NEXSTAR BROADCASTING GROUP INC
Form 10-K
March 02, 2015
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, 2014
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, 2014, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was $1,365,119,661.

As of February 23, 2015, the Registrant had 31,172,060 shares of Class A Common Stock outstanding.

Documents Incorporated By Reference

Portions of the Proxy Statement for the Registrant's 2015 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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PART IV

General

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.; "Marshall" refers to Marshall Broadcasting Group, Inc.; the "Company" refers to Nexstar, Mission, Marshall and other consolidated variable interest entities ("VIEs"); and all references to "we," "our," "ours," and "us" refer to Nexstar.

Nexstar Broadcasting 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, Marshall and other VIEs but does not own any of the equity interests in these entities. For a description of the relationship between Nexstar, Mission, Marshall and other consolidated VIEs, 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 and its consolidated subsidiaries. It also includes information related to Mission, Marshall and other consolidated VIEs. 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, Marshall and the other consolidated VIEs are included in the Consolidated Financial Statements contained herein.

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 2014 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 30 to 175 out of the 210 DMAs.

As of December 31, 2014, we owned, operated, programmed or provided sales and other services to 87 television stations and 26 digital multicast channels, including those owned by Mission, Marshall and other VIEs, in 49 markets in the states of Illinois, Indiana, Maryland, Missouri, Montana, Tennessee, Texas, Pennsylvania, Louisiana, Arkansas, Alabama, New York, Florida, Wisconsin, Michigan, Utah, Vermont, California, Iowa, Colorado and Virginia. In 29 of the 49 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 (20 stations), NBC (16 stations), FOX (19 stations), CBS (16 stations), The CW (8 stations and 2 digital multicast channels), MyNetworkTV (7 stations and 2 digital multicast channels), Telemundo (one station and one digital multicast channel), Bounce TV (9 digital multicast channels), Me-TV (8 digital multicast channels), LATV (one digital multicast channel), Weather Nation Utah (one digital multicast channel), This TV (one digital multicast channel) and Movies! (one digital multicast channel). The stations reach approximately 16.2 million viewers or 14.0% of all U.S. television households.

We believe that medium-sized markets offer significant advantages over large-sized markets. 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 March 13, 2014, we completed our acquisitions of the assets of KCAU, the ABC affiliate serving the Sioux City, Iowa market and WHBF, the CBS affiliate serving the Quad Cities, Iowa market, and the outstanding equity of WOI, the ABC affiliate serving the Des Moines, Iowa market, from Citadel Communications, L.P. and its related entities ("Citadel"). The total purchase price of these acquisitions amounted to $87.9 million, of which $65.9 million was paid in 2013, funded by a combination of borrowings under our senior secured credit facility and cash on hand, and the remaining $22.0 million was paid in March 2014, funded by cash on hand.

Effective April 1, 2014, we acquired the assets of Internet Broadcasting Systems, Inc. ("IBS"), a digital publishing platform and digital agency services provider, for a total purchase price of $18.8 million, funded by cash on hand. On May 15, 2014, we acquired the outstanding equity of Enterprise Technology Group, Inc. ("ETG"), a digital content management firm that offers solutions for media companies to build a presence on the web and in the mobile content sector, for a total purchase price of $7.2 million, funded by cash on hand. These acquisitions broaden our digital media portfolio with technologies and offerings that are complementary to our digital businesses and multi-screen strategies.

Effective June 13, 2014, we completed the acquisition of the outstanding equity of WMBB, the ABC affiliate in the Panama City, Florida market, KREX/KREG/KREY, the CBS affiliates and KGJT, the MyNetworkTV affiliate, all in the Grand Junction, Colorado market, from Gray Television, Inc. (“Gray TV”) for $34.5 million in cash, funded by a combination of proceeds from borrowings under our senior secured credit facility and cash on hand. Both KREG and KREY operate as satellite stations of KREX. This acquisition allows us entrance into 2 new markets.

On December 18, 2013, Mission entered into a definitive agreement with Excalibur Broadcasting, LLC (“Excalibur”) to acquire Parker Broadcasting of Colorado, LLC (“Parker”), the owner of television station KFQX, the FOX affiliate in the Grand Junction, Colorado market. The acquisition will allow Mission entrance into this market. The FCC has not granted consent to Mission’s acquisition of Parker from Excalibur. On May 27, 2014, Mission and Excalibur terminated their purchase agreement and Mission assumed Excalibur’s rights, title and interest in an existing purchase agreement to acquire Parker for $4.0 million in cash, subject to adjustments for working capital. In connection with this restructuring, Mission paid a deposit of $3.2 million on June 13, 2014. Mission expects to fund the remaining purchase price through cash generated from operations prior to closing. This acquisition is subject to FCC approval and other customary conditions and Mission expects it to close during 2015. As discussed in Note 2 to our Consolidated Financial Statements, we are the primary beneficiary of a variable interest in Parker. Thus, we have included this station in our Consolidated Financial Statements as of June 13, 2014.

On December 1, 2014, we completed the acquisition of the outstanding equity of privately-held Grant Company, Inc. (“Grant”), the owner of 7 television stations in 4 markets, for $92.4 million in cash, from the Estate of Milton Grant. The stations, along with their respective network affiliation agreements, are WFXR, the FOX affiliate and WWCW, The CW affiliate, both serving the Roanoke, Virginia market, WZDX, the FOX affiliate in the Huntsville, Alabama market, KGCW, The CW affiliate and KLJB, the FOX affiliate, both in the Quad Cities, Iowa market and WLAX/WEUX, the FOX affiliates, in the La Crosse, Wisconsin market. WEUX operates as a satellite station of WLAX. Simultaneous with the Grant acquisition, we sold the assets of KLJB to Marshall for $15.3 million in cash and we entered into local service agreements with Marshall to perform certain sales and other services for this station.

We paid a deposit of $8.5 million in November 2013 upon signing the stock purchase agreement. The remaining purchase price was funded at closing by a combination of cash on hand and borrowings under our existing credit facility. Marshall funded the payment of the purchase price to us through borrowings under its credit facility which we guarantee. As discussed in Note 2 to our Consolidated Financial Statements, we are the primary beneficiary of variable interests in Marshall and we have consolidated this entity into our Consolidated Financial Statements as of December 1, 2014.

Effective January 1, 2015, we completed the acquisition of the outstanding equity of privately-held Communications Corporation of America (“CCA”) as well as CCA’s rights and obligations with respect to certain operating agreements between CCA and White Knight Broadcasting (“White Knight”) for a total consideration of $270.0 million in cash, subject to adjustments for working capital, from SP ComCorp LLC (“SP ComCorp”), NexPoint Credit Strategies Fund (“NexPoint”) and Highland Floating Rate Opportunities Fund (“Highland”). CCA and White Knight, collectively, owned 19 television stations in 10 markets, Simultaneous with our acquisition of CCA, we sold the assets of two CCA stations, KPEJ and KMSS, to Marshall for $43.3 million in cash and we entered into local service agreements with Marshall to perform certain sales and other services for these stations. Additionally, we sold the assets of a CCA station, WEVV, the CBS and FOX affiliate serving the Evansville market, to Bayou City Broadcasting Evansville, Inc. (“BCB”) for $26.9 million in cash, subject to adjustments for working capital. There is no relationship between us and BCB or the stations we and BCB own after the sale.

