SECURITIES AND EXCHANGE COMMISSION

FORM S-1/A

General form of registration statement for all companies including face-amount certificate companies [amend]

Filing Date: **1999-09-10**
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FILER

ACME COMMUNICATIONS INC

CIK:**1092013**| IRS No.: **330866283** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-1/A** | Act: **33** | File No.: **333-84191** | Film No.: **99708891**
SIC: **4833** Television broadcasting stations

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON SEPTEMBER 10, 1999

REGISTRATION NO. 333-84191

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ACME COMMUNICATIONS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	4833	33-0866283
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

2101 E. FOURTH STREET, SUITE 202, SANTA ANA, CALIFORNIA 92705, (714) 245-9499
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JAMIE KELLNER
CHIEF EXECUTIVE OFFICER
ACME COMMUNICATIONS, INC.

2101 E. FOURTH STREET, SUITE 202

SANTA ANA, CALIFORNIA 92705
(714) 245-9499
(NAME, ADDRESS INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

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610 NEWPORT CENTER DRIVE, SUITE 1700	1800 AVENUE OF THE STARS, SUITE 900
NEWPORT BEACH, CALIFORNIA 92660-6429	LOS ANGELES, CALIFORNIA 90067-4276
(949) 760-9600	(310) 277-1010

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

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If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUNT OF REGISTRATION FEE
Common stock, $0.01 par value..................	5,750,000	$21.00	$120,750,000	$1,599(3)

(1) Includes shares subject to the underwriters' over-allotment option.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o).

(3) Previously paid $31,970. Total registration fee equals $33,569.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

EXPLANATORY NOTE

This registration statement contains a prospectus relating to a public offering in the United States and Canada and a separate international offering (excluding Canada). We are selling a total of 5,000,000 shares of common stock, 4,250,000 in the United States and Canada and 750,000 internationally. In addition, the selling stockholders have granted the underwriters an option to purchase a combined 750,000 additional shares of common stock to cover any over-allotments. Immediately following this explanatory note is the complete prospectus for the United States and Canada offering. After such prospectus are the following alternate pages for the international offering: a front cover page, an "Underwriting" section, the last page and a back cover page. Each alternate page for the international offering included herein is labeled "Alternate Page For International Prospectus." All other pages of the prospectus are the same for both offerings.

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

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Subject to Completion, Dated September 10, 1999

[ACME Communications Logo]

ACME Communications, Inc.

5,000,000 Shares

Common Stock

This is an initial public offering of common stock of ACME Communications, Inc. We anticipate that the initial public offering price will be between $19.00 and $21.00 per share.

The U.S. underwriters are offering 4,250,000 shares in the United States and Canada and the international underwriters are offering 750,000 shares outside the United States and Canada.

We have applied to list our common stock on the Nasdaq National Market under the symbol "ACME."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 9.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PER SHARE	TOTAL
PUBLIC OFFERING PRICE	$	$
UNDERWRITING DISCOUNTS AND COMMISSIONS	$	$
PROCEEDS, BEFORE EXPENSES, TO ACME	$	$

The selling stockholders have granted the underwriters the right to purchase up to an additional 750,000 shares at the public offering price within 30 days from the date of this prospectus to cover over-allotments.

Deutsche Banc Alex. Brown

Merrill Lynch & Co.

Morgan Stanley Dean Witter

CIBC World Markets

The date of this Prospectus is   , 1999.

INSIDE FRONT COVER

[ACME COMMUNICATIONS LOGO]

[COLLAGE OF ACTORS ON THE WB NETWORK AND SYNDICATED PROGRAMS]

FRONT GATEFOLD

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[A MAP OF THE UNITED STATES IDENTIFYING THE LOCATION OF EACH OF OUR STATIONS AND THE CALL LETTERS AND CHANNEL OF EACH OF OUR STATIONS]

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our company and the common stock we are selling in this offering, including the risk factors and our financial statements and related notes, included elsewhere in this prospectus.

THE COMPANY

We currently own and operate nine broadcast television stations in medium-sized markets across the United States. Each of our stations is a network affiliate of The WB Television Network, making us the third largest WB Network affiliated station group in the country. Our television stations broadcast in markets that cover in aggregate approximately 5.4% of the total U.S. television households. Jamie Kellner, our Chairman and Chief Executive Officer, is also a founder, Chief Executive Officer and partner of The WB Network, and was President of Fox Broadcasting Company from its inception in 1986 through 1993. Mr. Kellner and our other founders formed our company to capitalize on the opportunity to affiliate with The WB Network, the fastest growing English-language broadcast television network in the country.

Since our formation in 1997, we have focused primarily on acquiring independently-owned stations, under-performing stations and construction permits for new stations in markets that we believe have the growth potential and demographic profile to support the successful launch of a new WB Network affiliate. We believe that medium-sized markets provide advantages such as fewer competitors and lower operating costs compared to large markets. Because many of our stations are newly launched, we have experienced losses of $28.4 million for the six months ended June 30, 1999 as compared to an $11.3 million loss for the six months ended June 30, 1998. However, we have experienced significant revenue and broadcast cash flow growth and anticipate further growth. For the six months ended June 30, 1999, we generated $26.6 million in revenues and $6.5 million in broadcast cash flow, representing an increase of 37.8% in revenues and 47.0% in broadcast cash flow over the six months ended June 30, 1998.

Like The WB Network, we target our programming to younger audiences, in particular, young adults, teens and kids. We believe that these younger audiences are a growing and increasingly important demographic target for advertisers, and that our affiliation with The WB Network affords us a significant competitive advantage over other network affiliated television broadcasters in attracting these younger audiences. Since its launch in 1995, The WB Network is the only English-language broadcast network in the United States to increase its audience share in these key target demographic groups. To build and retain our audience share during non-network hours, we also acquire the broadcast rights to popular syndicated programming that we believe complements The WB Network programming. In addition, we broadcast local programming such as news in St. Louis, local weather updates and local and regional sports programming in selected markets. We believe this programming enhances our ability to sell advertising time to local and regional advertisers and increases audience awareness of our newly launched stations.

