—Parmer County, TX	Leased	80 Sq. Ft.	Month to Month
Tower/Transmitter Site—Guyman, OK	Leased	80 Sq. Ft.	Month to Month
Tower/Transmitter Site—Curry County, NM	Leased	6 Acres	Month to Month
KAMC—Lubbock, TX			
Office-Studio (7)	—	—	—
Tower/Transmitter Site	Leased	40 Acres	5/12/21
Tower/Transmitter Site	Leased	1,200 Sq. Ft.	Month to Month
KHMT—Billings, MT			
Office-Studio (8)	—	—	—
Tower/Transmitter Site	Leased	4 Acres	5/12/21
WUTR—Utica, NY			
Office-Studio	100% Owned	12,100 Sq. Ft.	—
Tower/Transmitter Site	100% Owned	21 Acres	—
Tower/Transmitter Site—Mohawk	Leased	48 Sq. Ft.	Month to Month
WTVO—Rockford, IL			
Office-Studio-Tower/Transmitter Site	100% Owned	20,000 Sq. Ft.	—
WTVW-Evansville, IN			
Office-Studio (11)	—	—	—
Tower/Transmitter Site	Leased	16.36 Acres	5/12/21
KLRT/KASN-Little Rock-Pine Bluff, AR			
Office-Studio (12)	—	—	—
Tower/Transmitter Site-Redfield	100% Owned	1,625 Sq. Ft.	—
Tower/Transmitter Site-Redfield	100% Owned	120 Acres	—
Tower/Transmitter Site-Pulaski	Leased	0.23 Acres	5/31/17
WVNY-Burlington, VT-Plattsburgh, NY			
Office-Studio (13)	—	—	—

Tower/Transmitter Site (13)	—	—	—
Corporate Office-Westlake, OH	Leased	640 Sq. Ft.	11/30/14

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(1) The office space and studio used by WYOU are owned by WBRE.
(2) The office space and studio used by WAWV are owned by WTWO.
(3) The office space, studio and tower used by WFXP are owned by WJET.
(4) The office space and studio used by KJTL and KJBO-LP are owned by KFDX.
(5) The office space and studio used by KSAN are owned by KLST.
(6) The office space and studio used by KCIT/KCPN-LP are owned by KAMR.
(7) The office space and studio used by KAMC are owned by KLBK.
(8) The office space and studio used by KHMT are owned by KSVI.
(9) The tower/transmitter used by KRBC is owned by KTAB.
(10) The office space and studio used by KTVE are owned by KARD.
(11) The office space and studio used by WTVW are owned by WEHT.
(12) The office space and studio used by KLRT/KASN are owned by KARK.
(13) The office space, studio and tower used by WVNY are owned by WFFF.

Item 3. Legal Proceedings

From time to time, Nexstar and Mission are involved in litigation that arises from the ordinary course of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these legal proceedings, Nexstar and Mission believe the resulting liabilities would not have a material adverse effect on Nexstar's or Mission's financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Prices; Record Holders and Dividends

Our Class A Common Stock trades on The NASDAQ Global Market ("NASDAQ") under the symbol "NXST."

The following were the high and low sales prices of our Class A Common Stock for the periods indicated, as reported by NASDAQ:

	High	Low
1st Quarter 2012	$8.92	$7.89
2nd Quarter 2012	$8.40	$6.09
3rd Quarter 2012	$11.32	$6.00
4th Quarter 2012	$12.97	$8.99
1st Quarter 2013	$18.42	$10.76
2nd Quarter 2013	$36.02	$16.30
3rd Quarter 2013	$44.96	$28.88
4th Quarter 2013	$56.42	$40.01

As of February 24, 2014, there were approximately 4,300 shareholders of record of our Class A common stock, including shares held in nominee names by brokers and other institutions.

Our senior secured credit facilities may limit the amount of dividends we may pay to stockholders over the term of the agreement. Pursuant to the dividend policy we announced on November 26, 2012, our board of directors declared in 2013 a total annual cash dividend with respect to the outstanding shares of Class A and Class B Common Stock of $0.48 per share in equal quarterly installments of $0.12 per share. On January 17, 2014, our board of directors approved a 25% increase in the quarterly cash dividend to $0.15 per share of outstanding Class A Common Stock beginning with the first quarter of 2014.

Issuer Purchases of Equity Securities

On May 7, 2013, we repurchased and held in treasury 365,384 shares of our Class A Common Stock for a total of $8.4 million. During the year ended December 31, 2013, we reissued all of the treasury shares in connection with stock option exercises.

Securities Authorized for Issuance Under Equity Compensation Plans as of December 31, 2013

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	2,575,800	$ 6.22	1,158,000
Equity compensation plans not approved by security holders	—	—	—
Total	2,575,800	$ 6.22	1,158,000

For a more detailed description of our option plans and grants, we refer you to Note 11 to the Consolidated Financial Statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

Comparative Stock Performance Graph

The following graph compares the total return of our Class A Common Stock based on closing prices for the period from December 31, 2008 through December 31, 2013 with the total return of the NASDAQ Composite Index and our peer index of pure play television companies. Our peer index consists of the following publicly traded companies: Gray Television, Inc., LIN TV Corp. and Sinclair Broadcast Group, Inc. (the “Peer Group”). The graph assumes the investment of $100 in our Class A Common Stock and in both of the indices on December 31, 2008. The performance shown is not necessarily indicative of future performance.

	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
Nexstar Broadcasting Group, Inc. (NXST)	$100.00	$792.66	$1,172.34	$1,534.41	$2,072.63	$11,112.27
NASDAQ Composite Index	$100.00	$145.34	$171.70	$170.34	$200.57	$281.14
Peer Group	$100.00	$191.08	$322.99	$393.08	$542.32	$1,859.68

Item 6. Selected Financial Data

We derived the following statements of operations and cash flows data for the years ended December 31, 2013, 2012 and 2011 and balance sheet data as of December 31, 2013 and 2012 from our Consolidated Financial Statements included herein. We derived the following statements of operations and cash flows data for the years ended December 31, 2010 and 2009 and balance sheet data as of December 31, 2011, 2010 and 2009 from our Consolidated Financial Statements included in our Annual Reports on Form 10-K for the years ended December 31, 2011 and 2010, respectively. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related Notes included herein. Amounts below are presented in thousands, except per share amounts.

	2013	2012	2011	2010	2009
Statements of Operations Data, for the years ended December 31:					
Net revenue	$502,330	$378,632	$306,491	$313,350	$251,979
Operating expenses (income):					
Corporate expenses	26,339	24,636	19,780	19,890	18,561
Station direct operating expenses, net of trade	139,807	84,743	73,829	70,674	70,549
Selling, general and administrative expenses, excluding depreciation and amortization	124,594	92,899	85,387	81,001	70,964
Restructure Charge	-	-	-	-	670
Non-cash contract termination fees	-	-	-	-	191
Impairment of goodwill (1)	-	-	-	-	7,360
Impairment of other intangible assets (1)	-	-	-	-	8,804
Amortization of broadcast rights, excluding barter	12,613	8,591	9,947	9,527	13,248
Trade and barter expense	30,730	20,841	21,270	19,602	18,699
Depreciation	33,578	23,555	21,845	21,112	21,680
Amortization of intangible assets	30,148	22,994	25,979	23,732	23,705
Gain on asset exchange	-	-	-	(30)	(8,093)
Loss (gain) on asset disposal, net	1,280	468	461	294	(2,560)
Income from operations (2)	103,241	99,905	47,993	67,548	8,201
Interest expense	(66,243)	(51,559)	(53,004)	(54,266)	(39,182)
(Loss) gain on extinguishment of debt, net (3)	(34,724)	(3,272)	(1,155)	(8,356)	18,567
Other expenses	(1,459)	-	-	-	-
Income (loss) from continuing operations before income tax expense	815	45,074	(6,166)	4,926	(12,414)
Income tax (expense) benefit(4)	(2,600)	132,279	(5,725)	(6,741)	(200)
(Loss) income from continuing operations	(1,785)	177,353	(11,891)	(1,815)	(12,614)
Gain on disposal of station, net of income tax expense(5)	-	5,139	-	-	-
Net (loss) income	$(1,785)	$182,492	$(11,891)	$(1,815)	$(12,614)
Net (loss) income per common share:					
Basic	$(0.06)	$6.31	$(0.42)	$(0.06)	$(0.44)
Diluted	$(0.06)	$5.94	$(0.42)	$(0.06)	$(0.44)
Weighted average common shares outstanding:					
Basic	29,897	28,940	28,626	28,434	28,427
Diluted	29,897	30,732	28,626	28,434	28,427

Dividends declared per common share	$0.48	$-	$-	$-	$-

(1) The Company recognized impairment charges on goodwill and FCC licenses during the year ended December 31, 2009.
(2) Income from operations is generally higher during even-numbered years, when advertising revenue from state, congressional and presidential elections occur and from advertising aired during the Olympic Games. However, due to the accretive acquisitions in 2011, 2012 and 2013, the income from operations increased over time.
(3) In 2013, the Company retired the $325.0 million outstanding principal balance under its 8.875% Senior Second Lien Notes. The retirement resulted in a loss on extinguishment of debt of $34.3 million.
(4) In the fourth quarter of 2012, the Company decreased its valuation allowance by $151.4 million.
(5) The Company recognized a $5.1 million gain on disposal of KBTV, net of $3.1 million income tax expense, during the year ended December 31, 2012.