We paid a deposit of $27.0 million to CCA in April 2013 upon signing the stock purchase agreement. The remaining purchase price was funded at closing through a combination of borrowings under our existing credit facility and cash on hand. Marshall funded the payment of the purchase price to us through borrowings under its credit facility which we guarantee. These transactions allow the Company entrance into 7 new markets and create duopolies in 6 markets. The stations impacted are as follows:

Market	Market Rank	Station	Affiliation
Nexstar:			
Harlingen-Weslaco-Brownsville-McAllen, TX	86	KVEO	NBC/Estrella
Waco-Temple-Bryan, TX	87	KWKT	FOX/MyNetworkTV/ Estrella
		KYLE	FOX/MyNetworkTV/ Estrella
El Paso, TX	91	KTSM	NBC/Estrella
Baton Rouge, LA	93	WGMB	FOX
		WBRL-CD	The CW
Tyler-Longview, TX	108	KETK	NBC/Estrella
Lafayette, LA	124	KADN	FOX
		KLAF-LD	MyNetworkTV
Alexandria, LA	179	WNTZ	FOX/MyNetworkTV
Marshall:			
Shreveport, LA	83	KMSS	FOX
Odessa-Midland, TX	146	KPEJ	FOX/Estrella
White Knight:			
Baton Rouge, LA	93	WVLA	NBC
		KZUP-CD	RTV
Tyler-Longview, TX	108	KFXK	FOX
		KFXL-LD	FOX
		KLPN-LD	MyNetworkTV
Shreveport, LA	83	KSHV	MyNetworkTV

On January 30, 2015, we completed the acquisition of the assets of KASW, the CW affiliate in the Phoenix, Arizona market from Meredith Corporation (“Meredith”) and SagamoreHill of Phoenix, LLC (“SagamoreHill”) for $68.0 million in cash, subject to adjustments for working capital. This acquisition allows us entrance into this market and we funded the purchase price through the proceeds from our $275.0 million 6.125% Senior Unsecured Notes issued on January 29, 2015 due 2022 (“6.125% Notes”), at par, and borrowings under our existing credit facility. The 6.125% Notes will mature on February 15, 2022.

On February 2, 2015, we acquired the outstanding equity of Yashi, Inc. (“Yashi”), a local digital video advertising and targeted programmatic technology platform for $33.0 million in cash, subject to adjustments for working capital. This acquisition is expected to broaden our digital media portfolio with technologies and offerings that are complementary to our digital businesses and multi-screen strategies. The purchase price was funded through our 6.125% Notes and borrowings under our existing credit facility.

On February 13, 2015, we completed the acquisition of the outstanding equity of KLAS, LLC, the owner of television station KLAS, the CBS affiliate serving the Las Vegas, Nevada market for $145.0 million in cash, subject to adjustments for working capital, from Landmark Television, LLC ("Landmark Television") and Landmark Media Enterprises, LLC ("Landmark Media"). This acquisition allows us entrance into this market and the purchase price was funded through our 6.125% Notes and borrowings under our existing credit facility.

Pending Acquisitions

On September 13, 2013, Mission entered into a definitive agreement to acquire WICZ, 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. The acquisition will allow Mission entrance into this market. A deposit of $0.2 million was paid by Mission in September 2013 upon signing the purchase agreement. The remaining purchase price is expected to be funded through a combination of borrowings under Mission's existing credit facility and cash on hand. The acquisition is subject to FCC approval and other customary conditions and Mission expects it to close during 2015.

On October 24, 2014, we entered into a definitive agreement to acquire the assets of KCWI, the CW affiliate in the Des Moines-Ames, Iowa market from Pappas Telecasting of Iowa, LLC ("Pappas") for $3.5 million. A deposit of $0.2 million was paid upon signing the purchase agreement and we expect to fund the remaining purchase price through cash on hand. This acquisition is subject to bankruptcy approval and other customary conditions and we expect it to close in the first quarter of 2015.

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, 2014, we earned approximately 29.0% 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 and 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.

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 2014, with 88 million unique visitors, who utilized over 773 million page views. Also in 2014, our mobile platform accounted for 43.1% 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.

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, 2014, revenue generated from local advertising represented 71.7% 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.

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 73.0% of our net revenue, excluding trade and barter revenue, for the year ended December 31, 2014 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 26.4%, 25.6%, 25.5% and 14.4%, respectively, of our 2014 combined local, national and political 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 30 to 175 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 and Marshall

Through various local service agreements with Mission and Marshall, we provide sales, programming and other services to 20 television stations that are owned and operated by Mission and one television station that is owned and operated by Marshall as of December 31, 2014. Mission and Marshall are 100% owned by independent third parties. We do not own Mission or Marshall or any of their television stations. In compliance with Federal Communications Commission ("FCC") regulations for all the parties, Mission and Marshall maintain complete responsibility for and control over programming, finances, personnel and operations of their stations. However, we are deemed under U.S. GAAP to have controlling financial interests in Mission and Marshall because of (1) the local service agreements Nexstar has with the Mission and Marshall stations, (2) Nexstar's guarantee of the obligations incurred under Mission's and Marshall's senior secured credit facilities, (3) Nexstar having power over significant activities affecting Mission's and Marshall's economic performance, including budgeting for advertising revenue, advertising sales and, for Mission, 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 2017 and 2024) are freely exercisable or assignable by Nexstar without consent by Mission or its shareholders. We expect our option agreements with Mission to be renewed upon expiration. Therefore, Mission and Marshall are consolidated into these financial statements. Marshall is included in our Consolidated Financial Statements as of December 1, 2014.

The Stations

The following chart sets forth general information about the stations we currently own, operate, program or provide sales and other services to:

arket ank[1]	Market	Station	Affiliation	Status[2]	Commercial Stations in Market[3]	FCC Licens Expiration Date[5]
	Washington, DC[4]/Hagerstown, MD	WHAG	NBC	O&O	[4]	10/1/20
1	Phoenix, AZ	KASW	CW	O&O[14]	13	10/1/22
4	Salt Lake City, UT	KTVX/KTVX-D2/KTVX-D3	ABC/Me-TV/WNU	O&O	14	[5]
		KUCW/KUCW-D-2	The CW/Movies!	O&O		10/1/22
1	Las Vegas, NV	KLAS	CBS	O&O[15]	8	10/1/22

5	Harrisburg-Lancaster-Lebanon-York, PA	WLYH	The CW	O&O[6]	6	8/1/15
8	Jacksonville, FL	WCWJ/WCWJ-D2	The CW/Bounce TV	O&O	7	2/1/21
0	Memphis, TN	WATN	ABC	O&O	6	8/1/21
		WLMT/WLMT-D2	The CW/Me-TV	O&O		8/1/21
4	Fresno-Visalia, CA	KSEE/KSEE-D2	NBC/LATV	O&O	10	[5]
		KGPE	CBS	O&O		12/1/22
5	Wilkes Barre-Scranton, PA	WBRE	NBC	O&O	7	[5]
		WYOU	CBS	LSA[7]		8/1/15
6	Little Rock-Pine Bluff, AR	KARK	NBC	O&O	7	[5]
		KARZ/KARZ-D2	MyNetworkTV/Bounce TV	O&O		6/1/21
		KLRT	FOX	LSA[7]		6/1/21
		KASN	The CW	LSA[7]		6/1/21
7	Roanoke, VA	WFXR	FOX	O&O	7	10/1/20
		WWCW	The CW	O&O		10/1/20
8	Green Bay-Appleton, WI	WFRV	CBS	O&O	6	12/1/21
2	Des Moines-Ames, IA	WOI/WOI-D2	ABC/LiveWell	O&O	7	2/1/22