The WB Network was created by Time Warner, Inc., Tribune Broadcasting and Mr. Kellner as a new broadcast television network in 1995. The WB Network is a more demographically focused network than ABC, CBS, NBC and Fox. Over the last five years, The WB Network increased its ratings and its audience share for young adults from a three share to a six share and teens from a six share to a 14 share. The WB Network's success is due in large part to its ability to provide popular, targeted prime time programming each season

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such as 7th Heaven, Dawson's Creek, Buffy the Vampire Slayer, Felicity and Charmed. In addition to its prime time programming, The WB Network provides popular animated weekday and Saturday morning programming through Kids' WB!. Programming on Kids' WB! includes the number one rated kids show, Pokemon, as well as Batman Beyond and Animaniacs. Mr. Kellner believes that the future of broadcast television, much like radio, requires that programming be targeted more directly to specific audiences rather than attempting to appeal to all demographic groups.

The principal components of our business and growth strategy are:

- maximizing growth opportunities created by our WB Network affiliation;

- capitalizing on the strengths of our senior management team;

- acquiring rights to popular and proven syndicated programming;

- focusing on sales;

- selectively and opportunistically expanding in medium-sized markets;

- attracting a young and growing audience; and

- leveraging on significant economic and operating efficiencies.

THE OFFERING(1)

COMMON STOCK OFFERED BY ACME

UNITED STATES AND CANADA......	4,250,000 shares
OUTSIDE UNITED STATES AND CANADA......................	750,000 shares
TOTAL.........................	5,000,000 shares
COMMON STOCK TO BE OUTSTANDING AFTER THE OFFERING(2)...............	16,750,000 shares
USE OF PROCEEDS.................	We intend to use the net proceeds of this offering to:

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- repay all indebtedness under our revolving credit facility;

- fund the acquisition of KASY;

- repay debt incurred in connection with the acquisition of WBDT, WIWB and WBUI; and

- provide funds for general corporate purposes, including working capital and future acquisitions.

RISK FACTORS.................... See "Risk Factors" beginning on page 9 for a discussion of factors you should carefully consider before deciding to invest in our common stock.

PROPOSED NASDAQ NATIONAL MARKET SYMBOL........................ "ACME"

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(1) Does not include 750,000 shares of common stock subject to a 30-day over-allotment option granted to the underwriters by the selling stockholders.

(2) Based on the number of shares that will be outstanding after our reorganization. Excludes approximately 4,200,000 shares of common stock reserved for issuance pursuant to our 1999 Stock Incentive Plan, 2,783,341 of which are subject to options that will be outstanding before the consummation of this offering.

Our principal executive offices are located at 2101 E. Fourth Street, Suite 202, Santa Ana, California 92705. Our telephone number is (714) 245-9499.

OUR SUMMARY CONSOLIDATED AND PRO FORMA FINANCIAL DATA

The following table summarizes our historical and pro forma financial data. The pro forma financial data gives effect to the acquisition of Koplar Communications, Inc. and the reorganization of our business from a limited liability company into a C corporation, as if the acquisition and reorganization had occurred at the beginning of each period indicated. The data presented in this table are derived from the "Selected Consolidated and Pro Forma Financial Data" and the financial statements and notes which are included elsewhere in this prospectus. You should read those sections for a further explanation of the financial data summarized here.

<TABLE>
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	ACME TELEVISION HOLDINGS, LLC		PRO FORMA ACME COMMUNICATIONS, INC.(1)	ACME TELEVISION HOLDINGS, LLC		PRO FORMA ACME COMMUNICATIONS, INC.(1)
	YEARS ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	SIX MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,
	1997	1998	1998	1998	1999	1999
			(UNAUDITED)	(UNAUDITED)		(UNAUDITED)

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	(IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA)					
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STATEMENT OF OPERATIONS DATA:						
Net revenues..................	$ 11,347	$ 43,928	$ 43,928	$ 19,327	$ 26,635	$ 26,635
Operating expenses:						
Station operating expenses..................	10,158	32,973	32,973	15,165	19,990	19,990
Depreciation and amortization..............	1,215	11,355	14,579	4,181	8,159	8,565
Corporate...................	1,415	2,627	2,627	1,194	1,483	1,483
Equity-based compensation...	--	--	--	--	10,700	10,700
Operating loss................	(1,441)	(3,027)	(6,251)	(1,213)	(13,697)	(14,103)
Other income (expenses):						
Interest income.............	287	231	231	188	27	27
Interest expense............	(6,562)	(23,953)	(21,478)	(11,472)	(14,068)	(12,840)
Gain on sale of asset.......	--	1,112	1,112	--	--	--
Other.......................	--	(380)	(380)	10	--	--
Loss before taxes and minority interest....................	(7,716)	(26,017)	(26,766)	(12,487)	(27,738)	(26,916)
Income tax benefit (expense)...................	--	2,393	10,702	365	(2,064)	10,748
Loss before minority interest....................	(7,716)	(23,624)	(16,064)	(12,122)	(29,802)	(16,168)
Minority interest............	237	1,684	--	868	1,403	--
Net loss......................	$ (7,479)	$(21,940)	$ (16,064)	$(11,254)	$(28,399)	$ (16,168)
Pro forma basic and diluted net loss per share..........	n/a	n/a	$ (1.37)	n/a	n/a	$ (1.38)
Basic and diluted weighted average shares outstanding(1)..............	n/a	n/a	11,750,000	n/a	n/a	11,750,000
BALANCE SHEET DATA:						
Total assets..................	$220,475	$288,082	n/a	$290,439	$330,282	$ 347,931
Long-term debt(2)............	192,452	220,256	n/a	220,074	277,426	252,670
Total members' capital........	16,306	1,413	n/a	30,838	(16,286)	n/a
Total shareholders' equity....	n/a	n/a	n/a	n/a	n/a	31,700

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	ACME TELEVISION HOLDINGS, LLC			
	YEARS ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	1997	1998	1998	1999
			(UNAUDITED)	
	(IN THOUSANDS)			

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SUPPLEMENTAL FINANCIAL DATA:				
Broadcast cash flow and adjusted EBITDA(3):				
Operating loss	$ (1,441)	$ (3,027)	$ (1,213)	$(13,697)
Add back:				
Equity-based compensation	--	--	--	10,700
Depreciation and amortization	1,215	11,355	4,181	8,159
Time brokerage fees	--	228	228	--
Amortization of program rights	1,433	5,321	2,195	3,250
Corporate expenses	1,415	2,627	1,194	1,483
Adjusted program payments(3)	(1,598)	(5,124)	(2,152)	(3,379)
Broadcast cash flow	$ 1,024	$ 11,380	$ 4,433	$ 6,516
Less:				
Corporate expenses	1,415	2,627	1,194	1,483
Adjusted EBITDA	$ (391)	$ 8,753	$ 3,239	$ 5,033
Broadcast cash flow margin(3)	9.0%	25.9%	22.9%	24.5%
Adjusted EBITDA margin(3)	n/m	19.9%	16.8%	18.9%
Cash flows provided by (used in) operations:				
Operating activities	$ (599)	$ 319	$ (89)	$ 3,731
Investing activities	(191,730)	(15,504)	(20,790)	(48,841)
Financing activities	201,153	7,362	13,949	45,778
Ratio of earnings to fixed charges	(65.1)%	(82.5)%	(76.6)%	(21.9)%

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(1) Reflects our acquisition of Koplar Communications, Inc. and our reorganization as explained in the pro forma financial information included elsewhere in this prospectus.