	2013	2012	2011	2010	2009
Balance Sheet data, as of December 31:					
Cash and cash equivalents	$40,028	$68,999	$7,546	$23,658	$12,752
Working capital	117,244	105,323	39,619	53,622	36,875
Net intangible assets and goodwill	649,607	491,096	335,602	339,040	362,762
Total assets	1,163,722	945,815	580,959	586,374	606,530
Total debt	1,071,119	857,642	640,361	643,100	670,374
Total stockholders' (deficit) equity(1)	(13,231)	2,239	(184,119)	(175,880)	(176,978)
Statements of Cash Flows data, for the years ended December 31:					
Net cash provided by (used in):					
Operating activities	$27,339	$79,888	$40,340	$59,268	$22,993
Investing activities	(248,118)	(238,617)	(54,579)	(13,340)	(35,590)
Financing activities	191,808	220,182	(1,873)	(35,022)	9,515
Capital expenditures, net of proceeds from asset sales	18,736	17,250	13,316	13,799	18,838
Cash payments for broadcast rights	14,191	9,169	10,149	9,870	9,315

(1) During the first quarter of 2013, the Company corrected its accumulated deficit as of December 31, 2012, 2011, 2010 and 2009 by an increase of $0.7 million for an error in deferred rent from tower leases recorded during a 2003 acquisition. See Note 9 of the Consolidated Financial Statements for additional information.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with Item 6. "Selected Financial Data" and our Consolidated Financial Statements and related Notes included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

As a result of our deemed controlling financial interest in Mission, in accordance with U.S. GAAP, we consolidate the financial position, results of operations and cash flows of Mission as if it were a wholly-owned entity. We believe this presentation is meaningful for understanding our financial performance. Refer to Note 2 to our Consolidated Financial Statements for a discussion of our determination that we are required to consolidate Mission's financial position, results of operations and cash flows under the authoritative guidance for variable interest entities. Therefore, the following discussion of our financial position and results of operations includes Mission's financial position and results of operations.

Executive Summary

2013 Highlights

- Net revenue during 2013 increased by $123.7 million, or 32.7% compared to the same period in 2012. The increase in net revenue was primarily due to our December 2012 acquisition of 10 television stations and Inergize Digital Media ("Inergize") from Newport Television, LLC ("Newport") and 11 television stations acquired or contracted with to provide programming and sales services by the Company during 2013, partially offset by decreases due to 2013 being not a political or Olympic year.

- During 2013, our Board of Directors declared quarterly dividends of $0.12 per share of Nexstar's outstanding common stock, or total dividend payments of $14.3 million.

2013 Acquisitions

- Effective January 1, 2013, Mission acquired the assets of KLRT, the FOX affiliate and KASN, the CW affiliate, both in the Little Rock, Arkansas market, from Newport for $59.7 million, funded by $60.0 million term loan under Mission's senior secured credit facility.

- Effective February 1, 2013, we acquired the assets of KGPE, the CBS affiliate in Fresno, California market and KGET, the NBC/CW affiliate, and KKEY-LP, the low powered Telemundo affiliate, both in the Bakersfield, California market, from Newport for $35.4 million in cash, funded by cash on hand.

- Effective February 1, 2013, we entered into a definitive agreement to acquire the assets of KSEE, the NBC affiliate serving the Fresno, California market, and an unrelated network affiliation agreement from Granite Broadcasting Corporation for $26.5 million in cash. Upon signing the agreement, we made a payment of $20.0 million, funded by cash on hand, to acquire the station's assets excluding FCC license and certain transmission equipment. On April 17, 2013, we received approval from the FCC to purchase the remaining assets of KSEE. On May 31, 2013, we paid the remaining purchase price of $6.5 million to complete the acquisition.

- On March 1, 2013, we and Mission acquired the assets of WFFF, the FOX affiliate, and WVNY, the ABC affiliate, both in the Burlington, Vermont market from Smith Media, LLC for a total consideration of $16.6 million in cash, funded by a combination of our and Mission's borrowings from the revolving credit facilities and cash on hand.

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Signed Purchase Agreements

- On April 24, 2013, we and Mission entered into a stock purchase agreement to acquire the stock of privately-held Communications Corporation of America (“CCA”) and White Knight Broadcasting (“White Knight”), the owners of 19 television stations in 10 markets, for a total consideration of $270.0 million, subject to adjustments for working capital. A deposit of $27.0 million was paid upon signing the agreement which was funded by a combination of borrowings under our revolving credit facility and cash on hand. The acquisitions are projected to close in the second quarter of 2014 and the remaining purchase price is expected to be funded through cash generated from operations prior to closing, borrowings under the existing credit facilities and future credit market transactions.

- On September 13, 2013, Mission entered into a definitive agreement to acquire 2 television stations in the Binghamton, New York market, from Stainless Broadcasting, L.P. (“Stainless”). Mission will acquire the assets of WCIZ and WBPN-LP for $15.3 million in cash, subject to adjustments for working capital. A deposit of $0.2 million was paid upon signing the agreement. The remaining purchase price is expected to be funded by Mission through borrowings under its existing credit facility and cash on hand. Mission projects the acquisition to close in the second quarter of 2014.

- On September 16, 2013, we entered into definitive agreements to acquire 3 television stations in 3 markets from Citadel Communications, L.P. and its related entities (“Citadel”). We will acquire the assets of KCAU and WHBF and the outstanding equity of WOI for a total of $87.9 million in cash, subject to adjustments for working capital. Upon signing the purchase agreements, we paid a total of $44.8 million to acquire the assets excluding FCC licenses and real property interests of KCAU and WHBF and $21.0 million as an upfront payment to acquire the outstanding equity of WOI, funded by a combination of borrowings under our revolving credit facility and cash on hand. We began providing programming and sales services to these stations pursuant to time brokerage agreements effective September 16, 2013. We project the acquisitions to close in the first quarter of 2014 and expect to fund the $22.0 million remaining purchase price through borrowings under our existing credit facility and cash on hand.

- On November 6, 2013, we entered into a stock purchase agreement to acquire the outstanding equity of privately-held Grant Company, Inc. (“Grant”), the owner of 7 television stations in 4 markets, for $87.5 million in cash, subject to adjustments for working capital. Simultaneous with this acquisition, we entered into a purchase agreement with Mission pursuant to which Mission will acquire one of Grant’s television stations from us for $15.3 million and upon consummation, enter into local service agreements with us. A deposit of $8.5 million was paid upon signing the purchase agreement funded by our cash on hand. The remaining purchase price is expected to be funded through cash generated from operations prior to closing, borrowings under our and Mission’s existing credit facilities and future credit market transactions. We project the acquisition to close in the second quarter of 2014.

- On December 18, 2013, we and Mission entered into definitive agreements to acquire 6 television stations in 2 markets. We will acquire the outstanding equity of 5 stations for $33.5 million in cash, subject to adjustments for working capital, from Gray Television Group, Inc. (“Gray TV”) and Mission will acquire the outstanding equity of one station from Excalibur Broadcasting, LLC (“Excalibur”) for $4.0 million in cash, subject to adjustments for working capital. We and Mission project the acquisitions to close in the second quarter of 2014.

Debt Transactions

- On January 3, 2013, Mission borrowed $60.0 million in term loans under its senior secured credit facility to fund the acquisition of the assets of KLRT and KASN from Newport.

- On June 28, 2013, we and Mission entered into amendments to each of our senior secured credit facilities. The amendments provided commitments for incremental term loan facilities (“Term Loan A Facilities”) available to us of $144.0 million and to Mission of $90.0 million, subject to reallocation of up to $18.0 million for the benefit of Rocky Creek Communications, Inc. (“Rocky Creek”), an independent third party, pursuant to the terms of the amended credit agreements. On June 28, 2013, we received initial proceeds of $50.0 million under our incremental term loan facility, which was used to repay outstanding revolving loans of $27.0 million in June 2013 and $22.0 million in July 2013.

- On October 1, 2013, we issued $275.0 million of 6.875% Notes at 100.25%. The 6.875% Notes will mature on November 15, 2020 and interest is payable semiannually in arrears on May 15 and November 15 of each year. The notes have the same terms as, and are to be treated as a single class with our $250.0 million 6.875% Notes that were issued on November 9, 2012. Concurrently, we and Mission entered into amendments to each of our senior secured credit facilities. The amendments provided for incremental term loans (“Term Loan B-2”) to us of $25.0 million and to Mission of $125.0 million and amended revolving credit facilities available to us of $75.0 million and to Mission of $30.0 million. On December 31, 2013, we and Mission began the scheduled quarterly repayments on the Term Loan B-2 of 0.25% of the aggregate principal. The remainder of the principal is due in full at maturity on October 1, 2020.

- During September 2013, we repurchased $10.4 million of our 8.875% Senior Second Lien Notes (“8.875% Notes”) at an average price of 108.2%, plus accrued and unpaid interest. On October 1, 2013, we and Mission repurchased $292.7 million of the outstanding principal balance of the 8.875% Notes at 108.875%, plus accrued and unpaid interest, in accordance with a tender offer dated September 17, 2013. The tender offer expired on October 15, 2013 and we and Mission repurchased the remaining principal balance of $21.9 million at a redemption price of 107.0%, plus accrued and unpaid interest, on November 16, 2013. These transactions resulted in a loss on extinguishment of debt of $34.3 million.

- On December 9, 2013, we and Mission entered into amendments to each of our senior secured credit facilities. Under the terms of the amendments, we prepaid $5.0 million of the outstanding principal balance of our Term Loan B, issued in December 2012, and Mission received $5.0 million in Term Loan B-2. On the same date, we and Mission converted the $343.3 million total principal balance of Term Loan B into Term Loan B-2. The refinanced term loans allow favorable interest rates and extended debt maturity date for the Company.

- Throughout 2013, we and Mission repaid the contractual maturities under each of our term loans, for a total of $3.0 million.

Overview of Operations

As of December 31, 2013, we owned, operated, programmed or provided sales and other services to 75 television stations and 18 digital multicast channels, including those owned by Mission, in 44 markets in the states of Illinois, Indiana, Maryland, Missouri, Montana, Tennessee, Texas, Pennsylvania, Louisiana, Arkansas, Alabama, New York, Florida, Wisconsin, Michigan, Utah, Vermont, California and Iowa. The stations are affiliates of ABC (19 stations), NBC (16 stations), FOX (14 stations), CBS (13 stations), The CW (6 stations and 2 digital multicast channels), MyNetworkTV (5 stations and 2 digital multicast channels), Telemundo (one station), Bounce TV (9 digital multicast

channels), LiveWell (3 digital multicast channels), Me-TV (1 digital multicast channel), LATV (1 digital multicast channel) and one independent station. Through various local service agreements, Nexstar provided sales, programming and other services to 25 stations and 6 digital multicast channels owned and/or operated by independent third parties. See Note 2 to our Consolidated Financial Statements in this Form 10-K for a discussion of the local service agreements we have with Mission.