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ket k[1]	Market	Station	Affiliation	Status[2]	Commercial Stations in Market[3]	FCC Lic Expiratio Date[5]
	Springfield, MO	KOLR	CBS	LSA[7]	5	2/1/22
		KOZL	MyNetworkTV	O&O		2/1/22
	Rochester, NY	WROC/WROC-D2	CBS/Bounce TV	O&O	5	4/1/21
	Huntsville, AL	WZDX/WZDX-D2/WZDX-D3	FOX/ MyNetworkTV/Me-TV	O&O	7	4/1/21
	Shreveport, LA	KTAL	NBC	O&O	6	8/1/22
		KMSS	FOX	LSA[10][13]		6/1/21
		KSHV	MyNetworkTV	LSA[12][13]		6/1/21
	Syracuse, NY	WSYR/WSYR-D2/WSYR-D3	ABC/Me-TV/ Bounce TV	O&O	6	6/1/15
	Champaign-Springfield- Decatur, IL	WCIA	CBS	O&O	8	12/1/21
		WCIX	MyNetworkTV	O&O		12/1/21
	Harlingen-Weslaco-Brownsville-McAllen, TX	KVEO/KVEO-D2	NBC/Estrella	O&O[13]	9	8/1/22
	Waco-Temple-Bryan, TX	KWKT/ KWKT-D2	FOX/Estrella	O&O[13]	4	8/1/22
		KYLE/ KYLE-D2	FOX/Estrella	O&O[13]		8/1/22
	El Paso, TX	KTSM/KTSM-D2	NBC/Estrella	O&O[13]	10	8/1/22
	Baton Rouge, LA	WBRL-CD	The CW	O&O[13]	5	6/1/21
		WGMB	FOX	O&O[13]		6/1/21
		KZUP-CD	RTV	LSA[12][13]		6/1/21
		WVLA/WVLA-D2	NBC/News Weather	LSA[12][13]		6/1/21
	Burlington-Plattsburgh, VT	WFFF	FOX	O&O	6	4/1/15
		WVNY	ABC	LSA[7]		4/1/15
	Davenport-Rock Island- Moline, IL	WHBF	CBS	O&O	5	12/1/21
		KGCW/KGCW-D2	The CW/ This TV	O&O		12/1/21
		KLJB/KLJB-D2	FOX//Me-TV	LSA[10]		12/1/21
	Ft. Smith-Fayetteville- Springdale-Rogers, AR	KFTA	FOX/NBC	O&O	5	6/1/21
		KNWA	NBC/FOX	O&O		6/1/21
	Evansville, IN	WEHT	ABC	O&O	4	8/1/21
		WTVW/WTVW-D2	The CW/ Bounce TV	LSA[7]		[5]
	Johnstown-Altoona, PA	WTAJ	CBS	O&O	4	[5]
	Tyler-Longview, TX	KETK/KETK-D2	NBC/Estrella	O&O[13]	6	8/1/22

	KFXK/KFXK-D2	FOX/ MyNetworkTV	LSA(12)(13)		8/1/22
	KFXL-LD	FOX	LSA(12)(13)		8/1/22
	KLPN-LD	MyNetworkTV	LSA(12)(13)		8/1/22
Ft. Wayne, IN	WFFT/WFFT-D2	FOX/Bounce TV	O&O	4	8/1/21
Peoria-Bloomington, IL	WMBD/WMBD-D2	CBS/Bounce TV	O&O	5	12/1/21
	WYZZ	FOX	LSA(11)		12/1/21
Lafayette, LA	KADN	FOX	O&O(13)	5	6/1/21
	KLAF-LD	MyNetworkTV	O&O(13)		6/1/21
Bakersfield, CA	KGET/KGET-D2	NBC/The CW	O&O	4	(5)
	KKEY-LP	Telemundo	O&O		(5)
La Crosse, WI	WLAX/WLAX-D2	FOX/Me-TV	O&O	3	12/1/21
	WEUX/WEUX-D2	FOX/Me-TV	O&O		12/1/21
Amarillo, TX	KAMR	NBC	O&O	5	8/1/22
	KCIT	FOX	LSA(7)		8/1/22
	KCPN-LP	MyNetworkTV	LSA(7)		8/1/22
Rockford, IL	WQRF/WQRF-D2	FOX/Bounce TV	O&O	4	12/1/21
	WTVO/WTVO-D2	ABC/MyNetworkTV	LSA(7)		12/1/21
Monroe, LA- El Dorado, AR	KARD/KARD-D2	FOX/Bounce TV	O&O	4	6/1/21
	KTVE	NBC	LSA(7)		6/1/21
Lubbock, TX	KLBK	CBS	O&O	5	(5)
	KAMC	ABC	LSA(7)		8/1/22
Wichita Falls, TX- Lawton, OK	KFDX	NBC	O&O	4	(5)
	KJTL	FOX	LSA(7)		8/1/22
	KJBO-LP	MyNetworkTV	LSA(7)		8/1/22

Market Rank[1]	Market	Station	Affiliation	Status[2]	Commercial Stations in Market[3]	FCC License Expiration Date[5]
146	Odessa-Midland, TX	KMID	ABC	O&O	6	[5]
		KPEJ/KPEJ-D2	FOX/ Estrella	LSA[10][13]		8/1/22
149	Sioux City, IA	KCAU/KCAU-D2	ABC/LiveWell	O&O	4	2/1/22
150	Erie, PA	WJET	ABC	O&O	4	8/1/15
		WFXP	FOX	LSA[7]		8/1/15
151	Joplin, MO-Pittsburg, KS	KSNF	NBC	O&O	4	2/1/22
		KODE	ABC	LSA[7]		2/1/22
154	Panama City, FL	WMBB/WMBB-D2	ABC/Me-TV	O&O	4	2/1/21
155	Terre Haute, IN	WTWO	NBC	O&O	3	8/1/21
		WAWV	ABC	LSA[7]		8/1/21
159	Binghamton, NY	WBGH	NBC	O&O	3	6/1/15
		WIVT	ABC	O&O		6/1/15
164	Abilene-Sweetwater, TX	KTAB/KTAB-D2	CBS/Telemundo	O&O	4	8/1/22
		KRBC	NBC	LSA[7]		8/1/22
166	Billings, MT	KSVI	ABC	O&O	5	4/1/22
		KHMT	FOX	LSA[7]		4/1/22
171	Utica, NY	WFXV	FOX	O&O	3	[5]
		WPNY-LP	MyNetworkTV	O&O		[5]
		WUTR	ABC	LSA[7]		[5]
173	Dothan, AL	WDHN	ABC	O&O	3	4/1/21
175	Elmira, NY	WETM	NBC	O&O	3	6/1/15
176	Jackson, TN	WJKT	FOX	O&O	3	8/1/21
177	Watertown, NY	WWTI/WWTI-D2	ABC/The CW	O&O	2	6/1/15
179	Alexandria, LA	WNTZ/ WNTZ-D2	FOX/ MyNetworkTV	O&O[13]	4	6/1/21
180	Marquette, MI	WJMN	CBS	O&O	6	10/1/21
185	Grand Junction, CO	KREX	CBS	O&O	4	[5]
		KREG [9]/KREY[9]	CBS	O&O		4/1/22
		KGJT	MyNetworkTV	O&O		4/1/22
		KFQX	FOX	LSA[8]		[5]
198	San Angelo, TX	KSAN	NBC	LSA[7]	3	8/1/22
		KLST	CBS	O&O		8/1/22
201	St. Joseph, MO	KQTV	ABC	O&O	1	8/1/22

