



## **AT&T/DIRECTV BLACKS OUT LOCAL TV STATIONS IN 97 MARKETS ACROSS THE USA ON JULY 4th AFTER REJECTING NEXSTAR OFFERS TO EXTEND ACCESS FOR CONSUMERS TO LEADING LOCAL CONTENT**

### **DIRECTV/AT&T Once Again Holds its Subscribers Hostage Instead of Negotiating in Good Faith and Reaching a Fair Market Rate Agreement with Nexstar, Other Broadcasters and Content Providers**

IRVING, Texas, July 4, 2019 – Effective 11:59 p.m. local time on July 3, direct broadcast satellite service provider DIRECTV and AT&T U-verse unilaterally dropped the network and local community programming for over 120 stations impacting consumers and viewers in 97 markets across the United States. The action follows DIRECTV's refusal to accept an offer of an unconditional extension of the existing distribution agreement to August 2 to allow the stations' owner, Nexstar Broadcasting Group, Inc. ("Nexstar") and DIRECTV/AT&T to reach a new agreement allowing the direct broadcast satellite service provider (as well as AT&T's U-verse systems and its' subscription streaming television service, DIRECTV NOW) the right to continue to air the highly rated programming.

With its long-term record of delivering exemplary service to the local markets where it operates, Nexstar deeply regrets DIRECTV/AT&T's rejection of the extension as it deprives viewers in the affected markets of broadcasts of leading network content from ABC, CBS, FOX, NBC, CW, and MyNetworkTV as well as local news and other programming produced specifically for these local communities. Viewers affected by the loss of service from DIRECTV have several alternatives to continue watching their favorite shows including local cable providers, DISH, over-the-air, certain subscription streaming television services, and services such as Verizon's FIOS.

The development is highly unusual for Nexstar but far more common for DIRECTV/AT&T. Nexstar has established a long-term record of completing hundreds of agreements with multichannel video programming distributors ("MVPDs" or cable TV, satellite TV, telecom companies) for the carriage of its television stations and is proud that it has never in its 23-year history had a service interruption related to distribution agreements of the magnitude of the AT&T/DIRECTV interruption. In contrast, DIRECTV is routinely involved in disputes with content providers and following its 2015 acquisition by AT&T has dropped or threatened to black out network and local community programming from DISH Network, Viacom, SJL Broadcasting/Lilly Broadcasting, and others. Between May 30, 2019 and June 10, 2019 alone, viewers of at least 20 other non-Nexstar stations (owned by Deerfield Media, GoCom Media of Illinois, Howard Stirk Holdings, Mercury Broadcast Group, MPS Media, Nashville License Holdings, Roberts Media, Second Generation of Iowa and Waitt Broadcasting) lost access to network and local content as a result AT&T/DIRECTV's refusal to accept fair market rates for the distribution of leading non-AT&T programming. Notably, in addition to its ownership of DIRECTV, the nation's largest direct broadcast satellite service provider, in 2018 AT&T acquired Time Warner including global media and entertainment giants Warner Bros., HBO, Turner and CNN.

Nexstar has been negotiating in good faith to establish a mutually agreeable contract with DIRECTV. Significantly, Nexstar has offered DIRECTV the same rates it offered to other large distribution partners with whom it completed successful negotiations with in 2019 to date. While Nexstar believed progress was being made in the negotiations, DIRECTV misled Nexstar as it requested that viewers not be informed about the pending expiration as long as negotiations were continuing to be constructive. Yet, with minutes to go before the prior agreement was to expire, DIRECTV/AT&T did not accept Nexstar's offer for an extension which would have allowed viewers in the affected markets to view their favorite network shows, special events, sports, local news and other programming on the Fourth of July and until such time as a new agreement can be reached. A little more than a year after putting DIRECTV together with Time Warner, AT&T appears intent on using its new market power to prioritize its own content at the expense of consumers, and insisting on unreasonable and extreme terms that are totally inconsistent with the market. In January, AT&T raised prices on DIRECTV and in April it put through a price increase for its streaming subscription service, DIRECTV NOW.

Nexstar remains eager to complete an agreement with DIRECTV consistent with those it has made with every other cable, satellite and telco provider in order to end DIRECTV's action that is both unnecessary and punitive to its subscribers. In this regard, in the time leading up to the expiration of the agreement with DIRECTV/AT&T, Nexstar not only offered an extension until August 2, it also offered DIRECTV/AT&T its availability "over the next 30 days to meet with you in-person on the following dates: July 12, 13, 14, 15, 23, 26, 27, 28, 29, 30 as well as August 1 and 2" adding, "We are willing to dedicate as many of these dates as needed. Not knowing when you and your decision makers are available, to avoid any disruption in service to your customers and our viewers in 97 markets across the country, we propose an extension of the current agreement through Friday August 2nd." This is the customary process when negotiations for distribution rights are not completed when the current agreement expires. The only conclusion that can be drawn from DIRECTV/AT&T's refusal to accept Nexstar's offer of an extension is that rather than working on behalf of their subscribers, AT&T-DIRECTV continues to raise prices while reducing channels and content offerings.

Nexstar is highly committed to consistently elevating the level of service provided to local communities in the markets it serves across the United States by making meaningful capital investments to expand local news, lifestyle, sports, weather and other programming and enhancing station infrastructure, production resources and technologies. Nexstar regrets that DIRECTV is willing to hold its paying subscribers hostage because it won't agree to fair and reasonable terms for viewers' favorite programming.

Consumers and viewers affected by DIRECTV/AT&T's blackout can contact DIRECTV/AT&T directly at 208 South Akard Street, Dallas, TX 75202 and by phone at 855-567-1569 or 210-821-4105.

### **About Nexstar Broadcasting Group, Inc.**

Nexstar Broadcasting Group is a leading diversified media company that leverages localism to bring new services and value to consumers and advertisers through its traditional media, digital and mobile media platforms. Nexstar owns, operates, programs or provides sales and other services to 174 full power television stations and related digital multicast signals reaching 100 markets or nearly 39% of all U.S. television households. Nexstar's portfolio includes primary affiliates of NBC, CBS, ABC, FOX, MyNetworkTV and The CW. Nexstar's community portal websites offer additional hyper-local content and verticals for consumers and advertisers, allowing audiences to choose where, when and how they access content while creating new revenue opportunities

### **Forward-Looking Statements**

This communication includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. Forward-looking statements include information preceded by, followed by, or that includes the words "guidance," "believes," "expects," "anticipates," "could," or similar expressions. For these statements, Nexstar claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained in this

communication, concerning, among other things, future financial performance, including changes in net revenue, cash flow and operating expenses, involve risks and uncertainties, and are subject to change based on various important factors, including the impact of changes in national and regional economies, the ability to service and refinance our outstanding debt, successful integration of acquired television stations and digital businesses (including achievement of synergies and cost reductions), pricing fluctuations in local and national advertising, future regulatory actions and conditions in the television stations' operating areas, competition from others in the broadcast television markets, volatility in programming costs, the effects of governmental regulation of broadcasting, industry consolidation, technological developments and major world news events. Nexstar undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this communication might not occur. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. For more details on factors that could affect these expectations, please see Nexstar's other filings with the Securities and Exchange Commission.

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