The following table summarizes the various local service agreements we had in effect as of December 31, 2013 with Mission:

Service Agreements	Mission Stations
TBA Only(1)	WFXP and KHMT
SSA & JSA(2)	KJTL, KJBO-LP, KLRT, KASN, KOLR, KCIT, KCPN-LP, KAMC, KRBC, KSAN, WUTR, WAWV, WYOU, KODE, WTVO, KTVE, WTVW and WVNY

(1) We have a time brokerage agreement ("TBA") with each of these stations which allows us to program most of each station's broadcast time, sell each station's advertising time and retain the advertising revenue generated in exchange for monthly payments to Mission.
(2) We have both a shared services agreement ("SSA") and a joint sales agreement ("JSA") with each of these stations. Each SSA allows our station in the market to provide services including news production, technical maintenance and security, in exchange for our right to receive certain payments from Mission as described in the SSAs. Each JSA permits us to sell the station's advertising time and retain a percentage of the station's net advertising revenue, as described in the JSAs.

Our ability to receive cash from Mission is governed by these local service agreements. Under the local service agreements, we have received substantially all of Mission's available cash, after satisfaction of its operating costs and debt obligations. We anticipate we will continue to receive substantially all of Mission's available cash, after satisfaction of its operating costs and debt obligations.

We also guarantee all obligations incurred under Mission's senior secured credit facility. Similarly, Mission is a guarantor of our senior secured credit facility and senior unsecured notes. In consideration of our guarantee of Mission's senior secured credit facility, Mission has granted us purchase options to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent, for an amount equal to the greater of (1) seven times the station's cash flow, as defined in the option agreement, less the amount of its indebtedness as defined in the option agreement, or (2) the amount of its indebtedness. Additionally, on November 29, 2011, Mission's shareholders granted us an option to purchase any or all of Mission's stock, subject to FCC consent, for a price equal to the pro rata portion of the greater of (1) five times the stations' cash flow, as defined in the agreement, reduced by the amount of indebtedness, as defined in the agreement, or (2) $100,000. These option agreements expire on various dates between 2014 and 2023 and are freely exercisable or assignable without the consent of Mission or its shareholders. We expect these option agreements to be renewed upon expiration.

We do not own Mission or its television stations. However, we are deemed under U.S. GAAP to have a controlling financial interest in Mission because of (1) the local service agreements we have with the Mission stations, (2) our guarantee of the obligations incurred under Mission's senior secured credit facility, (3) our power over significant activities affecting Mission's economic performance, including budgeting for advertising revenue, advertising and hiring and firing of sales force personnel and (4) purchase options granted by Mission that permit us to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. In compliance with FCC regulations for both us and Mission, Mission maintains complete responsibility for and control over programming, finances and personnel for its stations.

The operating revenue of our stations is derived primarily from broadcast and website advertising revenue, which is affected by a number of factors, including the economic conditions of the markets in which we operate, the

demographic makeup of those markets and the marketing strategy we employ in each market. Most advertising contracts are short-term and generally run for a few weeks. For the years ended December 31, 2013 and 2012, revenue generated from local broadcast advertising represented 70.1% and 71.4%, respectively, of our consolidated spot revenue (total of local and national broadcast advertising revenue, excluding political advertising revenue). The remaining broadcast advertising revenue represents inventory sold for national or political advertising. All national and political revenue is derived from advertisements placed through advertising agencies. The agencies receive a commission rate of 15.0% of the gross amount of advertising schedules placed by them. While the majority of local spot revenue is placed by local agencies, some advertisers place their schedules directly with the stations' local sales staff, thereby eliminating the agency commission. Each station also has an agreement with a national representative firm that provides for sales representation outside the particular station's market. Advertising schedules received through the national representative firm are for national or large regional accounts that advertise in several markets simultaneously. National commission rates vary within the industry and are governed by each station's agreement.

Another source of revenue for the Company that has been growing significantly in recent years relates to retransmission of our station signals by cable, satellite and other MVPDs. MVPDs generally pay for retransmission rights on a rate per subscriber basis. The growth of this revenue stream has primarily related to increases in the subscriber rates paid by MVPDs.

Most of our stations have a network affiliation agreement pursuant to which the network provides programming to the stations during specified time periods, including prime time. NBC and CBS compensate some of the stations for distributing the network's programming over the air and for allowing the network to keep a portion of advertising inventory during those time periods. The affiliation agreements with ABC, FOX, MyNetworkTV, The CW and Bounce TV do not provide for compensation. In recent years, in conjunction with the renewal of affiliation agreements with NBC, CBS, ABC and FOX, network compensation is being eliminated and many of the networks are now seeking cash payments from their affiliates.

Each station acquires licenses to broadcast programming in non-news and non-network time periods. The licenses are either purchased from a program distributor for cash and/or the program distributor is allowed to sell some of the advertising inventory as compensation to eliminate or reduce the cash cost for the license. The latter practice is referred to as barter broadcast rights. Barter broadcast rights are recorded at management's estimate of the value of the advertising time exchanged using historical advertising rates, which approximates the fair value of the program material received. The programming expense is recognized over the license period or period of usage, whichever ends earlier.

Our primary operating expenses consist of commissions on advertising revenue, employee compensation and benefits, newsgathering and programming costs. A large percentage of the costs involved in the operation of our stations and the stations we provide services to remains relatively fixed.

Seasonality

Advertising revenue is positively affected by national and regional political election campaigns and certain events such as the Olympic Games or the Super Bowl. The Company's stations' advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years, when state, congressional and presidential elections occur and from advertising aired during the Olympic Games. As 2013 was not an election year or Olympic year, we are reporting less advertising revenue compared to 2012 on our legacy stations, which is consistent with our expectations.

Historical Performance

Revenue

The following table sets forth the amounts of the Company's principal types of revenue (in thousands) and each type of revenue (other than trade and barter) and agency commissions as a percentage of total gross revenue for the years ended December 31:

	2013		2012		2011	
	Amount	%	Amount	%	Amount	%
Local	$265,376	51.0	$190,168	47.8	$181,569	57.3
National	113,423	21.8	76,123	19.1	65,728	20.8
Political	5,152	1.0	46,276	11.6	6,326	2.0
Retransmission compensation	101,119	19.4	60,933	15.4	37,393	11.8
Digital media revenue	30,846	5.9	18,363	4.6	16,224	5.1
Management fee	-	-	1,961	0.6	6,189	2.0
Other	4,280	0.9	3,708	0.9	3,294	1.0
Total gross revenue	520,196	100.0	397,532	100.0	316,723	100.0
Less: Agency commissions	(49,395)	(9.5)	(40,820)	(10.3)	(31,689)	(10.0)
Net broadcast revenue	470,801	90.5	356,712	89.7	285,034	90.0
Trade and barter revenue	31,529		21,920		21,457	
Net revenue	$502,330		$378,632		$306,491	

Results of Operations

The following table sets forth a summary of the Company's operations (in thousands) and each component of operating expense as a percentage of net revenue:

	2013		2012		2011	
	Amount	%	Amount	%	Amount	%
Net revenue	$502,330	100.0	$378,632	100.0	$306,491	100.0
Operating expenses:						
Corporate expenses	26,339	5.2	24,636	6.5	19,780	6.4
Station direct operating expenses, net of trade	139,807	27.8	84,743	22.4	73,829	24.1
Selling, general and administrative expenses	124,594	24.8	92,899	24.5	85,387	27.9
Loss on asset disposal, net	1,280	0.3	468	0.1	461	0.2
Trade and barter expense	30,730	6.1	20,841	5.5	21,270	6.9
Depreciation	33,578	6.7	23,555	6.2	21,845	7.1
Amortization of intangible assets	30,148	6.0	22,994	6.1	25,979	8.5
Amortization of broadcast rights, excluding barter	12,613	2.5	8,591	2.3	9,947	3.2
Income from operations	$103,241		$99,905		$47,993	

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Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Revenue

Gross local advertising revenue was $265.4 million for the year ended December 31, 2013, compared to $190.2 million for the same period in 2012, an increase of $75.2 million, or 39.5%. Gross national advertising revenue was $113.4 million for the year ended December 31, 2013, compared to $76.1 million for the same period in 2012, an increase of $37.3 million, or 49.0%. The increase in local and national advertising revenue was primarily attributable to incremental revenue from the Company's newly acquired stations, net of station disposal, of $113.6 million. Our legacy stations' local and national advertising revenue declined by $1.1 million compared to 2012, which was inclusive of $5.5 million revenue from the Olympics on our NBC affiliate stations. Our largest advertiser category, automotive, represented 24.7% and 24.2% of our legacy stations' local and national advertising revenue for the year ended December 31, 2013 and 2012, respectively. Overall, this category increased by 1.6% for our legacy stations. The other categories representing our top five of our legacy stations were fast food/restaurants, which decreased 6.2%, furniture, which increased 1.0%, radio/TV/cable/newspaper, which increased 27.5% and paid programming, which decreased 12.0%.

Gross political advertising revenue was $5.2 million for the year ended December 31, 2013, compared to $46.3 million for the same period in 2012, a decrease of $41.1 million, or 88.9%, as expected, due to 2013 not being an election year.

Retransmission compensation was $101.1 million for the year ended December 31, 2013, compared to $60.9 million for the same period in 2012, an increase of $40.2 million, or 66.0%. The increase in retransmission compensation was primarily attributable to the $32.0 million incremental revenue from the Company's newly acquired stations, net of station disposal, and the result of contracts providing for higher rates per subscriber during the year on our legacy stations.