(2) Includes amounts outstanding under our bridge loan, convertible debentures, 10 7/8% senior discount notes and 12% senior secured notes.

(3) We define:

- broadcast cash flow as operating income, plus equity-based compensation, depreciation and amortization, time brokerage fees, amortization of program rights, and corporate expenses, less program payments -- the latter as adjusted to reflect reductions for liabilities relating to expired rights or rights which have been written-off in connection with acquisitions;

- adjusted EBITDA as broadcast cash flow less corporate expenses;

- broadcast cash flow margin as broadcast cash flow as a percentage of net revenues; and

- adjusted EBITDA margin as adjusted EBITDA as a percentage of net revenues.

We have included broadcast cash flow, broadcast cash flow margin, adjusted EBITDA and adjusted EBITDA margin data because management believes that these measures are useful to an investor to evaluate our ability to service debt and to assess the earning ability of our stations' operations. However, you should not consider broadcast cash flow, broadcast cash flow margin, adjusted EBITDA and adjusted EBITDA margin in isolation or as substitutes for net income, cash flows from operating activities and other statement of operations or cash flows data prepared in accordance with generally accepted accounting principles as a measure of liquidity or profitability. These measures are not necessarily comparable to similarly

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titled measures employed by other companies.

OUR PREDECESSOR'S SUMMARY CONSOLIDATED FINANCIAL DATA

The following table summarizes the financial data of our predecessor, Channel 32, Incorporated. The data presented in this table are derived from the financial statements and notes which are included elsewhere in this prospectus. You should read those sections for a further explanation of the financial data summarized here.

	CHANNEL 32, INCORPORATED (PREDECESSOR)			
	PERIOD FROM DECEMBER 16, 1993 (INCEPTION) TO JUNE 30, 1994	YEARS ENDED JUNE 30, 1995	1996	PERIOD FROM JULY 1, 1996 TO JUNE 17, 1997
		(IN THOUSANDS)		(UNAUDITED)
STATEMENT OF OPERATIONS DATA:				
Net revenues	$ --	$ 288	$ 2,729	$ 1,306
Operating expenses:				
Station operating expenses	17,626	896	4,736	2,364
Depreciation and amortization	--	234	542	346
Operating loss	(17,626)	(842)	(2,549)	(1,404)
Other income (expenses):				
Interest income	--	--	45	--
Interest expense	(4,691)	(200)	(3,252)	(2,222)
Other	--	--	(259)	(10)
Net loss	$(22,317)	$(1,042)	$(6,015)	$(3,636)

RISK FACTORS

You should carefully consider the risks described below before making a decision to buy our common stock. You should also refer to the other information in this prospectus, including our financial statements and the related notes.

WE ARE HIGHLY LEVERAGED AND OUR FUTURE CASH FLOWS MIGHT NOT BE SUFFICIENT TO MEET OUR OBLIGATIONS.

After giving effect to this offering as if it had occurred on June 30, 1999, we had outstanding consolidated indebtedness of approximately $203.6 million and $40.0 million available under our revolving credit facility. Our highly leveraged financial position poses substantial risks to stockholders, including the risks that:

- a substantial portion of our cash flow from operations will be required to service our indebtedness;

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- our highly leveraged position may impede our ability to obtain financing in the future for working capital, capital expenditures and general corporate purposes, including acquisitions; and

- our highly leveraged financial position may make us more vulnerable to economic downturns and may limit our ability to withstand competitive pressures.

We cannot be sure that our future cash flow will be sufficient to meet our obligations and commitments. However, we believe that, based on our current level of operations after giving effect to the reorganization, we will have sufficient capital to carry on our business and will be able to make the scheduled interest payments on our debt and meet our other obligations and commitments. If we are unable to generate sufficient cash flow from operations in the future to meet our obligations and commitments, or if interest on amounts outstanding under our revolving credit facility increase due to interest rate fluctuations, we will be required to adopt one or more alternatives, such as refinancing or restructuring our indebtedness, selling material assets or operations, delaying or foregoing acquisitions or seeking to raise additional debt or equity capital. However, we cannot be sure that any of these alternative strategies could be effected on satisfactory terms, if at all, and the implementation of any of these alternative strategies could have a negative impact on the value of our common stock.

OUR FINANCIAL FLEXIBILITY IS LIMITED AND OUR INDEBTEDNESS COULD BE ACCELERATED IF WE DO NOT COMPLY WITH OUR RESTRICTIVE COVENANTS.

Our credit agreement and our subsidiaries' indentures contain restrictive covenants that may limit our ability to:

- incur additional debt;

- pay dividends;

- merge, consolidate or sell assets;

- make acquisitions or investments;

- enter into affiliate transactions; or

- change the nature of our business.

Our credit agreement and indentures also require us to maintain certain financial covenants, including specified financial tests. Without lender consents, or if we do not meet these tests, we may not be able to make acquisitions as planned or meet general or extraordinary capital needs. Amounts we may borrow under our credit facility decrease quarterly beginning in 2000 and the credit facility terminates entirely in 2002.

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If we do not meet our interest obligations under our credit agreement or indentures or if we otherwise default under these instruments, our debt may be accelerated under these instruments as well as other debt instruments we have. In addition, because we are highly leveraged, it could limit our ability to respond to market conditions or meet extraordinary capital needs.

OUR OUTSTANDING INDEBTEDNESS MAY ACCELERATE IF THERE IS A CHANGE OF CONTROL.