(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 2014 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 2014 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. WHAG is the only commercial station licensed in the city of Hagerstown.
(5) Application for renewal of license was submitted timely to the FCC. Under the FCC's rules, a license expiration date is automatically 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) KFQX is owned by Parker.
(9) KREG and KREY operate as satellite stations of KREX.
(10) These stations are owned by Marshall.
(11) WYZZ is owned by Cunningham Broadcasting Corporation.
(12) These stations are owned by White Knight.
(13) These stations were acquired upon acquisition of CCA effective January 1, 2015. Refer to Pending Acquisitions for additional information.
(14) This station was acquired from Meredith and SagamoreHill on January 30, 2015. Refer to Pending Acquisitions for additional information.
(15) This station was acquired from Landmark Television and Landmark Media on February 13, 2015. Refer to Pending 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 Nielsen Corporation, 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. Nielsen Corporation 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 network affiliation fees and 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, 2014 are affiliated with a network pursuant to an affiliation agreement. The agreements with ABC, FOX, NBC, and CBS are the most significant to our operations. The terms of these agreements expire as discussed below:

Network Affiliations	Expiration Date
ABC	Of the 20 arrangements, two expire in December 2016, 17 expire in December 2017, and one expires in June 2019.
FOX	Of the 19 arrangements, five expire in June 2015, 13 expire in December 2016, and one expires in December 2017.
NBC	Of the 16 arrangements, one expires in June 2016, and 15 expire in December 2019.
CBS	Of the 16 arrangements, four expire in June 2015, one expires in May 2016, one expires in June 2016, one expires in January 2018, and nine expire in December 2018.

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 receives affiliation fees and 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 multiple cable networks 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, the U.S. 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 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 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 radio stations owned by Radio One, Inc. as attributable to Nexstar, due to this common director relationship. In addition, one of Nexstar's shareholders who holds an attributable interest in Nexstar also holds attributable interests in television stations in the Seattle-Tacoma, Washington, San Francisco-Oakland-San Jose, California, Providence, RI-New Bedford, Massachusetts and Palm Springs, California television markets.

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 March 2014, the FCC adopted a rule that attributes another in-market station toward the local television ownership limits when one station owner sells more than 15% of the second station's weekly advertising inventory under a joint sales agreement ("JSA"). Parties to existing JSAs that do not comply with the newly adopted rule were given two years from the effective date of the rule to modify or terminate their JSAs to come into compliance. Congressional legislation signed into law in late 2014 extended this compliance period for an additional six months, and the compliance deadline is now December 19, 2016. Various parties, including us (and Mission, which has intervened) have appealed the JSA attribution rule to the U.S. Court of Appeals for the District of Columbia Circuit.

In certain markets, we and Mission own and operate both full-power and low-power television broadcast stations. 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.

In the Fresno, California, Salt Lake City, Utah, Memphis, Tennessee, Champaign-Springfield-Decatur, Illinois and Little Rock-Pine Bluff, Arkansas markets, we or Mission own two stations in compliance with the duopoly rule. However, we also are permitted to own two or more stations in the Fort Smith-Fayetteville-Springdale-Rogers, Arkansas, Grand Junction, Colorado, Roanoke-Lynchburg, Virginia, La Crosse-Eau Claire, Wisconsin, and Waco-Temple-Bryan, Texas markets pursuant to waivers under the FCC's rules permitting common ownership of a "satellite" television station in a market where a licensee also owns the "primary" station. Additionally, we are permitted to own two stations in the Quad Cities, Iowa market pursuant to a waiver allowing ownership of a second station where that station is "failing."

In all of the markets where we have entered into local service agreements, except for three, we provide programming comprising less than 15% of the second station's programming. In the three markets where we provide more programming to the second station—WFXP in Erie, Pennsylvania, KHMT in Billings, Montana, and KFQX in Grand Junction, Colorado—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.

With respect to our other local service agreements, the FCC's 2014 rule making JSAs attributable will require us to amend or terminate, by December 19, 2016, any existing JSA involving the sale of advertising time in excess of 15 percent for another in-market station, including our present agreements to sell advertising inventory for the Mission stations, unless we are able to obtain a waiver from the FCC. The FCC has indicated that it will consider such waivers, but thus far it has not granted any such waiver and has provided little guidance on what factors must be present for a waiver to be granted. Our shared services agreements with independently owned same-market stations remain permissible for now, but the FCC has left open the possibility of additional regulations with respect to such agreements.

The stations that Nexstar owns have a combined national audience reach of 8.9% 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.

Because 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 radio stations owned by Radio One, Inc. as attributable to Nexstar. Therefore, depending on the number of radio stations owned by Radio One, Inc. in a given market, we may not be able to purchase a television station in the market.

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." In March 2014, the FCC initiated its 2014 quadrennial review with the adoption of a Further Notice of Proposed Rulemaking (FNPRM). The FNPRM solicits comment on proposed changes to the media ownership rules. Among the proposals in the FNPRM are (1) retention of the current local television ownership rule (but with modifications to certain service contour definitions to conform to digital television broadcasting), (2) elimination of the radio/television cross-ownership rule, (3) elimination of the newspaper/radio cross-ownership rule, and (4) retention of the newspaper/television cross-ownership rule, while considering waivers of that rule in certain circumstances. The FNPRM also proposes to define a category of sharing agreements designated as shared services agreements ("SSAs") between television stations, and to require television stations to disclose those SSAs. Comments and reply comments on the FNPRM were filed in 2014.

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.

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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, 2017, and will be effective January 1, 2018. 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.

In March 2014, the FCC amended its rules governing "good faith" retransmission consent negotiations to provide that it is a per se violation of the statutory duty to negotiate in good faith for a television broadcast station that is ranked among the top-four stations in a market (as measured by audience share) to negotiate retransmission consent jointly with another top-four station in the same market if the stations are not commonly owned. Under the new rules, top-four stations may not (1) delegate authority to negotiate or approve a retransmission consent agreement to another non-commonly owned top-four station located in the same DMA or to a third party that negotiates on behalf of another non-commonly owned top-four station in the same DMA; or (2) facilitate or agree to facilitate coordinated negotiation of retransmission consent terms between themselves, including through the sharing of information. This new rule took effect on June 18, 2014. On December 5, 2014, the U.S. Congress extended the joint negotiation prohibition to all non-commonly owned television stations in a market. Retransmission consent agreements jointly negotiated prior to June 18, 2014 remain enforceable until the end of their current terms; however, contractual provisions between separately owned top-four stations to consult or jointly negotiate retransmission consent agreements are now effectively void. Accordingly, in most markets Mission, and other independent owners with which we have sharing agreements, must separately negotiate their respective retransmission consent agreements with MVPDs.

The FCC's rules also govern which local television signals a satellite subscriber may receive. The U.S. 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. In June 2014, the U.S. Supreme Court held that an OTTD's transmissions of broadcast television programs without the consent of the broadcast station violate the copyright holders' exclusive right to perform their works publicly as provided under the Copyright Act. In December 2014, the FCC issued a Notice of Proposed Rulemaking proposing to interpret the term "MVPD" to encompass OTTDs that make available for purchase multiple streams of video programming distributed at a prescheduled time, and seeking comment on the effects of applying MVPD rules to such OTTDs. Comments and reply comments are expected to be filed in the first or second quarters of 2015.

We, Mission and Marshall elected to exercise retransmission consent rights for all of our stations where we have a legal right to do so. We, Mission and Marshall have negotiated retransmission consent agreements with the majority of the MVPDs serving our markets to carry the stations’ signals.

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. It has established a September 1, 2015 deadline by which low power and television translator stations must cease analog operation, but recently has solicited comment on whether that deadline should be extended.