Digital media revenue, representing web-based and mobile advertising revenue generated at our stations and Inergize, was $30.8 million for the year ended December 31, 2013, compared to $18.4 million for the same period in 2012, an increase of $12.5 million or 68.0%. The increase was primarily attributable to the $11.6 million incremental revenue from our newly acquired stations and Inergize, net of station disposal, including nonrecurring customer contract termination fees of $5.5 million.

Operating Expenses

Corporate expenses, related to costs associated with the centralized management of our and Mission's stations, were $26.3 million for the year ended December 31, 2013, compared to $24.6 million for the same period in 2012, an increase of $1.7 million, or 6.9%. This was primarily due to an increase in legal and professional fees of $0.9 million associated with our and Mission's acquisitions of television stations and capital market activities and an increase in stock-based compensation expense of $0.7 million due to stock option grants during the third quarter of 2012.

Station direct operating expenses, consisting primarily of news, engineering, programming and selling, general and administrative expenses (net of trade expense) were $264.4 million for the year ended December 31, 2013, compared to $177.6 million for the same period in 2012, an increase of $86.8 million, or 48.8%. The increase was primarily due to expenses of the Company's newly acquired stations, net of station disposal, of $77.2 million and an increase in programming costs of our legacy stations of $9.6 million related to recently enacted network agreements. Networks now require additional compensation from broadcasters for the use of network programming. Network program fees have recently increased industry wide and will continue to increase over the next several years.

Amortization of broadcast rights, excluding barter was $12.6 million for the year ended December 31, 2013, compared to $8.6 million for the same period in 2012, an increase of $4.0 million, or 46.8%, of which $5.6 million is attributable to the Company's newly acquired stations, net of station disposal. This increase was partially offset by changes in the programming mix of our legacy stations.

Amortization of intangible assets was $30.1 million for the year ended December 31, 2013, compared to $23.0 million for the same period in 2012, an increase of $7.2 million, or 31.1%. The increase was primarily attributable to incremental amortization of intangible assets from the Company's newly acquired stations of $11.2 million and an additional $1.0 million amortization of intangible assets associated with certain customer contract terminations. These increases were partially offset by a $5.0 million decrease from certain of our legacy stations upon reaching full amortization of other intangible assets.

Depreciation of property and equipment was $33.6 million for the year ended December 31, 2013, compared to $23.6 million for the same period in 2012, an increase of $10.0 million, or 42.8%, primarily due to the incremental depreciation of fixed assets from the Company's newly acquired stations, net of station disposal, of $8.8 million, and a $2.1 million increase in depreciation as a result of traffic software capitalized during 2013.

Interest Expense

Interest expense, net was $66.3 million for the year ended December 31, 2013, compared to $51.6 million for the same period in 2012, an increase of $14.7 million, or 28.5%. The increase was primarily attributable to our and Mission's borrowings during the fourth quarter of 2012 and during 2013 to fund the acquisitions of stations and for general corporate purposes. This was partially offset by lower interest rates on our outstanding debt as a result of refinanced senior secured credit facilities and bonds that we and Mission completed during the fourth quarter of 2012 as well as lower interest rates on borrowings during 2013.

Loss on Extinguishment of Debt

In 2013, we and Mission recognized $34.7 million of loss on extinguishment of debt, which consisted of $34.3 million related to the retirement of the 8.875% Notes and $0.4 million related to the refinancing of senior secured credit facilities.

Other Expenses

Other expenses during the year ended December 31, 2013 were attributable to $1.0 million of underwriting fees we and Mission incurred to refinance term loans that allowed favorable interest rates and extended debt maturity date and our equity in losses of unconsolidated tower joint ventures of $0.5 million.

Income Taxes

The Company recognized an income tax expense of $2.6 million for the year ended December 31, 2013, compared to income tax benefit of $132.3 million for the same period in 2012, a decrease in income tax benefit of $134.9 million. The decrease in income tax benefit was primarily due to the release of a valuation allowance against deferred tax assets for NOLs and other deferred tax assets during 2012.

The effective income tax rate is 319.13% for the year ended December 31, 2013. The effective tax rate differs from the statutory rate primarily due to the tax impact of state taxes net of federal benefit, and permanent items including meals and entertainment, nondeductible acquisition costs, and the limitation on officer compensation under Internal Revenue Code ("IRC") section 162(m).

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Revenue

Gross local advertising revenue was $190.2 million for the year ended December 31, 2012, compared to $181.6 million for the same period in 2011, an increase of $8.6 million, or 4.7%. The increase was primarily related to incremental advertising from our automotive customers and revenue from our acquired stations in December 2012 and during the second half of 2011 which more than offset the decrease associated with the termination of certain station affiliation agreements. Gross national advertising revenue was $76.1 million for the year ended December 31, 2012, compared to $65.7 million for the same period in 2011, an increase of $10.4 million, or 15.8%, primarily attributable to the stations acquired as well as changes in mix between our local and national advertising revenues. Our largest advertiser category, automotive, represented 24.2% and 21.1% of local and national advertising revenue for the year ended December 31, 2012 and 2011, respectively. Overall, this category increased by 24.9%, of which approximately 7.1% came from our acquired stations during the second half of 2011. The other categories representing our top five were fast food/restaurants, which decreased 4.5%, paid programming, which increased 4.3%, furniture, which increased 7.2%, and department/retail stores, which increased 3.3%.

Gross political advertising revenue was $46.3 million for the year ended December 31, 2012, compared to $6.3 million for the same period in 2011, an increase of $40.0 million, or 631.5%, as expected, due to 2012 being an election year.

Retransmission compensation was $60.9 million for the year ended December 31, 2012, compared to $37.4 million for the same period in 2011, an increase of $23.5 million, or 63.0%. The increase in retransmission compensation was primarily the result of contracts providing for higher rates per subscriber during the year. We also earned approximately $4.0 million in retransmission compensation from new stations acquired in December 2012 and during the second half of 2011.

Digital media revenue, representing web-based and mobile advertising revenue generated at the Company's stations, was $18.4 million for the year ended December 31, 2012, compared to $16.2 million for the same period in 2011, an increase of $2.2 million or 13.2%. The increase in digital media revenue was primarily attributable to digital media sales efforts and the incremental revenue from new stations acquired in December 2012 and during the second half of 2011.

Operating Expenses

Corporate expenses, related to costs associated with the centralized management of Nexstar's and Mission's stations, were $24.6 million for the year ended December 31, 2012, compared to $19.8 million for the same period in 2011, an increase of $4.8 million, or 24.6%. This was due to an increase in legal and professional fees associated with our acquisitions of $1.9 million and capital market activities of $0.4 million, increased bonus expense related to higher revenues in this political year of $1.3 million, increased payroll and related costs of $0.8 million, primarily resulting from 2012 and 2011 acquisitions, as well as $0.2 million incremental stock-based compensation expense due to stock option grants during the third quarter of 2012.

Station direct operating expenses, consisting primarily of news, engineering and programming, and selling, general and administrative expenses (net of trade expense) were $177.6 million for the year ended December 31, 2012, compared to $159.2 million for the same period in 2011, an increase of $18.4 million, or 11.6%. The increase was primarily due to expenses of the acquired stations in December 2012 and during the second half of 2011, increase of $4.1 million in programming costs primarily due to the renewed network affiliation agreements entered into during

2012 and 2011, as well as increases of $0.8 million in amounts paid under station outsourcing agreements. These increases were partially offset by a decrease in employee health claims of $0.9 million and a $0.6 million decrease in provision for bad debts due to our improved accounts receivable collection practices.

Amortization of broadcast rights, excluding barter was $8.6 million for the year ended December 31, 2012, compared to $9.9 million for the same period in 2011, a decrease of $1.4 million, or 13.6%, of which $0.5 million is attributable to changes in sports programming on one of our stations and $1.6 million attributable to general programming mix changes among our stations. These were partially offset by the $0.7 million incremental amortization of broadcast rights of acquired stations in 2012 and 2011.

Amortization of intangible assets was $23.0 million for the year ended December 31, 2012, compared to $26.0 million for the same period in 2011, a decrease of $3.0 million, or 11.5%. The decrease was primarily due to termination of certain FOX affiliation contracts which were fully amortized in 2011, partially offset by incremental amortization from acquired stations.

Depreciation of property and equipment was $23.6 million for the year ended December 31, 2012, compared to $21.9 million for the same period in 2011, an increase of $1.7 million, or 7.8%, primarily due to the incremental depreciation of fixed assets of our acquired stations in December 2012 and during the second half of 2011.

Interest Expense

Interest expense, net was $51.6 million for the year ended December 31, 2012, compared to $53.0 million for the same period in 2011, a decrease of $1.4 million, or 2.7%. The decrease was primarily attributed to retirement of our 7% Notes and 7% PIK Notes with higher interest financed with our new 6.875% Notes. We and Mission also refinanced our senior secured credit facilities for a lower interest rate. Additionally, the Company had less average outstanding debt in 2012, compared to 2011.

Loss on Extinguishment of Debt

In 2012, the Company recognized $3.3 million of loss on extinguishment of debt, which consisted of $0.6 million and $0.9 million related to the retirement of 7% Notes and 7% PIK Notes, respectively, and $1.8 million related to Nexstar's and Mission's refinancing of their senior secured credit facilities. In 2011, the Company recognized $1.2 million of loss on extinguishment of debt, including $0.7 million related to the repurchase of the previously held 11.375% Senior Discount Notes, $0.2 million related to the repurchases of the 7% Notes and $0.3 million related to the repurchases of the 7% PIK Notes.

Income Taxes

The Company recognized an income tax benefit of $132.3 million for the year ended December 31, 2012, compared to income tax expense of $5.7 million for the same period in 2011, an increase in income tax benefit of $138.0 million. The increase in income tax benefit was due to the release of a valuation allowance against deferred tax assets for NOLs and other deferred tax assets partially offset by the tax provision for 2012.