If we experience a change of control, either with respect to the credit agreement or either indenture, we might not have sufficient funds to repay all amounts outstanding under our revolving credit facility and to repurchase the notes, as may be required. Alternatively, if we are able to satisfy the change of control provisions, it would require a substantial diversion of cash flow from our operations and our acquisition plans and could have a material adverse effect on our economic viability. The indebtedness under our revolving credit facility may be accelerated, and we also may be required to make an offer to repurchase the notes upon a change of control.

Under the credit agreement, a change of control is defined as the failure of certain stockholders to own, through their interest in us, at least 50.1% of the economic value of ACME Television, our wholly-owned subsidiary for which we have received a waiver from the requisite lenders. Under the terms of the indentures, a change of control is defined as any event that would cause the current stockholders, in aggregate, to hold less than 30%, and any other person to hold more than 20%, of our outstanding stock. Under the terms of both of the notes, we may be required to make an offer to repurchase the notes at 101% of their accreted value, plus any accrued and unpaid interest, at the time of a change of control.

OUR HOLDING COMPANY STRUCTURE COULD LIMIT OUR ABILITY TO PAY DIVIDENDS OR SERVICE OUR FUTURE INDEBTEDNESS.

We are a holding company with no operations of our own and conduct all of our business through our subsidiaries. Our only significant asset is our investment in our subsidiaries. Accordingly, we are wholly dependent on the cash flow of our subsidiaries and dividends and distributions from our subsidiaries to us in order to pay dividends or to service any future indebtedness. The ability of our subsidiaries to pay such dividends and distributions is limited by the terms of our subsidiaries' credit agreement and indentures, which because of our holding company structure is senior to any debt we have. If our subsidiaries are unable to pay dividends or make distributions to us, we might be unable to make dividend payments or pay any future indebtedness.

WE HAVE A LIMITED OPERATING HISTORY AND A HISTORY OF NET LOSSES, WHICH WE EXPECT TO CONTINUE IN THE FUTURE.

We were formed in April 1997 as a limited liability company. We have incurred losses from continuing operations in each of our fiscal years since inception. We expect to continue to experience net losses in the foreseeable future. These net losses, which may be greater than our net losses in the past, are principally a result of interest expense on our

outstanding debt and non-cash charges for depreciation and amortization expense related to fixed assets and goodwill related to acquisitions.

OUR GROWTH COULD BE LIMITED IF WE ARE UNABLE TO SUCCESSFULLY ACQUIRE ADDITIONAL TELEVISION STATIONS.

Our growth could be limited if we are unable to successfully implement our

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acquisition plans. To date, we have acquired nine television stations and have entered into definitive agreements to acquire two additional television stations that will be swapped for two stations we already own.

Our ability to acquire additional television stations involves risks including:

- the market to purchase television stations is highly competitive, and many potential acquirers have greater resources available to make such acquisitions than we have;

- desired stations might not be available for purchase;

- we might be unable to obtain The WB Network affiliation for all of the stations we acquire;

- we might not have the financial resources necessary to acquire additional stations;

- we might be unable to obtain FCC approval of the assignments or transfers of control of FCC licenses; and

- the law limits the number and location of broadcasting properties that any one person or entity (including its affiliates) may own and could limit our ability to pursue desired stations.

Generally when we sign acquisition agreements, we enter into interim local marketing agreements with the seller under which we receive all station revenues and pay all station expenses. Because the seller retains ultimate programming control, we bear the economic risks of paying station expenses until closing the acquisition. Once we acquire a station, we cannot be sure that we will be successful in integrating it into our group or that such integration will not divert our limited management resources. As a result, acquisitions could harm our operating results in the short term as a result of several factors, including increased capital requirements.

WE INCUR IMMEDIATE LOSSES ON NEW STATIONS.

We have incurred, and expect to continue to incur, losses at newly acquired or built stations in the first few years after we acquire or build the station. Generally, it takes a few years for our newly acquired or built stations to generate operating cash flow. During the initial period after acquisition or construction, we incur significant expenses related to:

- acquiring syndicated programming;

- improving technical facilities;

- increasing and improving cable distribution;

- hiring new personnel; and

- marketing the station to viewers.

In addition, it requires time to gain viewer awareness of new station programming and to attract advertisers. If our new stations do not generate operating cash flow within the expected time periods, it could adversely affect our financial results and our expected growth.

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OUR BUSINESS OPERATIONS COULD BE SIGNIFICANTLY DISRUPTED IF WE LOSE MEMBERS OF OUR MANAGEMENT TEAM.

Our success is largely dependent on the continued services of our senior management team, which includes Mr. Kellner, Doug Gealy, our President and Chief Operating Officer, and Tom Allen, our Executive Vice President and Chief Financial Officer. Although we have employment and consulting agreements with these executives, we might not be able to retain them. The loss of the services of key personnel could harm our business. Our Chairman and Chief Executive Officer, Mr. Kellner, is also an owner and the Chief Executive Officer of The WB Network but he does not have a written employment contract with The WB Network. If Mr. Kellner leaves The WB Network, our relationship with The WB Network could be adversely affected. Our success will also be dependent in part on our ability to attract and retain quality general managers and other management personnel for our stations.

OUR CHIEF EXECUTIVE OFFICER MIGHT HAVE CONFLICTS OF INTEREST WITH OUR BUSINESS.

Mr. Kellner's consulting agreement provides that he may perform services for other businesses unaffiliated with ours that, in certain limited circumstances, may be competitive. Because of Mr. Kellner's experience in the television broadcast industry, if Mr. Kellner provides services to a competing business, it could materially affect our operations.

Mr. Kellner's ownership and position at The WB Network could create conflicts with his position with us if our interests differ from those of The WB Network. Because Mr. Kellner is both our Chief Executive Officer and The WB Network's Chief Executive Officer, The WB Network requires that he recuse himself from any material transaction between The WB Network and us. Additionally, due to his responsibilities with The WB Network, Mr. Kellner might have limited time available to devote to us.

OUR RATINGS AND REVENUES COULD DECLINE SIGNIFICANTLY IF OUR RELATIONSHIP WITH THE WB NETWORK, OR THE WB NETWORK'S SUCCESS, CHANGES IN AN ADVERSE MANNER.