Employees

As of December 31, 2014, we, Mission and Marshall had a total of 3,464 employees, comprised of 3,110 full-time and 354 part-time employees. As of December 31, 2014, 251 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 risks described below and all of the information contained in this document. The risks and uncertainties described below are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. If any of those risks actually occurs, the Company's business, financial condition and results of operations could suffer. The risks discussed below also include forward-looking statements, and the Company's actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" on page one of this document.

Risks Related to Our Operations

General trends in the television industry could adversely affect demand for television advertising as consumers migrate 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's substantial debt could limit its ability to grow and compete.

As of December 31, 2014, the Company had $1.2 billion of debt, which represented 95.9% of the total combined capitalization. On January 29, 2015, we also completed the sale and issuance of $275.0 million 6.125% Notes due 2022, at par. The Company's high level of debt could have important consequences to our business. For example, it could:

- limit the Company's ability to borrow additional funds or obtain additional financing in the future;
- limit the Company's ability to pursue acquisition opportunities;
- expose the Company to greater interest rate risk since the interest rate on borrowings under the senior secured credit facilities is variable;
- limit the Company's 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, Mission and Marshall could also incur additional debt in the future. The terms of the Company's senior secured credit facilities, as well as the indentures governing our 6.875% Senior Unsecured Notes ("6.875% Notes") and 6.125% Notes, limit, but do not prohibit us, Mission or Marshall from incurring substantial amounts of additional debt. To the extent the Company incurs 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 indentures governing the 6.875% Notes and the 6.125% Notes contain 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, the Company'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 our obligations under our 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 the Company. The credit agreements governing Mission's and Marshall's obligations under their senior secured credit facilities do not contain financial covenant ratio requirements; however, they include events of default if we do not comply with all covenants contained in the credit agreement governing our senior secured credit facility. The indentures governing the 6.875% Notes and the 6.125% Notes contains restrictive covenants customary for arrangements of these types.

The Company may not be able to generate sufficient cash flow to meet its debt service requirements.

The Company's ability to service its debt depends on its 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 the Company's control. The Company cannot assure you that its business will generate cash flow from operations, that future borrowings will be available to the Company under its current or any replacement credit facilities, or that it will be able to complete any necessary financings, in amounts sufficient to enable the Company to fund its operations or pay its debts and other obligations, or to fund its liquidity needs. If the Company is not able to generate sufficient cash flow to service its debt obligations, it may need to refinance or restructure its 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 the Company, or at all. If the Company is unable to meet its debt service obligations, its lenders may determine to stop making loans to the Company, and/or the Company's lenders or other holders of its debt could accelerate and declare due all outstanding obligations due under the respective agreements, all of which could have a material adverse effect to the Company.

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

Mission and Marshall are each 100% owned by independent third parties. As of December 31, 2014, Mission and Marshall own and operate 20 television stations and one television station, respectively. In January 2015, Marshall acquired two CCA stations, KPEJ and KMSS, from us. Mission also has signed agreements to acquire three stations from various sellers subject to regulatory consent. We have entered into local service agreements with Mission and Marshall, pursuant to which we provide services to their respective stations. In return for the services we provide, we receive substantially all of Mission's and Marshall's available cash, after satisfaction of their operating costs and debt obligations.

On December 3, 2012, Mission entered into a 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, which provides for a first-lien credit facility (the "Mission Facility"). As of December 31, 2014, the

Mission Facility consisted of a term loan in the outstanding principal amount of approximately $230.1 million maturing on October 1, 2020 and a maximum revolving credit facility of $8.0 million maturing on December 3, 2017. We guarantee all of the obligations incurred under the Mission Facility.

On December 1, 2014, Marshall entered into a credit agreement with a syndicate of lenders led by Bank of America, N.A., as administrative agent, collateral agent and L/C issuer (the "Marshall Facility"). As of December 31, 2014, the Marshall Facility consisted of a term loan in the outstanding principal amount of $60.0 million maturing on June 28, 2018 and a revolving credit facility of $2.0 million maturing on December 3, 2017. We guarantee all of the obligations incurred under the Marshall Facility.

Mission has granted to us purchase options to acquire the assets and assume the liabilities of each of Mission's stations, subject to FCC consent, for consideration equal to the greater of (i) seven times the station's cash flow, as defined in each option agreement, less the amount of its indebtedness as defined in each 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 each option agreement, reduced by the amount of indebtedness, as defined in each option agreement, or (ii) $100,000.

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

In compliance with FCC regulations, Mission and Marshall maintain complete responsibility for and control over programming, finances and personnel for their respective stations. As a result, Mission's and Marshall's boards 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 and Marshall. For instance, Mission and Marshall may decide to obtain and broadcast programming which, in our opinion, would prove unpopular and/or would generate less advertising revenue.

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.

The Company currently has 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 the Company's deferred tax assets, we determined that as of December 31, 2014, based on projected future income, approximately $123.7 million of the Company's deferred tax assets will more likely than not be realized in the future, and no valuation allowance is currently required for the these deferred tax assets. Should we determine in the future that these assets will not be realized, the Company will be required to record a valuation allowance in connection with these deferred tax assets and the Company's operating results would be adversely affected in the period such determination is made. In addition, tax law changes could negatively impact the Company's deferred tax assets.

The Company's 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, Mission or Marshall.

At December 31, 2014, the Company had NOLs of approximately $333.0 million for U.S. federal tax purposes and $69.9 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.

In May 2013, our former principal stockholder, ABRY Partners, LLC ("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, Mission or Marshall could result in additional limitations.

The ability to use NOLs is also dependent upon the Company's ability to generate taxable income. The NOLs could expire before the Company generates sufficient taxable income to use them. To the extent the Company'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 the Company's financial results and operations. Changes in ownership are largely beyond the Company's control and the Company can give no assurance that it 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, 2014, 20 stations have primary affiliation agreements with ABC, 16 with NBC, 19 with FOX, 16 with CBS, 8 with The CW, 7 with MyNetworkTV, and one with Telemundo. Additionally, 26 of the stations have secondary affiliation agreements – 9 with Bounce TV, 8 with Me-TV, 2 with MyNetworkTV, 2 with The CW, one with Telemundo, one with LATV, one with Weather Nation Utah, one with This TV and one with Movies!. 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 2019. 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 their 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 further 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. 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 the Company and could have an adverse effect on its business, financial condition, and results of operations.

In addition, MVPDs 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.

On March 31, 2014, the FCC amended its rules governing "good faith" retransmission consent negotiations to provide that it is a per se violation of the statutory duty to negotiate in good faith for a television broadcast station that is ranked among the top-four stations in a market (as measured by audience share) to negotiate retransmission consent jointly with another top-four station in the same market if the stations are not commonly owned. Under the new rules, top-four stations may not (1) delegate authority to negotiate or approve a retransmission consent agreement to another non-commonly owned top-four station located in the same DMA or to a third party that negotiates on behalf of another non-commonly owned top-four television station in the same DMA; or (2) facilitate or agree to facilitate coordinated negotiation of retransmission consent terms between themselves, including through the sharing of information.

This new rule took effect on June 18, 2014. On December 5, 2014, the U.S. Congress extended the joint negotiation prohibition to all non-commonly owned television stations in a market. Retransmission consent agreements jointly negotiated prior to June 18, 2014 remain enforceable until the end of their current terms; however, contractual provisions between separately owned top-four stations to consult or jointly negotiate retransmission agreements are now effectively void. Accordingly, in most markets Mission, Marshall, and other independent owners with which we have sharing agreements must separately negotiate their respective retransmission consent agreements with MVPDs. We cannot predict what effect, if any, this requirement for separate negotiations will have on the Company’s revenues and expenses.