Prior to 2012, the Company's provision for income taxes was primarily created by an increase in the deferred tax liability position arising from the amortization of goodwill and FCC licenses for income tax purposes which are not amortized for financial reporting purposes. In the fourth quarter of 2012, the Company released its valuation allowance against deferred tax assets for NOLs and other deferred tax assets. Management's assessment included consideration of all available positive and negative evidence including recent net operating loss utilization against its 2012 taxable income, cumulative pre-tax book income over the last three (3) years, historical operating results, projected future taxable income over the net operating loss carryforward period, the anticipated ability to sustain a level of earnings, a lower weighted average cost of debt, growth of the Company's e-Media platform and revenue, and the continued renewal of network affiliation and retransmission consent agreements on favorable economic terms. Due to strong financial results and improved credit profile in recent years, the Company was able to obtain a decreased interest rate of 6.875% on its new senior unsecured notes and a lower interest rate on its refinanced senior secured credit facilities in the fourth quarter of 2012. In addition, the Company expanded its line of credit and borrowing capacity on favorable terms that significantly enhanced the Company's ability to grow strategic market share through acquisition. In December 2012, the Company completed the acquisition of ten television stations in seven markets and Inergize Digital Media from Newport which followed three station acquisitions in 2011. Due to the

accretive acquisitions in 2011 and the acquisition from Newport in 2012, the Company generated pre-tax income of $45.0 million from continuing operations. This expected level of earnings makes it more likely than not that a substantial portion of the Company’s deferred tax assets will be realized.

Based on the results of our in-depth assessment, management determined that it was more likely than not that the NOLs and other deferred tax assets were realizable based on all available positive and negative evidence. As a result, the Company decreased its valuation allowance by $151.4 million through its income tax benefit in the 2012 Consolidated Statement of Operations.

Management made the "more likely than not" assessment separately for both Nexstar and Mission. Mission files federal and state income tax returns separately from Nexstar. Mission is a variable interest entity and there is no common ownership with Nexstar that would allow it to join in a consolidated filing. For this reason, the net operating losses and other deferred tax items of Mission are assessed separately on the basis of realization on the separately filed income tax return.

Gain on Disposal of Station

On December 1, 2012, we sold the net assets of KBTV, the FOX and Bounce TV affiliate in Beaumont-Port Arthur, TX, to Deerfield Media (Port Arthur), Inc. and San Antonio Television, LLC for $13.9 million, net of $0.1 million working capital sold. Proceeds of the sale were used to repay our debt obligations and for general corporate purposes. We recognized a $5.1 million gain on disposal of KBTV, net of $3.1 million income tax expense.

Liquidity and Capital Resources

We and Mission are highly leveraged, which makes the Company vulnerable to changes in general economic conditions. Our and Mission's ability to meet the future cash requirements described below depends on our and Mission's ability to generate cash in the future, which is subject to general economic, financial, competitive, legislative, regulatory and other conditions, many of which are beyond our and Mission's control. Based on current operations and anticipated future growth, we believe that our and Mission's available cash, anticipated cash flow from operations and available borrowings under the senior secured credit facilities will be sufficient to fund working capital, capital expenditure requirements, interest payments and scheduled debt principal payments for at least the next twelve months. In order to meet future cash needs we may, from time to time, borrow under our existing senior secured credit facilities or issue other long- or short-term debt or equity, if the market and the terms of our existing debt arrangements permit, and Mission may, from time to time, borrow under its existing senior secured credit facility. We will continue to evaluate the best use of our operating cash flow among our capital expenditures, acquisitions and debt reduction.

On June 28, 2013, we and Mission entered into amendments to each of our senior secured credit facilities. The amendments provided commitments for Term Loan A Facilities available to us of $144.0 million and to Mission of $90.0 million, subject to reallocation of up to $18.0 million for the benefit of Rocky Creek, pursuant to the terms of the amended credit agreements. On June 28, 2013, we received initial proceeds of $50.0 million under our Term Loan A Facility.

On October 1, 2013, we issued $275.0 million of 6.875% Notes at 100.25%. The 6.875% Notes will mature on November 15, 2020 and interest is payable semiannually in arrears on May 15 and November 15 of each year. The notes have the same terms as, and are to be treated as a single class with our $250.0 million 6.875% Notes that were issued on November 9, 2012.

On October 1, 2013, we and Mission entered into amendments to each of our senior secured credit facilities. The amendments provided for Term Loan B-2 to us of $25.0 million and to Mission of $125.0 million and amended revolving credit facilities available to us of $75.0 million and to Mission of $30.0 million. On December 31, 2013, we and Mission began the scheduled quarterly repayments on the Term Loan B-2 of 0.25% of the aggregate principal. The remainder of the principal is due in full at maturity on October 1, 2020.

During September 2013, we repurchased $10.4 million of the 8.875% Notes at an average price of 108.2%, plus accrued and unpaid interest. On October 1, 2013, Nexstar and Mission repurchased $292.7 million of the outstanding principal balance of the 8.875% Notes at 108.875%, plus accrued and unpaid interest, in accordance with a tender

offer dated September 17, 2013. The tender offer expired on October 15, 2013 and we and Mission repurchased the remaining principal balance of $21.9 million at a redemption price of 107.0%, plus accrued and unpaid interest, on November 16, 2013. These transactions resulted in a loss on extinguishment of debt of $34.3 million.

On December 9, 2013, we and Mission entered into amendments to each of our senior secured credit facilities. Under the terms of the amendments, we prepaid $5.0 million of the outstanding principal balance of our Term Loan B, issued in December 2012, and Mission received $5.0 million in Term Loan B-2. On the same date, we and Mission converted the $343.3 million total principal balance of Term Loan B into Term Loan B-2. The refinanced term loans allow favorable interest rates and an extended debt maturity date for the Company.

On January 17, 2014, our board of directors approved a 25% increase in the quarterly cash dividend to $0.15 per share of outstanding Class A Common Stock beginning with the first quarter of 2014. The first quarterly dividend is payable on February 28, 2014, to shareholders of record on February 14, 2014.

Overview

The following tables present summarized financial information management believes is helpful in evaluating the Company's liquidity and capital resources (in thousands):

	Years Ended December 31,		
	2013	2012	2011
Net cash provided by operating activities	$27,339	$79,888	$40,340
Net cash used in investing activities	(248,118)	(238,617)	(54,579)
Net cash provided by (used in) financing activities	191,808	220,182	(1,873)
Net (decrease) increase in cash and cash equivalents	$(28,971)	$61,453	$(16,112)
Cash paid for interest	$75,074	$66,360	$51,088
Cash paid for income taxes, net	$2,129	$1,597	$474

	As of December 31,	
	2013	2012
Cash and cash equivalents	$40,028	$68,999
Long-term debt including current portion	1,071,119	857,642
Unused Term Loan A Facilities	184,000	-
Unused commitments under senior secured credit facilities(1)	105,000	100,000

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(1) Based on covenant calculations as of December 31, 2013, all of the $105 million of total unused revolving loan commitments under the Nexstar and Mission senior secured credit facilities were available for borrowing.

Cash Flows – Operating Activities

Net cash flows provided by operating activities decreased by $52.5 million during the year ended December 31, 2013 compared to the same period in 2012. This was primarily due to a $38.1 million use of cash resulting from the timing of collections of accounts receivable and payments to vendors, premium paid on retirement of the 8.875% Notes of $28.4 million, an increase in cash paid for interest of $8.7 million and an increase in payments for broadcast rights of $5.0 million. These decreases were partially offset by an increase in net revenue of $123.7 million less an increase in corporate expenses, station direct operating expenses and selling, general and administrative expenses of $88.5 million.

Cash paid for interest increased by $8.7 million during the year ended December 31, 2013 compared to the same period in 2012. The increase was primarily due to the $19.8 million cash interest paid on our 6.875% Notes, an increase in cash interest paid on our and Mission's senior secured credit facilities of $9.9 million due to higher amounts of outstanding term loans and an increase in cash interest paid on the 8.875% Notes of $7.3 million primarily related to the interest items included in the accreted debt balances paid in 2013. These increases were partially offset by a $28.4 million decrease in cash paid for interest on our 7% Senior subordinated Notes ("7% Notes") and 7% Senior subordinated PIK Notes ("7% PIK Notes") that were retired in the fourth quarter of 2012.

Net cash provided by operating activities increased by $37.8 million during the year ended December 31, 2012 compared to the same period in 2011. The increase was primarily due to an increase in net revenue of $72.1 million which was partially offset by an increase in cash paid for interest of $15.3 and incremental expenses from acquisitions in December 2012 and 2011. The Company also recognized a $5.1 million gain on disposal of KBTV, net of $3.1 million income tax expense in 2012.

Cash paid for interest increased by $15.3 million during the year ended December 31, 2012 compared to the same period in 2011. This was due to the increase of $17.3 million in cash paid for interest on our 7% Notes and 7% PIK Notes primarily related to the interest items included in the accreted debt balances paid in 2012, and an increase of $0.8 million in cash interest paid on the senior secured credit facilities due to larger amounts outstanding under the Company's revolving credit facilities and term loans. These increases were partially offset by a $2.8 million decrease in cash paid for interest on our 11.375% senior discount notes redeemed in 2011.

Cash Flows – Investing Activities

Net cash flows used in investing activities increased by $9.5 million during the year ended December 31, 2013 compared to the same period in 2012. Capital expenditures during the year ended December 31, 2013 increased by $1.7 million compared to the same period in 2012, primarily due to capital expenditures of stations the Company acquired in December 2012 and during 2013. During the year ended December 31, 2013, deposits and payments for acquisitions, net of proceeds from station disposal, was $229.4 million, compared to $221.6 million for the same period in 2012.