If our relationship with The WB Network were to change in an adverse manner, or if The WB Network's success were to diminish, it might have a material adverse effect on our ability to generate advertising revenue on which our business is dependent. Our success largely depends on our stations' continued relationship with The WB Network and on The WB Network's continued success as a broadcast network. The WB Network's relationships with Time Warner and Tribune Broadcasting are important to The WB Network's continued success and we cannot be sure that those relationships will continue to exist. In addition, we cannot be sure that The WB Network will renew, or will not adversely change any of our station affiliation agreements. We cannot be sure that the ratings of The WB Network programming will continue to improve or that The WB Network will continue to provide programming, marketing and other support to its affiliates on the same basis as currently provided. Finally, by aligning ourselves closely with The WB Network, we might forego other opportunities that could provide diversity of our network affiliation and avoid dependence on any one network.

WITHOUT OUR BROADCAST CASH FLOW FROM KPLR, WE WOULD NOT HAVE ANY POSITIVE CASH FLOW.

Our ability to fulfill our current and future obligations and commitments is dependent on the operating cash flow from KPLR. Due to negative net cash flow at our start-up stations, broadcast cash flow from KPLR accounted for more than

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100% of our total broadcast cash flow in 1998 and for the six months ended June 30, 1999. A significant

decline in broadcast cash flow from KPLR would have a material adverse effect on our financial results.

IF OUR SYNDICATED PROGRAMMING COSTS INCREASE OR WE CANNOT OBTAIN POPULAR PROGRAMS, OUR OPERATING COSTS COULD INCREASE OR OUR RATINGS AND REVENUES COULD DECLINE.

If we are unable to acquire popular syndicated programming, our ratings and revenues could decline. One of our most significant operating costs is syndicated programming. We may be exposed in the future to increased syndicated programming costs that could adversely affect our operating results. In addition, syndicated programs that meet our criteria might not be available in the future or might not be available at prices that are acceptable to us. We believe that the prices of the most sought after syndicated programming will continue to increase. Syndicated programming rights are often acquired several years in advance and may require multi-year commitments, making it difficult to accurately predict how a program will perform. In some instances, programs must be replaced before their costs have been fully amortized, resulting in write-offs that increase station operating costs.

WE MIGHT NOT BE ABLE TO COMPETE SUCCESSFULLY IF WE DO NOT MAINTAIN FAVORABLE AUDIENCE RATINGS.

Our success depends in large part on our ability to compete successfully with other network affiliated and independent broadcast television stations and other media for viewers and advertising revenues. Our ability to generate advertising revenues depends to a significant degree upon audience ratings. The broadcast television industry is highly competitive, and many of our competitors have longer operating histories and greater resources than us. Additionally, cable television and formerly independent stations now affiliated with new networks have captured increasing market share and overall viewership from general broadcast network television. Cable-originated programming in particular has emerged as one of our significant competitors. We also face increasing competition from home satellite delivery, direct broadcast satellite television systems and video delivery systems utilizing telephone lines.

WE ARE UNCERTAIN OF THE COSTS AND REVENUE IMPACT OF THE TRANSITION TO DIGITAL TELEVISION.

All of the stations we own or are under contract to acquire have been allocated a digital television, or DTV, channel. FCC policies require that we deliver a digitally transmitted signal on these channels by 2002, terminate our analog signals and return our licenses to operate on the analog frequencies to the FCC by 2006, unless specified conditions exist that, in effect, reflect the public's inability to receive DTV transmissions in a particular market. Although we have entered into lease agreements for some of our currently owned stations providing for options to operate and install digital television antennas and transmitters at the stations, we are unable to project accurately the costs or benefits associated with DTV at this time. DTV will require significant new capital investments in DTV broadcasting capacity, and we may not have adequate financial resources to make such capital investments. Our plans also require the favorable resolution of a pending FCC rulemaking proceeding to utilize the DTV antenna location we prefer for the television station we are buying in Utah. While DTV technology is currently available in some of the top-ten viewing markets, a successful transition could take many years. Although we are required by the FCC to convert to DTV, we are unable to predict the extent or timing of consumer demand for digital services. Additionally, the extent to which cable channels will be required to carry broadcast stations' new digital channels is not clear. If the FCC imposes limited or no carriage requirements on

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cable systems to carry DTV signals, it could adversely effect our operations to the extent that we rely on the must carry provisions to reach cable viewers in all of our markets.

FCC REGULATION OF OUR BUSINESS COULD ADVERSELY AFFECT OUR LICENSES, OUR ABILITY TO ACQUIRE OTHER ENTITIES AND OUR AGREEMENT TO OPERATE STATIONS FOR OTHER OWNERS.

Our operations are subject to extensive and changing regulation on an ongoing basis by Congress, the FCC and the courts. The prior approval of the FCC is required for the issuance, renewal, modification, assignment and transfer of control of station permits and licenses. We cannot be sure that the FCC will approve any future acquisitions that require an assignment or transfer of control of an FCC license or other authorization. In addition, the FCC licenses we hold are subject to renewal from time to time. We cannot be sure that the FCC license for any television station owned or that will be owned by us will be renewed or, if renewed, will not be issued subject to conditions. The non-renewal or conditional renewal of one or more of our television broadcast licenses could harm our business.

Recent and prospective actions by Congress, the FCC and the courts could cause us to face significant competition in the future. Such measures could include the elimination or modification of:

- restrictions on television station ownership;
- restrictions on the participation by regional telephone operating companies in cable television and other direct-to-home video technologies;
- restrictions on the offering of multiple network services by the existing major television networks; and
- restrictions in the use of local marketing agreements.

For example, we own one station and have received FCC approval for the purchase of another station in Albuquerque. We intend to sell the station we own in the Albuquerque market at the same time that we purchase the other station. However, we also intend to operate the station we sell under a local marketing agreement. Although we have entered into a local marketing agreement for the station we will sell in Albuquerque, the FCC could require us to terminate the agreement.

OUR ABILITY TO MAINTAIN CARRIAGE ON CABLE TELEVISION IS UNCERTAIN.

Our television stations rely on must carry rights and retransmission consent to obtain cable carriage, and are currently carried by each local cable operator. Pursuant to the must carry provisions of the Cable Television Consumer Protection and Competition Act of 1992, a broadcaster may demand carriage on a specific channel on cable systems within its market. However, the future of those must carry rights is uncertain. The current FCC rules relate to only the carriage of analog television signals. It is not clear what, if any, must carry rights television stations will have after they make the transition to DTV. It is possible that new laws or regulations may eliminate, or at least limit the scope of, our cable carriage rights. Either of those results could have a material adverse impact on our operations.