In addition, in the STELA Reauthorization Act of 2014 (“STELAR”), the U.S. Congress extended the new joint prohibition rules to all non-commonly owned stations. In addition, the U.S. Congress directed the FCC to commence a rulemaking to “review its totality of the circumstances test for good faith [retransmission consent] negotiations.” STELAR was passed by the U.S. Congress in November 2014 and signed into law by President Obama in December 2014. The Commission has not yet commenced this proceeding, and we cannot predict its outcome.

Further, certain online video distributors and other over-the-top video distributors ("OTTDs") have begun streaming broadcast programming over the Internet. In June 2014, the U.S. Supreme Court held that an OTTD's transmissions of television programs without the consent of the broadcast station violate the copyright holders' exclusive right to perform their works publicly as provided under the Copyright Act. In December 2014, the FCC issued a Notice of Proposed Rulemaking proposing to interpret the term "MVPD" to encompass OTTDs that make available for purchase multiple streams of video programming distributed at a prescheduled time, and seeking comment on the effects of applying MVPD rules to such OTTDs. Comments and reply comments are expected to be filed in the first or second quarters of 2015 and we cannot predict the outcome of the proceeding. However, if the FCC ultimately determines that an OTTD is not an MVPD, or declines to apply certain rules governing MVPDs to OTTDs, 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.

Nexstar and Mission have filed renewal applications for their stations in the current license renewal cycle and will file additional applications before the cycle closes on April 1, 2015. Some of the Company's renewal applications remain pending with the FCC. The Company expects the FCC to grant these renewals 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.

The Company's growth may be limited if it is unable to implement its acquisition strategy.

The Company has achieved much of its growth through acquisitions. The Company intends to continue its 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 the Company's competitors may have greater financial or management resources with which to pursue acquisition targets. Therefore, even if the Company is successful in identifying attractive acquisition targets, it may face considerable competition and its acquisition strategy may not be successful.

FCC rules and policies may also make it more difficult for the Company 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; for instance, rules and processing policies that the FCC adopted in 2014 with respect to local service agreements impacted certain of our and Mission’s previously announced acquisitions. The need for FCC and other regulatory approvals could restrict the Company’s 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 the Company's business through acquisitions involves risks and if it is unable to manage effectively its growth, its operating results will suffer.

During the three years ended December 31, 2014, the Company acquired 32 stations, net of station disposals. As of December 31, 2014, the Company has also signed various agreements to acquire 23 stations. Currently, we and Mission have signed various agreements to acquire 4 stations. The Company will continue to actively pursue additional acquisition opportunities. To manage effectively its growth and address the increased reporting requirements and administrative demands that will result from future acquisitions, the Company will need, among other things, to continue to develop its financial and management controls and management information systems. The Company 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 its 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 a number 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.

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." In March 2014, the FCC initiated its 2014 quadrennial review with the adoption of a Further Notice of Proposed Rulemaking (FNPRM). The FNPRM solicits comment on proposed changes to the media ownership rules. Among the proposals in the FNPRM are (1) retention of the current local television ownership rule (but with modifications to certain service contour definitions to conform to digital television broadcasting), (2) elimination of the radio/television cross-ownership rule, (3) elimination of the newspaper/radio cross-ownership rule, and (4) retention of the newspaper/television cross-ownership rule, while considering waivers of that rule in certain circumstances. The FNPRM also proposes to define a category of sharing agreements designated as SSAs between television stations, and to require television stations to disclose those SSAs. Comments and reply comments on the FNPRM were filed in 2014.

Concurrent with its adoption of the FNPRM, the FCC adopted a rule making television JSAs attributable ownership interests to the seller of advertising time in certain circumstances. Under this rule, where a party owns a full-power television station in a market and sells more than 15% of the weekly advertising time for another, non-owned station in the same market under a JSA, that party will be deemed to have an attributable ownership interest in the latter station for purposes of the local television ownership rule. Parties to existing JSAs that do not comply with the newly adopted rule were given two years from the effective date of this new rule to modify or terminate their JSAs to come into compliance. Congressional legislation signed into law in late 2014 extended this compliance period for an additional six months, and the compliance deadline is now December 19, 2016. Although the FCC will consider waivers of the new JSA attribution rule, the FCC thus far has not granted such a waiver and has provided little guidance on what factors must be present for a waiver to be granted. This new rule will require us to amend or terminate any existing JSA involving the sale of advertising time in excess of 15 percent for another in-market station, including Nexstar's present agreements to sell advertising inventory for the independently owned Mission stations, unless we are able to obtain a waiver from the FCC. In addition, the FCC required our JSAs for the independently owned Marshall stations to cover 15% or less of the weekly advertising inventory of those stations and approved Marshall's station acquisitions specifically in reliance on certain commitments regarding our relationship with Marshall, including a commitment that the term of the Marshall debt financing that we guarantee will not extend beyond five years from Marshall's acquisition of its stations. Our SSAs with Mission and Marshall remain permissible for now, but the FNPRM leaves open the possibility of additional regulation with respect to SSAs.

Various parties, including Nexstar (and Mission, which has intervened), have appealed the television JSA attribution rule to the U.S. Court of Appeals for the District of Columbia Circuit. If we are required to terminate or modify our JSAs or other local services agreements, our business could be affected in the following ways: (1) Loss of revenues — we could lose some or all of the revenues generated from those arrangements due to the reduction in audience reach to our advertisers and receipt of less revenues from them. During the years ended December 31, 2014 and 2013, the Company's net revenue included $78.6 million and $68.5 million, respectively, of revenue recognized by Mission, which is comprised of its revenue from local service agreements with Nexstar and revenue from other sources. See the notes to the Company's and Mission's financial statements for further information; (2) Increased costs — our cost structure would increase due to loss of operating synergies associated with the addition of redundant management and overlapping sales force costs and (3) Alternative arrangements — we may need to enter into alternative agreements which may be on terms that are less beneficial to us than existing agreements.

Also in March 2014, the FCC's Media Bureau issued a public notice announcing "processing guidelines" for certain pending and future applications for FCC approval of television acquisitions. The public notice indicates that the FCC will "closely scrutinize" applications which propose a JSA, SSA or local marketing agreement between television stations, combined with an option, a similar "contingent interest," or a loan guarantee. At the time of the public notice, the Company had five announced acquisitions pending FCC approval that included "guideline" agreements. Three of these acquisitions were restructured and received FCC approval; two currently remain pending. We and Mission intend to respond to regulatory inquiries associated with these acquisitions and to seek to bring the transactions into compliance with the new rule and processing guidelines to the extent feasible. Our intent is to close these transactions in 2015, although we cannot provide assurance that we will be able to do so.

We cannot predict what additional rules the FCC will adopt or when they will be adopted. In addition, uncertainty about media ownership regulations and adverse economic conditions have dampened the acquisition market from time to time, and changes in the regulatory approval process may make it materially more expensive, or may materially delay, the Company's ability to close upon currently pending acquisitions or consummate further acquisitions in the future.

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 from attribution 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 and we and Parker will be required to terminate the TBA for station KFQX 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 from 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 and certain 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 nonattributable 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. The FCC considers the radio stations owned by Radio One, Inc. as attributable to Nexstar, due to this common director relationship. 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. In addition, one of Nexstar's stockholders who holds an attributable interest in Nexstar also holds an attributable interest in other full power television stations located in the Seattle-Tacoma, Washington, San Francisco-Oakland-San Jose, California, Providence, RI-New Bedford, Massachusetts and Palm Springs, California television markets. Therefore, Nexstar may be unable to acquire stations in these markets.