Net cash used in investing activities increased by $184.0 million during the year ended December 31, 2012 compared to the same period in 2011. Capital expenditures were $17.3 million during the year ended December 31, 2012 compared to $13.3 million for the same period in 2011. Additionally, the Company acquired the assets of ten television stations in seven markets and Inergize Digital Media from Newport for $225.0 million and made escrow payments of $10.4 million for the acquisitions of seven stations in four markets. These uses of cash for investing activities were partially offset by $13.9 million net proceeds from sale of the net assets of KBTV.

Cash Flows – Financing Activities

Net cash flows provided by financing activities decreased by $28.4 million during the year ended December 31, 2013 compared to the same period in 2012.

During 2013, we and Mission borrowed a total of $379.0 million in term loans and revolving loans under our and Mission's senior secured credit facilities. On October 1, 2013, we also completed the sale and issuance of the $275.0 million 6.875% Notes. The proceeds from these borrowings were used to partially finance deposits and payments for acquisition of stations, retirement of the 8.875% Notes and for general corporate purposes. We also received $7.0 million proceeds from stock option exercises. The cash flow increases were partially offset by repayments of $122.0 million outstanding obligations under our and Mission's senior secured facilities, retirement of the 8.875% Notes for $316.8 million, quarterly dividend payments to our Class A and Class B common stockholders of $14.3 million, purchase of treasury stock for $8.4 million and payments for debt financing costs of $7.2 million.

Net cash provided by financing activities was $220.2 million for the year ended December 31, 2012 compared to $1.9 million net cash used in financing activities for the same period in 2011.

During 2012, we and Mission borrowed $360.5 million in term loans and revolving loans under our and Mission's senior secured credit facilities. On November 9, 2012, we completed the sale and issuance of $250.0 million 6.875% Notes. The proceeds from these borrowings were used to partially finance deposits and payments for acquisition of stations, repayment of outstanding obligations under our and Mission's senior secured credit facilities and retirement of the outstanding principal balance on our 7% Notes and 7% PIK Notes. We also received $1.8 million proceeds from stock option exercises and recognized a cash inflow of $0.7 million excess tax benefit from stock-based compensation arrangements. The cash flow increases were partially offset by repayments of $242.9 million outstanding obligations under our and Mission's senior secured facilities, retirement of our 7% Notes and 7% PIK Notes for $36.6 million and

$99.3 million, respectively, and payments for debt financing costs of $13.2 million.

During 2011, we borrowed a $50.0 million term loan, which was used to repurchase various outstanding notes, and borrowed $40.4 million of revolving loans, primarily related to acquisitions, both under our senior secured credit facility. Throughout the year, we repaid $22.8 million of our revolving loans, using cash on hand. The outstanding balance of the 11.375% Senior Discount Notes of $45.9 million, $7.3 million of outstanding 7% Notes and $21.2 million of outstanding 7% PIK Notes were repurchased during the year, from the proceeds of the term loan borrowing and cash on hand, all amounts net of amounts paid related to accrued PIK interest and original issue discount. Mission borrowed $6.7 million of revolving loans under the Mission senior secured credit facility, related to the acquisition of WTVW from Nexstar in 2011.

Future Sources of Financing and Debt Service Requirements

As of December 31, 2013, we and Mission had total combined debt of $1.1 billion, which represented 101.3% of our and Mission's combined capitalization. Our and Mission's high level of debt requires that a substantial portion of cash flow be dedicated to pay principal and interest on debt, which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes.

We and Mission had $105.0 million of total unused revolving loan commitments under the senior secured credit facilities, all of which were available for borrowing, based on the covenant calculations as of December 31, 2013. The Company's ability to access funds under its senior secured credit facilities depends, in part, on our compliance with certain financial covenants. Any additional drawings under the senior secured credit facilities will reduce our and Mission's future borrowing capacity and the amount of total unused revolving loan commitments.

The Company's unused Term Loan A Facilities of $184.0 million are expected to be utilized to fund a portion of the remaining $243.0 million due for the acquisition of CCA and White Knight upon closing, which we project to close in the second quarter of 2014. The Company and Rocky Creek expects to fund the remaining purchase price through cash on hand and cash generated prior to closing and additional amounts drawn under the Company's senior secured credit facilities.

The Company also signed agreements to acquire stations from Citadel, Stainless, Grant, Gray TV and Excalibur. We will fund the remaining $22.0 million to Citadel, $79.0 million to Grant and $33.5 million to Gray TV, subject to adjustments for working capital, through cash generated from operations prior to closing, borrowings under our senior secured credit facility and future credit market transactions, upon closing, which we project to occur in the second quarter of 2014. Mission will finance the remaining purchase price of $15.1 million to Stainless, $15.3 million to us and $4.0 million to Excalibur, subject to working capital adjustments, through cash generated from operations prior to closing and borrowings under its senior secured credit facility, which Mission expects to close in the second quarter of 2014.

The following table summarizes the approximate aggregate amount of principal indebtedness scheduled to mature for the periods referenced as of December 31, 2013 (in thousands):

	Total	2014	2015-2016	2017-2018	Thereafter
Nexstar senior secured credit facility	$314,108	$4,523	$13,170	$45,545	$250,870
Mission senior secured credit facility	232,896	2,334	4,670	4,670	221,222
6.875% Senior unsecured notes due 2020	525,000	-	-	-	525,000
	$1,072,004	$6,857	$17,840	$50,215	$997,092

We make semiannual interest payments on our 6.875% Notes on May 15 and November 15 of each year. During the fourth quarter of 2013, we and Mission fully paid all debt outstanding on the 8.875% Notes. Interest payments on our

and Mission's senior secured credit facilities are generally paid every one to three months and are payable based on the type of interest rate selected.

The terms of the Nexstar and Mission senior secured credit facilities, as well as the indentures governing our 6.875% Notes, limit, but do not prohibit us or Mission from incurring substantial amounts of additional debt in the future.

We do not have any rating downgrade triggers that would accelerate the maturity dates of our debt. However, a downgrade in our credit rating could adversely affect our ability to renew existing credit facilities, obtain access to new credit facilities or otherwise issue debt in the future and could increase the cost of such debt.

Debt Covenants

Our senior secured credit facility contains covenants that require us to comply with certain financial ratios, including: (a) a maximum consolidated total leverage ratio, (b) a maximum consolidated first lien indebtedness ratio, and (c) a minimum consolidated fixed charge coverage ratio. The covenants, which are calculated on a quarterly basis, include the combined results of Nexstar and Mission. Mission's senior secured credit facility does not contain financial covenant ratio requirements; however, it does include an event of default if Nexstar does not comply with all covenants contained in its credit agreement. The 6.875% Notes contain restrictive covenants customary for borrowing arrangements of this type. We believe we and Mission will be able to maintain compliance with all covenants contained in the credit agreements governing our senior secured facilities and the indentures governing our 6.875% Notes for a period of at least the next twelve months from December 31, 2013.

No Off-Balance Sheet Arrangements

As of December 31, 2013, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. All of our arrangements with Mission are on-balance sheet arrangements. Our variable interests in other entities are obtained through local service agreements, which have valid business purposes and transfer certain station activities from the station owners to us. We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Contractual Obligations

The following summarizes Nexstar's and Mission's contractual obligations as of December 31, 2013, and the effect such obligations are expected to have on the Company's liquidity and cash flow in future periods (in thousands):

	Total	2014	2015-2016	2017-2018	Thereafter
Nexstar senior secured credit facility	$314,108	$4,523	$13,170	$45,545	$250,870
Mission senior secured credit facility	232,896	2,334	4,670	4,670	221,222
6.875% senior unsecured notes due 2020	525,000	-	-	-	525,000
Cash interest on debt	385,643	57,578	114,427	111,779	101,859
Broadcast rights current cash commitments(1)	5,207	2,607	2,231	355	14
Broadcast rights future cash commitments	16,368	8,035	5,719	1,574	1,040
Executive employee contracts(2)	31,291	9,611	15,044	6,636	-
Operating lease obligations	58,696	6,001	11,897	12,248	28,550
Total contractual cash obligations	$1,569,209	$90,689	$167,158	$182,807	$1,128,555

(1) Excludes broadcast rights barter payable commitments recorded on the Consolidated Financial Statements as of December 31, 2013 in the amount of $11.6 million.

(2) Includes the employment contracts for all corporate executive employees and general managers of our stations.

As of December 31, 2013, we had $3.7 million of unrecognized tax benefits. This liability represents an estimate of tax positions that the Company has taken in its tax returns which may ultimately not be sustained upon examination by the tax authorities. The resolution of these tax positions may not require cash settlement due to the existence of NOLs.

Critical Accounting Policies and Estimates

Our Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the Consolidated Financial Statements and reported amounts of revenue and expenses during the period. On an ongoing basis, we evaluate our estimates, including those related to goodwill and intangible assets, bad debts, broadcast rights, retransmission revenue, trade and barter and income taxes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

For an overview of our significant accounting policies, we refer you to Note 2 of our Consolidated Financial Statements. We believe the following critical accounting policies are those that are the most important to the presentation of our Consolidated Financial Statements, affect our more significant estimates and assumptions, and require the most subjective or complex judgments by management.

Consolidation of Mission and Variable Interest Entities

We regularly evaluate our local service agreements and other arrangements where we may have variable interests to determine whether we are the primary beneficiary of a variable interest entity (“VIE”). Under U.S. GAAP, a company must consolidate an entity when it has a “controlling financial interest” resulting from ownership of a majority of the entity’s voting rights. Accounting rules expand the definition of controlling financial interest to include factors other than equity ownership and voting rights.

In applying accounting and disclosure requirements, we must base our decision to consolidate an entity on quantitative and qualitative factors that indicate whether or not we are absorbing a majority of the entity’s economic risks or receiving a majority of the entity’s economic rewards. Our evaluation of the “risks and rewards” model must be an ongoing process and may alter as facts and circumstances change.