IF FCC APPROVAL OF OUR SHORT-FORM CHANGE OF CONTROL APPLICATION IS RECONSIDERED OR REVIEWED AND THE GRANT IS RESCINDED, OR IF OUR INTERIM VOTING AGREEMENT

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TERMINATES BEFORE FCC APPROVAL OF OUR LONG-FORM CHANGE OF CONTROL APPLICATION, THE FCC COULD ORDER US TO RESTRUCTURE THIS OFFERING OR IMPOSE OTHER SEVERE PENALTIES ON US.

Because approval of our pending short-form and long-form FCC change of control applications may be subject to reconsideration or review before our reorganization and this

offering, we will face some risk until the FCC orders granting these applications become final and are no longer subject to administrative or judicial reconsideration or review. To obtain a grant of our short-form application, we have agreed to enter into an interim voting agreement to prevent a substantial change of control. If the FCC rescinded its grant of our short-form application, whether because of an issue with our interim voting agreement, an appeal or the FCC's reconsideration of its grant, or if our interim voting agreement terminates before approval of our long-form application, the FCC could force us to pay fines, deny renewal of our licenses, refuse to approve any of our acquisition, divest our FCC licenses, restructure our reorganization or take any other action necessary to come into compliance with an FCC order.

Until the FCC has issued a final order approving our long-form application, the interim voting agreement must remain in effect. If the FCC delays a grant or denies this long-form application, we would continue to be restricted by the provisions of the interim voting agreement.

AFTER THIS OFFERING, SOME OF OUR SENIOR MANAGEMENT WILL CONTROL OUR BOARD AND, LATER, SOME OF OUR EXISTING INVESTORS AND OUR SENIOR MANAGEMENT MAY HAVE THAT CONTROL.

Stockholders holding more than 50% of our common stock after this offering will enter into an interim voting agreement until we receive the FCC final order approving our long-form change of control application. The same stockholders will also enter into a separate, long-term voting agreement that will take effect following that approval but will terminate, in any event, two years from the date of this offering. Under the interim voting agreement, Messrs. Kellner, Gealy and Allen can elect all members of our board of directors. If the long-term voting agreement takes effect, Messrs. Kellner, Gealy, Allen, Embrescia and Roberts and investment funds managed by or affiliated with Alta Communications, BancBoston, CEA Capital and TCW Asset Management Company will be able to elect at least a majority of our board. Consequently, our current senior management, either alone or with these stockholders, will effectively control our company for at least two years after the closing of the offering, possibly longer if our long-form application is not approved by the FCC, or even if approved, it does not become final. As a result, those parties who purchase stock in this offering will not have influence over the election of our board during that period.

In addition, under the interim agreement, our management will be prohibited from taking actions that might not otherwise need approval outside our board. At least 60% in interest of certain investment funds managed by or affiliated with Alta Communications, BancBoston, CEA Capital and TCW Asset Management Company must approve:

- redemption of our shares;

- authorization or issuance of additional shares of our common stock;

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- payment or declaration of dividends;

- our merger or consolidation;

- the reorganization or sale of us, our subsidiaries, or any of our material assets;

- entry into new businesses;

- our consent to enter into bankruptcy;

- incurrence of substantial debt;

- significant capital expenditures;

- any change of control requiring FCC approval;

- significant acquisitions; and

- changes in senior management or senior management compensation.

OUR CERTIFICATE OF INCORPORATION AND BYLAWS COULD HINDER ACQUISITION OF OUR COMPANY.

Delaware corporate law and our certificate of incorporation and bylaws contain provisions that could delay, defer or prevent a change of control of our company or a change in our management. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that investors are willing to pay in the future for shares of our common stock. These provisions:

- authorize us to issue blank check preferred stock, which is preferred stock that can be created and issued by the board of directors without prior stockholder approval, with rights senior to those of common stock, subject to any limitations that may be imposed by the terms of our indebtedness;

- prohibit stockholder action by written consent instead of at a meeting;

- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;

- prohibit stockholders from calling special meetings; and

- restrict transfers of our common stock to non-U.S. citizens and entities.

WE COULD BE ADVERSELY AFFECTED BY YEAR 2000 ISSUES.

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Year 2000, or Y2K, issues are a result of computer software applications using a two-digit format, as opposed to a four-digit format, to indicate the year. Some computer software applications might be unable to distinguish between dates beyond the year 1999, which could cause system failures or miscalculations in our broadcast and corporate locations that could cause disruptions of operations, including a temporary inability to produce broadcast signals or engage in normal business activities.

At this point in time we are not aware of any additional significant upgrades or changes that will need to be made to our internal software and hardware to become Y2K ready, and we are not aware of any material supplier with Y2K readiness problems, but this is subject to change as the compliance testing process continues. We cannot be sure that there will not be a delay in, or increased costs associated with the implementation of such changes. In addition, disruptions in the economy generally resulting from Y2K issues could also materially adversely affect us.

We may also be at risk from Y2K disruptions at our suppliers and business partners, including The WB Network, syndicated programmers, advertisers, communications service providers, utilities and financial institutions. These possible risks include loss of power and communications links that are crucial to our operations, but largely beyond our control.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "intend," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue" or the negative of such terms or other comparable terminology.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our and the television broadcast industry's actual results, levels of activity, performance, achievements and prospects to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include those identified under "Risk Factors" in this prospectus.

We are under no duty to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this prospectus. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

USE OF PROCEEDS

We will receive estimated net proceeds of approximately $92 million from the sale of shares of common stock in this offering, based on an assumed initial public offering price of $20.00 per share, the midpoint of the range set forth on the cover page of this prospectus, and after deducting underwriting discounts and estimated offering expenses. We expect to use the net proceeds of this offering to:

- repay all indebtedness outstanding under our revolving credit facility ($39.4 million);

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- fund the acquisition of KASY ($24.0 million due at closing);

- repay debt incurred in connection with the acquisition of WBDT, WIWB and WBUI ($15.0 million); and

- provide funds for general corporate purposes, including working capital requirements and future acquisitions.

Indebtedness under our revolving credit facility accrues interest at variable rates and must be repaid in full by September 30, 2002. At June 30, 1999, the weighted average interest rate on revolving credit facility borrowings was 8.0%. Indebtedness incurred on April 23 and June 23, 1999 to acquire WBDT, WIWB and WBUI accrues interest at a rate of 22.5% and must be repaid in full on the earlier of April 23, 2002 or consummation by us of any debt or equity financings generating net proceeds greater than the outstanding loan balance.