The Company has a material amount of goodwill and intangible assets, and therefore the Company could suffer losses due to future asset impairment charges.

As of December 31, 2014, $772.7 million, or 52.8%, of the Company's combined total assets consisted of goodwill and intangible assets, including FCC licenses and network affiliation agreements. The Company tests 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. The Company tests 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 the Company's goodwill and intangible assets would be affected by a significant reduction in operating results or cash flows at one or more of the Company's television stations, or a forecast of such reductions, a significant adverse change in the advertising marketplaces in which the Company's television stations operate, the loss of network affiliations, or by adverse changes to FCC ownership rules, among others, which may be beyond the Company's control. If the carrying amount of goodwill and intangible assets is revised downward due to impairment, such non-cash charge could materially affect the Company'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 in 2015 a total cash dividend with respect to the outstanding shares of our Class A common stock of $0.76 per share in equal quarterly installments of $0.19 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, Mission’s, Marshall’s, White Knight’s and Parker’s stations’ programming is in large part comprised of programming provided by the networks with which the stations are affiliated, the Company does not have full control over what is broadcast on our stations, and we, Mission, Marshall, White Knight and Parker 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 may in the future have further occasion 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 the U.S. 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 open proceedings to examine shared services agreements between television stations; 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; whether to modify its network non-duplication and syndicated exclusivity rules; and whether to broaden the definition of "MVPD" to include "over-the-top" video programming distributors.

The FCC also 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. The U.S. Congress may also 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 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. On June 2, 2014, the FCC released a Report and Order in which it adopted a framework for the auction. This Report and Order is the subject of a pending court appeal. On December 17, 2014, the Commission released a Public Notice proposing certain procedures that the FCC will follow in the incentive auction and the subsequent "repacking" of broadcast television spectrum. Comments are due to be filed in the first quarter of 2015. The FCC has stated its intent to conduct the television spectrum incentive auction in 2016. The reallocation of television spectrum for wireless broadband use will 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.

Cybersecurity risks could affect the Company's operating effectiveness.

The Company uses computers in substantially all aspects of its business operations. Its revenues are increasingly dependent on digital products. Such use exposes the Company to potential cyber incidents resulting from deliberate attacks or unintentional events. These incidents can include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. The results of these incidents could include, but are not limited to, business interruption, disclosure of nonpublic information, decreased advertising revenues, misstated financial data, liability for stolen assets or information, increased cybersecurity protection costs, litigation and reputational damage adversely affecting customer or investor confidence.

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 Acre	—
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	1.0 Acre	4/30/16

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
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 Acre	—
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 Acre	—
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 Acre	—
WTWO—Terre Haute, IN			
Office-Studio	100% Owned	4.774 Acres	—
Office-Studio—Tower/Transmitter Site	100% Owned	17,375 Sq. Ft.	—
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	—

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Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
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 Acre	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 Henderson, KY	100% Owned	22,700 Sq. Ft.	—
Tower/Transmitter Site Henderson, KY	100% Owned	10.22 Acres.	—
KOZL—Springfield, MO			
Office-Studio(2)	—	—	—
Tower/Transmitter Site—Kimberling City	100% Owned	.25 Acre	—
Tower/Transmitter Site	Leased	0.5 Acre	5/12/21
WFFT—Fort Wayne, IN			
Office-Studio	100% Owned	21.84 Acres	—
Tower/Transmitter Site	Leased	0.5 Acre	5/12/21
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 Acre	Month to Month

KARD—Monroe, LA			
Office-Studio	100% Owned	14,450 Sq. Ft.	—
Office-Studio – El Dorado, AR	Leased	800 Sq. Ft.	5/31/19
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	—

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
Tower/Transmitter Site	Leased	0.5 Acre	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.	5/31/24
Office-Johnstown	Leased	672 Sq. Ft.	2/28/17
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.	—
WFRV/WJMN Green Bay-Appleton, WI and Marquette, MI			

Office-Studio	100% Owned	19,200 Sq. Ft.	—
Office Marquette	Leased	4,252 Sq. Ft.	03/23/24
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 Acre	—

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Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
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 Acre	3/31/18
Communication Site-Beaver Dam Mountain	Leased	1.0 Acre	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 Acre	3/31/17
Transmitter-Haywood	Leased	1.0 Acre	2/28/17
WJKT–Jackson, TN			
Transmitter-Alamo	100% Owned	0.3 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-First St.	100% Owned	17,613 Sq. Ft.	—
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.	—
Tower/Transmitter Site	Leased	1,575 Sq. Ft.	12/31/18
WFFF–Burlington, VT-Plattsburgh, NY			

Office-Studio	100% Owned	15,000 Sq. Ft.	—
Tower/Transmitter Site	Leased	1.0 Acre	6/30/25
KCAU–Sioux City, IA			
Office-Studio	Leased	22,400 Sq. Ft.	8/31/16
Tower/Transmitter Site - Hinton	50% Owned	6.11 Acres	—

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
Tower/Transmitter Site - TVRO	100% Owned	0.39 Acres	—
Tower/Transmitter Site - Genoa	Leased	160.0 Acres	8/15/22
WOI–Des Moines, IA			
Office-Studio	Leased	29,400 Sq. Ft.	2/28/18
Tower/Transmitter Site - Alleman	Leased	1.1 Acres	12/31/15
Tower/Transmitter Site – Water Tower	Leased	1.2 Acres	2/28/18
WHBF/KGCW– Davenport - Rock Island-Moline, IL			
Office-Studio	100% Owned	19,965 Sq. Ft.	—
Tower/Transmitter Site- Orion	100% Owned	24 Acres	—
Tower/Transmitter Site	100% Owned	19.0 Acres	—
Transmitter Site – Bettendorf	Leased	2,500 Sq. Ft.	Year to Year
Tower/Transmitter Site – Seaton	Leased	1.0 Acre	08/31/34
WMBB – Panama City, FL			
Office-Studio/Transmitter Site	100% Owned	19,500 Sq. Ft.	—
Tower – Old Majette Tower Road	100% Owned	3.6 Acres	—
Transmitter Site – Youngstown	Leased	9.51 Acres	2/25/40
KREX/KREG/KGJT – Grand Junction, CO			
Office-Studio/Transmitter Site	100% Owned	2.72 Acres.	—
Tower/Transmitter Site – Grand Mesa	100% Owned	0.26 Acre	—
Tower/Transmitter Site – Glenwood Springs	Leased	81.76 Acres	12/31/15
Tower/Transmitter Site – Montrose County	Leased	1.0 Acre	12/31/28
Tower/Transmitter Site – Blackridge	Leased	0.45Acre	4/10/26
Tower/Transmitter Site – Nine Mile Hill	Leased	1.0 Acre	12/31/23
Tower/Transmitter Site – Sunlight	Leased	1.0 Acre	12/31/33
Tower/Transmitter Site – Wakefield Mesa	Leased	1.0 Acre	Year to Year
Tower/Transmitter Site – Young's Peak	Leased	1.0 Acre	3/30/24
KREY – Grand Junction, CO			
Office-Studio – Montrose	100% Owned	2,445 Sq. Ft.	—
Tower/Transmitter Site – Flat Top Mountain	Leased	0.23 Acre	12/31/36
WLAX/WEUX – La Crosse, WI			
Office-Studio	100% Owned	4,550 Sq. Ft.	—
Tower/Transmitter Site – La Crescent, MN	100% Owned	1.0 Acre	—
Tower/Transmitter Site – Dunn County, WI	100% Owned	3.28 Acres	—
Studio – Eau Claire	Leased	1,860 Sq. Ft.	9/30/19
WFXR/WWCW – Roanoke, VA			
Office-Studio	100% Owned	6,302 Sq. Ft.	—
Tower/Transmitter Site – Thaxton	100% Owned	50.0 Acres	—
Tower/Transmitter Site	100% Owned	9.26 Acres	—
Tower/Transmitter Site – Poor Mountain	Leased	1.0 Acre	7/31/16