Mission is included in our Consolidated Financial Statements because we are deemed to have a controlling financial interest in Mission as a VIE for financial reporting purposes as a result of (1) local service agreements we have with the Mission stations, (2) our guarantee of the obligations incurred under Mission’s senior secured credit facility, (3) our power over significant activities affecting Mission’s economic performance, including budgeting for Mission’s advertising revenue, advertising sales and hiring and firing of sales force personnel and (4) purchase options granted by Mission which will permit us to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. Additionally, on November 29, 2011, Mission’s shareholders granted us an option to purchase any or all of Mission’s stock, subject to FCC consent, for a price equal to the pro rata portion of the greater of (1) five times the stations’ cash flow, as defined in the agreement, reduced by the amount of indebtedness, as defined in the agreement, or (2) $100,000. These option agreements expire on various dates between 2014 and 2023 and are freely exercisable or assignable without the consent of Mission or its shareholders.

Valuation of Goodwill and Intangible Assets

Intangible assets represented $649.6 million, or 55.8%, of our total assets as of December 31, 2013. Intangible assets principally include FCC licenses, goodwill and network affiliation agreements. If the fair value of these assets is less than the carrying value, we may be required to record an impairment charge.

We test the impairment of our FCC licenses annually or whenever events or changes in circumstances indicate that such assets might be impaired. The impairment test consists of a comparison of the fair value of FCC licenses with their carrying amount on a market-by-market basis using a discounted cash flow valuation method, assuming a hypothetical startup scenario.

We test the impairment of our goodwill annually or whenever events or changes in circumstances indicate that goodwill might be impaired. The first step of the goodwill impairment test compares the fair value of the market ("reporting unit") to its carrying amount, including goodwill. We aggregate our stations by market for purposes of our goodwill and license impairment testing and we believe that our markets are most representative of our broadcast reporting units because we view, manage and evaluate our stations on a market basis. The fair value of a reporting unit is determined through the use of a discounted cash flow analysis. The valuation assumptions used in the discounted cash flow model reflect historical performance of the reporting unit and the prevailing values in the markets for broadcasters. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not considered impaired. If the carrying amount of the reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by performing an assumed purchase price allocation, using the reporting unit's fair value (as determined in the first step described above) as the purchase price. If the carrying amount of goodwill exceeds the implied fair value, an impairment loss is recognized in an amount equal to that excess but not more than the carrying value of goodwill.

We test network affiliation agreements whenever events or circumstances indicate that their carrying amount may not be recoverable, relying on a number of factors including operating results, business plans, economic projections and anticipated future cash flows. Impairment in the carrying amount of a network affiliation agreement is recognized when the expected future operating cash flow derived from the operations to which the asset relates is less than its carrying value.

We assessed the recoverability of one of our reporting units for impairment as of September 30, 2013, between the required annual tests, as a result of the termination of certain web hosting and other services agreements. Based on the results of the step one analysis, it was more likely that not that the fair value of the reporting unit exceeds its carrying amount. Therefore, no impairment of goodwill was indicated and we deemed it not necessary to perform the step two impairment test.

We completed our annual test for impairment of goodwill and FCC licenses tested for impairment as of December 31, 2013 and 2012, resulting in no need for impairment charges. All of the fair values of our reporting units and FCC licenses tested for impairment exceeded their carrying amounts. In aggregate, excluding stations acquired in 2012 and 2013, our fair values exceeded their book values by a margin of 209%, representing a range of 43% to 717%.

The assumptions used in the valuation testing have certain subjective components including anticipated future operating results and cash flows based on our own internal business plans as well as future expectations about general economic and local market conditions.

We utilized the following assumptions in our impairment testing for the years ended December 31:

	2013	2012
Market growth rates	(1.4) – 5.1%	0.1 – 5.1%
Operating profit margins – FCC licenses	12.5 – 35.4%	12.0 – 34.5%
Operating profit margins – goodwill	21.5 – 41.2%	21.0 – 38.6%
Discount rate	10.5%	10.0%
Tax rate	35.3 – 40.6%	35.2 – 40.6%
Capitalization rate	7.5 – 9.5%	7.3 – 9.0%

Allowance for Doubtful Accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We evaluate the collectability of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations, we record a specific reserve to reduce the amounts recorded to what we believe will be collected. If the financial condition of our customers were to deteriorate, resulting in their inability to make payments, additional allowances may be required. The allowance for doubtful accounts was $3.0 million and $2.0 million as of December 31, 2013 and 2012, respectively.

Broadcast Rights Carrying Amount

We record broadcast rights contracts as an asset and a liability when the license period has begun, the cost of each program is known or reasonably determinable, we have accepted the program material, and the program is available for broadcast. We consider programs that have been produced prior to our contract period to be available for broadcast, while programs that are produced throughout the contract period are recorded and amortized as they are aired. Broadcast rights are stated at the lower of unamortized cost or net realizable value. Cash broadcast rights are initially recorded at the amount paid or payable to program distributors for the limited right to broadcast the distributors' programming. Barter broadcast rights are recorded at our estimate of the fair value of the advertising time exchanged, which approximates the fair value of the programming received. The fair value of the advertising time exchanged is estimated by applying average historical rates for specific time periods. Amortization of broadcast rights is computed using the straight-line method based on the license period or programming usage, whichever period yields the shorter life. The current portion of broadcast rights represents those rights available for broadcast which will be amortized in the succeeding year. When projected future net revenue associated with a program is less than the current carrying amount of the program broadcast rights, for example, due to poor ratings, we amortize the broadcast rights to equal the amount of projected future net revenue. If the expected broadcast period was shortened or cancelled we would be required to write-off the remaining value of the related broadcast rights to operations on an accelerated basis or possibly immediately. As of December 31, 2013, the carrying amounts of our current broadcast rights were $7.1 million and non-current broadcast rights were $8.4 million.

Retransmission Revenue

We earn revenues from local cable providers, DBS services and other MVPDs for the retransmission of our broadcasts. These revenues are generally earned based on a price per subscriber of the MVPD within the retransmission area. The MVPDs report their subscriber numbers to us periodically, generally upon payment of the fees due to us. Prior to receiving the MVPD reporting, we record revenue based on management's estimate of the number of subscribers, utilizing historical levels and trends of subscribers for each MVPD.

Trade and Barter Transactions

We trade certain advertising time for various goods and services. These transactions are recorded at the estimated fair value of the goods or services received. We barter advertising time for certain program material. These transactions, except those involving exchange of advertising time for network programming, are recorded at management's estimate of the fair value of the advertising time exchanged, which approximates the fair value of the program material received. The fair value of advertising time exchanged is estimated by applying average historical advertising rates for specific time periods. We recorded barter revenue of $22.8 million, $13.8 million and $13.5 million for the years ended December 31, 2013, 2012 and 2011, respectively. Trade revenue of $8.7 million, $8.1 million and $8.0 million was recorded for the years ended December 31, 2013, 2012 and 2011, respectively. We incurred trade and barter expense of $30.7 million, $20.8 million and $21.3 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. A valuation allowance is applied against net deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. While we have considered future taxable income in assessing the need for a valuation allowance, in the event that we

were to determine that we would not be able to realize all or part of our deferred tax assets in the future, an adjustment to the valuation allowance would be charged to income in the period such a determination was made. Section 382 of the Internal Revenue Code of 1986, as amended, generally imposes an annual limitation on the amount of NOLs that may be used to offset taxable income when a corporation has undergone significant changes in stock ownership. Ownership changes are evaluated as they occur and could limit the ability to use NOLs. On May 7, 2013, ABRY sold 3,865,384 shares of common stock and it no longer has any ownership interest in us. As a result of this sale, an ownership change occurred resulting in a Section 382 limitation on the use of our NOLs. The sale of common stock by ABRY is not expected to impact Mission. We and Mission expect to be able to utilize the existing NOLs prior to their expiration. Our estimated annual Section 382 limitation following the ownership change is $150.0 million for 2014, $91.0 million for each of 2015-2017, $45.0 million for 2018 and $21.0 million annually thereafter.

In addition, any subsequent ownership changes could result in additional limitations. The ability to use NOLs is also dependent upon our and Mission's ability to generate taxable income. The NOLs could expire before we and Mission generate sufficient taxable income. To the extent our and Mission's use of NOLs is significantly limited, the Company's income could be subject to corporate income tax earlier than it would if it were able to use NOLs, which could have a negative effect on our and Mission's financial results and operations. Changes in ownership are largely beyond our control and we can give no assurance that we will continue to have realizable NOLs.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. The determination is based on the technical merits of the position and presumes that each uncertain tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information. We recognize interest and penalties relating to income taxes as components of income tax expense.

Recent Accounting Pronouncements

Refer to Note 2 of our Consolidated Financial Statements in Part IV, Item 15(a) of this Annual Report on Form 10-K for a discussion of recently issued accounting pronouncements, including our expected date of adoption and effects on results of operations and financial position.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our long-term debt obligations.

The interest rate on the term loan borrowings under the senior credit facilities ranged from 2.4% to 3.8% as of December 31, 2013 and the interest rate on the revolving credit facilities was 2.4%, which represented the base rate, or LIBOR, plus the applicable margin, as defined. Interest is payable in accordance with the credit agreements.

Including the impact of the LIBOR floor on certain of our and Mission's term loans, an increase in LIBOR of 100 basis points (one percentage point) from the December 31, 2013 level would increase the Company's annual interest expense and decrease cash flow from operations by $1.7 million, based on the outstanding balance of our and Mission's credit facilities as of December 31, 2013. An increase in LIBOR of 50 basis points (one-half of a percentage point) would result in a $0.3 million increase in the Company's annual interest expense and decrease in cash flows from operations. If LIBOR were to decrease either by 100 basis points or 50 basis points, the Company's annual interest would decrease and cash flows from operations would increase by $0.1 million. Our 6.875% Notes are fixed rate debt obligations and therefore are not exposed to market interest rate changes. As of December 31, 2013, we have no financial instruments in place to hedge against changes in the benchmark interest rates on our senior credit facilities.

Impact of Inflation

We believe that our results of operations are not affected by moderate changes in the inflation rate.