Pending use of the net proceeds as described above, we will invest the net proceeds in investment grade, short-term marketable securities.

DIVIDEND POLICY

We have not declared or paid any cash dividends or distributions on our common stock since our inception. We anticipate that, for the foreseeable future, all earnings will be retained for use in our business and no cash dividends will be paid on our common stock. Any payment of future cash dividends on our common stock will be dependent upon the ability of our subsidiaries to pay dividends or make cash payments or advances to us and restrictions under present and any future debt obligations, as well as other factors that our board of directors deems relevant. Our credit agreement and our subsidiaries' indentures impose restrictions on our subsidiaries' ability to make these payments.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 1999 (1) on an actual basis, and (2) on a pro forma basis (see the pro forma financial information included elsewhere in this prospectus) as adjusted to reflect the estimated net proceeds of $92 million from this offering and the use of those proceeds.

The table should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this prospectus.

<TABLE>
<CAPTION>

	AS OF JUNE 30, 1999 (UNAUDITED)	
	ACTUAL	PRO FORMA AS ADJUSTED
	(IN THOUSANDS)	
<S>	<C>	<C>
Cash and cash equivalents(1)	$ 1,669	$ 13,903
Current portion of obligations under lease	$ 1,277	$ 1,277
Obligations under lease, net of current portion	4,078	4,078
Long-term debt:		

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Revolving credit facility(2)	39,400	--
Bridge loan(2)	15,000	--
10 7/8% senior discount notes	153,357	153,357
12% senior secured notes	44,913	44,913
Convertible debentures(3)	24,756	--
Total long-term debt	277,426	198,270
Minority interest(3)	830	--
Members' capital (deficit) / stockholders' equity(3):		
Members' capital(3)	41,532	--
Preferred stock, $0.01 par value; 10,000,000 shares authorized; no shares issued and outstanding actual and as adjusted	--	--
Common stock, $0.01 par value; 50,000,000 shares authorized; no shares issued and outstanding actual; 16,750,000 shares issued and outstanding as pro forma adjusted(2)(3)	--	168
Additional paid-in capital(2)(3)	--	123,532
Accumulated deficit(3)	(57,818)	--
Total members' deficit / stockholders' equity	(16,286)	123,700
Total capitalization	$267,325	$ 327,325

</TABLE>

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(1) Cash and cash equivalents pro forma as adjusted includes estimated net proceeds of $92 million offset by the following uses: (a) $39.4 million to repay revolving credit facility borrowings at June 30, 1999, (b) $24.0 million to fund the $25.0 million acquisition price for KASY, net of $1.0 million paid to the seller in August, 1999 and (c) $15.0 million to repay the bridge loan plus $366,000 of interest payable.

(2) Adjusted to reflect the issuance of common stock with estimated net proceeds of $92 million, and the use of proceeds as discussed in (1) above. It is estimated that 16,750,000 shares will be outstanding upon completion of the offering.

(3) Adjusted to reflect the reorganization as disclosed in the pro forma financial statements.

DILUTION

Our pro forma net tangible book deficit as of June 30, 1999 was $247.1 million or a deficit of $21.03 per share of common stock. Pro forma net tangible book deficit per share represents the amount of our total pro forma tangible assets reduced by the amount of our total pro forma liabilities, divided by the number of shares of common stock outstanding on a pro forma basis. Our pro forma net tangible book deficit, as adjusted for the sale of 5,000,000 shares of common stock to be issued in this offering and the application of the net proceeds from the sale, and after deducting underwriting discounts and estimated offering expenses, would have been $155.1 million or a deficit of $9.26 per share. This represents an immediate decrease in pro forma net tangible book value deficit of $11.77 per share to stockholders immediately before this offering and an immediate dilution of $29.26 per share to new investors. The following table illustrates this dilution on a per share basis:

<TABLE>

<S>	<C>	<C>
Assumed initial public offering price per share		$20.00
Net tangible book deficit per share before the		

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offering	$(21.03)	
Decrease per share attributable to new investors	11.77	
Pro forma net tangible book value per share after the offering		(9.26)
Dilution per share to new investors		$29.26

</TABLE>

The following table summarizes, after giving effect to the offering, the differences between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid, based on an assumed initial public offering price of $20.00 per share:

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
Existing stockholders(1)	11,750,000	70.1%	$ 60,839,000	37.8%	$ 5.18
New investors	5,000,000	29.9%	100,000,000	62.2%	20.00
Total	16,750,000	100.0%	$160,839,000	100.0%	$ 9.60

</TABLE>

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(1) Reflects total consideration of issuance of units, issuance of convertible debentures, accrued interest payable on convertible debentures, and issuance of minority interest.

PRO FORMA FINANCIAL INFORMATION

The following pro forma consolidated financial statements of ACME Communications, Inc. are presented to reflect the acquisition of Koplar Communications, Inc. and the reorganization of ACME Communications, Inc. The accompanying pro forma financial information includes:

1. Pro forma balance sheet as of June 30, 1999 for ACME Communications, Inc., prepared as if the reorganization related transactions were effective as of that date;

2. Pro forma statement of operations for ACME Communications, Inc. for the year ended December 31, 1998, prepared as if the Koplar acquisition and the reorganization had occurred at the beginning of the period; and

3. Pro forma statement of operations for ACME Communications, Inc. for the six months ended June 30, 1999 for ACME Communications, Inc., prepared as if the reorganization had occurred at the beginning of the period.

The pro forma balance sheets were derived from the combined unaudited

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balance sheet of ACME Communications, Inc. and the unaudited balance sheet of ACME Television Holdings, LLC as of June 30, 1999.

The pro forma statement of operations for the year ended December 31, 1998 was derived from the audited consolidated statement of operations for ACME Television Holdings, LLC for the year then ended.

The pro forma statement of operations for the six months ended June 30, 1999 was derived from the unaudited consolidated statement of operations for ACME Television Holdings, LLC for the period then ended.

The pro forma data are based upon available information and certain assumptions that management believe are reasonable. The pro forma adjustments are described in the footnotes to the pro forma financial statements. The compensation expense related to the conversion of management carry units into shares of common stock and the acquisition of minority interest in exchange for shares of common stock is based on preliminary estimates of the fair value of securities to be issued in the offering. It is possible that the estimates noted above might require further revisions. The pro forma consolidated financial statements do not purport to represent what the Company's results of operations or financial condition would actually have been had the transactions occurred on such dates or to project the Company's results of operations or financial condition for any future period or date.