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
WZDX – Huntsville, AL			
Office-Studio	100% Owned	16,000 Sq. Ft.	—
Tower/Transmitter Site – Huntsville	Leased	0.78 Acre	6/30/22
Internet Businesses			
Office – Saint Paul, MN	Leased	31,399 Sq. Ft.	10/31/21
Office—St. George, UT	Leased	1,823 Sq. Ft.	6/14/15
Corporate Office—Irving, TX	Leased	22,061 Sq. Ft.	12/31/24

(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 Acre	—
Tower/Transmitter Site—Stroudsburg	Leased	10,000 Sq. Ft.	Month to Month
WAWV—Terre Haute, IN			
Office-Studio(2)	—	—	—
Tower/Transmitter Site	100% Owned	1.0 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	40.0 Acres	1/30/15
Tower/Transmitter Site	Leased	5.0 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)	—	—	—

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Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
Tower/Transmitter Site	Leased	2.0 Acres	4/30/32
Tower/Transmitter Site—El Dorado	Leased	3.0 Acres	4/30/32
Tower/Transmitter Site—Bolding	Leased	11.5 Acres	4/30/32
KSAN—San Angelo, TX			
Office-Studio(5)	—	—	—
Tower/Transmitter Site	Leased	10.0 Acres	5/15/15
KOLR—Springfield, MO			
Office-Studio	100% Owned	30,000 Sq. Ft.	—
Office-Studio	100% Owned	7.0 Acres	—
Tower/Transmitter Site	Leased	0.5 Acre	5/12/21
KCIT/KCPN-LP—Amarillo, TX			
Office-Studio(6)	—	—	—
Tower/Transmitter Site	Leased	100.0 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	6.0 Acres	Month to Month
KAMC—Lubbock, TX			
Office-Studio(7)	—	—	—
Tower/Transmitter Site	Leased	40.0 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	21.0 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	120.0 Acres	—
Tower/Transmitter Site-Pulaski	Leased	0.23 Acre	5/31/17

WVNY Burlington, VT-Plattsburgh, NY			
Office-Studio(13)	—	—	—
Tower/Transmitter Site (13)	—	—	—
Corporate Office-Westlake, OH	Leased	640 Sq. Ft.	Month to Month

(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.

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(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.

Marshall leases facilities in the following locations:

Station Metropolitan Area and Use	Owned or Leased	Approximate Size	Expiration of Lease
KLJB - Davenport-Rock Island-Moline, IL			
Marshall Corporate Office-Studio – Davenport	Leased	11,538 Sq. Ft.	4/30/15
Tower/Transmitter Site - Orion	Leased	1.0 Acre	10/03/22

Item 3. Legal Proceedings

From time to time, the Company is 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, the Company believes the resulting liabilities would not have a material adverse effect on the Company'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 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
1st Quarter 2014	$55.93	$32.20
2nd Quarter 2014	$52.03	$34.65
3rd Quarter 2014	$53.66	$38.96
4th Quarter 2014	$53.55	$36.41

As of February 23, 2015, there were approximately 33,710 shareholders of record of our Class A common stock, including shares held in nominee names by brokers and other institutions.

Our senior secured credit facility may limit the amount of dividends we may pay to stockholders over the term of the agreement. Pursuant to our current dividend policy, our board of directors declared in 2014 a total annual cash dividend with respect to Nexstar's outstanding shares of Class A Common Stock of $0.60 per share in equal quarterly installments of $0.15 per share. On January 30, 2015, our board of directors approved a 26.7% increase in the quarterly cash dividend to $0.19 per share of outstanding Class A Common Stock beginning with the first quarter of 2015.

Issuer Purchases of Equity Securities

We had no stock repurchases during 2014. In May 2013, we repurchased and held in treasury 365,384 shares of our Class A Common Stock for a total of $8.4 million, all of which were reissued during the second half of 2013 in connection with stock option exercises.

Securities Authorized for Issuance Under Equity Compensation Plans as of December 31, 2014

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	2,742,275	$ 17.61	397,500
Equity compensation plans not approved by security holders	—	—	—
Total	2,742,275	$ 17.61	397,500

For a more detailed description of our equity plans and grants, we refer you to Note 10 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, 2009 through December 31, 2014 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., Media General, Inc. 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, 2009. The performance shown is not necessarily indicative of future performance.

	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Nexstar Broadcasting Group, Inc. (NXST)	$100.00	$147.90	$193.58	$261.48	$1,401.91	$1,321.50
NASDAQ Composite Index	$100.00	$118.02	$117.04	$137.47	$192.62	$221.02
Peer Group	$100.00	$159.62	$203.91	$257.86	$897.63	$693.27

Item 6. Selected Financial Data

We derived the following statements of operations and cash flows data for the years ended December 31, 2014, 2013 and 2012 and balance sheet data as of December 31, 2014 and 2013 from our Consolidated Financial Statements included herein. We derived the following statements of operations and cash flows data for the years ended December 31, 2011 and 2010 and balance sheet data as of December 31, 2012, 2011 and 2010 from our Consolidated Financial Statements included in our Annual Reports on Form 10-K for the years ended December 31, 2012 and 2011, respectively. The period-to-period comparability of our consolidated financial statements is affected by acquisitions of digital media businesses and television stations, and related consolidations of VIEs. In 2014, we acquired 13 stations, including consolidated VIEs, and 2 digital media businesses. In 2013, we acquired 10 stations, including consolidated VIEs, net. In 2012, we acquired 9 stations, net of station disposal, and one digital media business. For more information, refer to Notes 2 and 3 to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K. 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.

	2014	2013	2012	2011	2010
Statements of Operations Data, for the years ended December 31:					
Net revenue	$631,311	$502,330	$378,632	$306,491	$313,350
Operating expenses (income):					
Corporate expenses	35,174	26,339	24,636	19,780	19,890
Station direct operating expenses, net of trade	178,781	139,807	84,743	73,829	70,674
Station selling, general and administrative expenses, excluding depreciation and amortization	139,617	124,594	92,899	85,387	81,001
Amortization of broadcast rights, excluding barter	11,634	12,613	8,591	9,947	9,527
Trade and barter expense	31,333	30,730	20,841	21,270	19,602
Depreciation	35,047	33,578	23,555	21,845	21,112
Amortization of intangible assets	25,850	30,148	22,994	25,979	23,732
Gain on asset exchange	—	—	—	—	(30)
Loss on asset disposal, net	638	1,280	468	461	294
Income from continuing operations[1]	173,237	103,241	99,905	47,993	67,548
Interest expense, net	(61,959)	(66,243)	(51,559)	(53,004)	(54,266)
Loss on extinguishment of debt, net[2]	(71)	(34,724)	(3,272)	(1,155)	(8,356)
Other expenses	(556)	(1,459)	—	—	—
Income (loss) from continuing operations before income tax expense	110,651	815	45,074	(6,166)	4,926
Income tax (expense) benefit[3]	(46,101)	(2,600)	132,279	(5,725)	(6,741)
Income (loss) from continuing operations	64,550	(1,785)	177,353	(11,891)	(1,815)
Gain on disposal of station, net of income tax expense[4]	—	—	5,139	—	