Item 8. Consolidated Financial Statements and Supplementary Data

Our Consolidated Financial Statements are filed with this report. The Consolidated Financial Statements and Supplementary Data are included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Nexstar's management, with the participation of its President and Chief Executive Officer along with its Chief Financial Officer, conducted an evaluation as of the end of the period covered by this annual report of the effectiveness of the design and operation of Nexstar's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Based upon that evaluation, Nexstar's President and Chief Executive Officer and its Chief Financial Officer concluded that as of December 31, 2013, Nexstar's disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed in the reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to Nexstar's management, including its President and Chief Executive Officer and its Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the quarterly period as of the end of the period covered by this report, there have been no changes in Nexstar's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Nexstar's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Management assesses the effectiveness of our internal control over financial reporting as of December 31, 2013 based upon the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (1992).

We have excluded KLRT, KASN, KGET, KKEY-LP, KGPE, KSEE, WFFF, WVNY, KCAU, WHBF and WOI from our assessment of internal control over financial reporting as of December 31, 2013, because either they were acquired in purchase business combinations or we became the primary beneficiary of variable interests in the stations in 2013. These acquired businesses and consolidated variable interest entities represented collectively 5.6% of our consolidated total assets and 11.2% of our consolidated total net revenues as of and for the year ended December 31, 2013.

Based on management's assessment, we have concluded that our internal control over financial reporting was effective as of December 31, 2013.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2013 as stated in their report which appears herein.

Item 9B. Other Information

None.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information concerning directors that is required by this Item 10 will be set forth in the Proxy Statement to be provided to stockholders in connection with our 2014 Annual Meeting of Stockholders (the "Proxy Statement") under the headings "Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance," which information is incorporated herein by reference.

Item 11. Executive Compensation

Information required by this Item 11 will be set forth in the Proxy Statement under the headings "Compensation of Named Executive Officers" and "Compensation of Directors," which information is incorporated herein by reference. Information specified in Items 402(k) and 402(l) of Regulation S-K and set forth in the Proxy Statement is incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management, and Related Stockholder Matters

Information required by this Item 12 will be set forth in the Proxy Statement under the headings "Security Ownership of Certain Beneficial Owners and Management," and "Compensation of Named Executive Officers," which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item 13 will be set forth in the Proxy Statement under the heading "Certain Relationships and Related Person Transactions," which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information required by this Item 14 will be set forth in the Proxy Statement under the heading "Ratification of the Selection of Independent Registered Public Accounting Firm," which information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report:

(1) Consolidated Financial Statements. The Consolidated Financial Statements of Nexstar Broadcasting Group, Inc. listed on the index on page F-1 have been included beginning on page F-3 of this Annual Report on Form 10-K.

The audited Financial Statements of Mission Broadcasting, Inc. as of December 31, 2013 and 2012 and for each of the three years in the period ended December 31, 2013, as filed in Mission Broadcasting, Inc.'s Annual Report on Form 10-K, are incorporated by reference in this report.

(2) Financial Statement Schedules. The schedule of Valuation and Qualifying Accounts appears in Note 18 to the Consolidated Financial Statements filed as part of this report.

(3) Exhibits. The exhibits filed in response to Item 601 of Regulation S-K are listed in the Exhibit Index beginning on page E-1 of this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

NEXSTAR BROADCASTING GROUP, INC.

By: /s/ PERRY A. SOOK
Perry A. Sook
President and Chief Executive Officer

By: /s/ THOMAS E. CARTER
Thomas E. Carter
Chief Financial Officer

Dated: March 3, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities indicated on March 3, 2014.

Name	Title
/s/ PERRY A. SOOK Perry A. Sook	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ THOMAS E. CARTER Thomas E. Carter	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ JAY M. GROSSMAN Jay M. Grossman	Director
/s/ ROYCE YUDKOFF Royce Yudkoff	Director
/s/ GEOFF ARMSTRONG Geoff Armstrong	Director
/s/ I. MARTIN POMPADUR I. Martin Pompadur	Director
/s/ LISBETH MCNABB Lisbeth McNabb	Director
/s/ Dennis A. Miller Dennis A. Miller	Director

NEXSTAR BROADCASTING GROUP, INC.
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Nexstar Broadcasting Group, Inc:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of stockholders' (deficit) equity and of cash flows present fairly, in all material respects, the financial position of Nexstar Broadcasting Group, Inc. and its subsidiaries (the “Company”) at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management’s Report on Internal Control over Financial Reporting, management has excluded KLRT, KASN, KGET, KKEY-LP, KGPE, KSEE, WFFF, WVNY, KCAU, WHBF and WOI from its assessment of internal control over financial reporting as of December 31, 2013 because they were either acquired by the Company in purchase business combinations or the Company became the primary beneficiary of variable interests in the stations during 2013. We have also excluded KLRT, KASN, KGET, KKEY-LP, KGPE, KSEE, WFFF, WVNY, KCAU,

WHBF and WOI from our audit of internal control over financial reporting. KLRT, KASN, KGET, KKEY-LP, KGPE, KSEE, WFFF and WVNY are wholly owned subsidiaries and KCAU, WHBF and WOI are consolidated variable interest entities whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 5.6% and 11.2% respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2013.

/s/ PricewaterhouseCoopers LLP
Dallas, Texas
March 3, 2014

NEXSTAR BROADCASTING GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share information)

	December 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$40,028	$68,999
Accounts receivable, net of allowance for doubtful accounts of $3,035 and $1,965, respectively	109,430	74,553
Current portion of broadcast rights	7,057	8,477
Deferred tax assets	38,585	8,861
Prepaid expenses and other current assets	6,066	2,436
Total current assets	201,166	163,326
Property and equipment, net	212,259	180,162
Goodwill	198,052	148,409
FCC licenses	222,757	198,257
FCC licenses of consolidated variable interest entities	66,263	21,939
Other intangible assets, net	162,535	122,491
Deferred tax assets	30,898	72,090
Other noncurrent assets	69,792	39,141
Total assets	$1,163,722	$945,815
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Current portion of debt	$6,857	$2,175
Current portion of broadcast rights payable	6,282	9,094
Accounts payable	10,250	13,307
Accrued expenses	24,142	18,122
Interest payable	4,661	8,703
Amounts payable to sellers for acquisition of stations	22,000	-
Other current liabilities of Mission	4,923	3,195
Other current liabilities	4,807	3,407
Total current liabilities	83,922	58,003
Debt	1,064,262	855,467
Other noncurrent liabilities of Mission	8,080	7,828
Other noncurrent liabilities	20,689	22,278
Total liabilities	1,176,953	943,576
Commitments and contingencies		
Stockholders' (deficit) equity:		
Preferred stock - $0.01 par value, 200,000 shares authorized; none issued and outstanding at each of December 31, 2013 and 2012	-	-
Class A Common stock - $0.01 par value, 100,000,000 shares authorized; 30,598,535 and 21,677,248 shares issued and outstanding at December 31, 2013 and 2012, respectively	306	217
Class B Common stock - $0.01 par value, 20,000,000 shares authorized; none issued and outstanding at December 31, 2013 and 7,702,471 shares issued and outstanding at December 31, 2012	-	77
Class C Common stock - $0.01 par value, 5,000,000 shares authorized; none issued and outstanding at each of December 31, 2013 and 2012	-	-

Additional paid-in capital	396,817	410,514
Accumulated deficit	(410,354)	(408,569)
Total stockholders' (deficit) equity	(13,231)	2,239
Total liabilities and stockholders' (deficit) equity	$1,163,722	$945,815

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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NEXSTAR BROADCASTING GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share information)

	Years Ended December 31,		
	2013	2012	2011
Net revenue	$502,330	$378,632	$306,491
Operating expenses:			
Direct operating expenses, excluding depreciation and amortization	147,711	91,764	81,657
Selling, general, and administrative expenses, excluding depreciation and amortization	150,933	117,535	105,167
Amortization of broadcast rights	35,439	22,411	23,389
Amortization of intangible assets	30,148	22,994	25,979
Depreciation	33,578	23,555	21,845
Loss on asset disposal, net	1,280	468	461
Total operating expenses	399,089	278,727	258,498
Income from operations	103,241	99,905	47,993
Interest expense, net	(66,243)	(51,559)	(53,004)
Loss on extinguishment of debt, net	(34,724)	(3,272)	(1,155)
Other expenses	(1,459)	-	-
Income (loss) from continuing operations before income tax (expense) benefit	815	45,074	(6,166)
Income tax (expense) benefit	(2,600)	132,279	(5,725)
(Loss) income from continuing operations	(1,785)	177,353	(11,891)
Gain on disposal of station, net of income tax expense of $3,098	-	5,139	-
Net (loss) income	$(1,785)	$182,492	$(11,891)
(Loss) income per common share from continuing operations:			
Basic	$(0.06)	$6.13	$(0.42)
Diluted	$(0.06)	$5.77	$(0.42)
Gain on disposal of station, net of income tax expense, per common share:			
Basic	$-	$0.18	$-
Diluted	$-	$0.17	$-
Net (loss) income per common share:			
Basic	$(0.06)	$6.31	$(0.42)
Diluted	$(0.06)	$5.94	$(0.42)
Weighted average number of common shares outstanding:			
Basic	29,897	28,940	28,626
Diluted	29,897	30,732	28,626
Dividends declared per common share	$0.48	$-	$-

The accompanying Notes are an integral part of these Consolidated Financial Statements.

NEXSTAR BROADCASTING GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' (DEFICIT) EQUITY
For the Three Years Ended December 31, 2013
(in thousands, except share information)

	Preferred Stock		Common Stock						Additional	Treasury Stock			Total Stockholders'
			Class A		Class B		Class C		Paid-In			Accumulated	(Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Shares	Amount	Deficit	Equity
Balances as of December 31, 2010	-	$ -	15,038,839	$ 150	13,411,588	$ 134	-	$ -	$ 403,006	-	$ -	$ (579,170)	$ (175,880)
Stock-based compensation expense	-	-	-	-									