The pro forma financial information should be read in conjunction with the historical financial statements for ACME Television Holdings, LLC and the historical balance sheet of ACME Communications, Inc. at June 30, 1999, which were used to prepare the pro forma financial information. The historical financial statements of ACME Television Holdings, LLC and the historical balance sheet of ACME Communications, Inc. are included in this document.

ACME COMMUNICATIONS, INC. AND SUBSIDIARIES

UNAUDITED ADJUSTED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 1999

(IN THOUSANDS)

	HISTORICAL ACME TELEVISION HOLDINGS, LLC	REORGANIZATION	PRO FORMA ACME COMMUNICATIONS, INC.
Current assets:			
Cash and cash equivalents	$ 1,669	$ --	$ 1,669
Accounts receivable	13,151	--	13,151
Current portion of program rights	6,508	--	6,508
Prepaid expenses and other current assets	798	--	798
Total current assets	22,126	--	22,126
Property and equipment, net	25,002	--	25,002
Program rights, net of current portion	5,757	--	5,757
Deposits	536	--	536
Deferred income taxes	3,971	--	3,971
Intangible assets, net	261,156	17,649(1)	278,805

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Other assets	11,734	--	11,734
Total assets	330,282	17,649	347,931
Current liabilities:			
Accounts payable	4,951	--	4,951
Accrued liabilities	7,851	--	7,851
Current portion of program rights payable	6,082	--	6,082
Current portion of obligations under lease	1,277	--	1,277
Total current liabilities	20,161	--	20,161
Program rights payable, net of current portion	4,964	--	4,964
Obligations under lease, net of current portion	4,078	--	4,078
Other liabilities	5,670	(4,751)(2)	919
Deferred income taxes	33,439	--	33,439
Revolving credit facility	39,400	--	39,400
Bridge loan	15,000	--	15,000
Convertible debt	24,756	(24,756)(2)	--
10 7/8% senior discount notes	153,357	--	153,357
12% senior secured notes	44,913	--	44,913
Total liabilities	345,738	(29,507)	316,231
Minority interest	830	(830)(1)	--
Members' capital (deficit) / stockholders' equity:			
Members' capital	41,532	(41,532)(3)	--
Preferred stock	--	--	--
$.01 par value; 10,000,000 shares authorized no shares issued and outstanding			
Common stock	--	--	--
$.01 par value; 0 shares outstanding on a historical basis; 11,750,000 shares outstanding on a pro forma basis		118(4)	118
		29,507(2)	
		18,479(1)	
		16,343(5)	
		(118)(4)	
		41,532(3)	
Additional paid in capital	--	(74,161)(6)	31,582
		(16,343)(5)	
Accumulated deficit	(57,818)	(74,161)(6)	--
Total members' deficit / stockholders' equity	(16,286)	47,986	31,700
Total liabilities and members' capital / stockholders' equity	$330,282	$ 17,649	$347,931

</TABLE>

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(1) In conjunction with the reorganization, we will acquire the minority interest of ACME Intermediate Holdings, LLC. The excess of the estimated fair value of the securities issued to acquire the minority interest over the book value of minority interest of approximately $17.6 million will be allocated to the fair value of the assets acquired, primarily broadcast licenses and goodwill. For pro forma purposes, the entire excess has been allocated to broadcast licenses and intangibles and will be amortized over 20 years. This allocation is subject to adjustment by us.

(2) Reflects the conversion of the convertible debt and its accrued interest of $4.8 million into shares of common stock, pursuant to the original conversion terms, in conjunction with the reorganization.

(3) In conjunction with the reorganization, members units will be exchanged for common stock. Accordingly, members' capital has been reclassified to additional paid in capital.

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(4) Estimated number of shares of our common stock outstanding immediately prior to the consummation of the offering, including shares issued in exchange for ACME Television Holdings, LLC units, shares issued to acquire minority interest, shares issued in the conversion of the convertible debentures and shares issued in exchange for management carry units.

(5) Reflects compensation expense related to the conversion of management carry units to shares of common stock with an estimated value of $27.0 million reduced by $10.7 million expensed through June 30, 1999. The actual expense relating to the shares issued in exchange for the management carry units will be based on the number of shares actually issued and the offering price.

(6) Reclassification of accumulated deficit to additional paid in capital to reflect the reorganization.

ACME COMMUNICATIONS, INC. AND SUBSIDIARIES

UNAUDITED ADJUSTED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1998

(IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA)

<TABLE>
<CAPTION>

	HISTORICAL ACME TELEVISION HOLDINGS, LLC	KOPLAR ACQUISITION	REORGANIZATION	PRO FORMA ACME COMMUNICATIONS, INC.
<S>	<C>	<C>	<C>	<C>
Net revenues....................	$ 43,928	$ --	$ --	$ 43,928
Operating expenses:				
Station operating expenses....	32,973	--	--	32,973
Depreciation and amortization................	11,355	2,496(1)	728(2)	14,579
Corporate.....................	2,627	--	--	2,627
Total operating expenses....	46,955	2,496	728	50,179
Operating loss..............	(3,027)	(2,496)	(728)	(6,251)
Other income (expenses):				
Interest income...............	231	--	--	231
Interest expense..............	(23,953)	--	2,475(3)	(21,478)
Gain on sale of asset.........	1,112	--	--	1,112
Other.........................	(380)	--	--	(380)
Loss before taxes and minority interest......................	(26,017)	(2,496)	1,747	(26,766)
Income tax benefit.............	2,393	998(4)	7,311(5)	10,702
Loss before minority interest...	(23,624)	(1,498)	9,058	(16,064)
Minority interest............	1,684	--	(1,684)(6)	--
Net loss......................	$(21,940)	$(1,498)	$ 7,374	$ (16,064)
Net loss per share.............	n/a	n/a	n/a	$ (1.37)
Weighted average shares outstanding..................	n/a	n/a	11,750,000(7)	11,750,000

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(1) Represents depreciation of $151,000 and amortization of $2.3 million for the first three months of 1998 giving effect to the acquisition of KPLR (which was acquired on March 13, 1998) as if it occurred on January 1, 1998. The results of operations of KPLR have been included in our operations for the period from January 1, 1998 to March 31, 1998 pursuant to a local marketing agreement.

(2) In conjunction with the reorganization, we will acquire the minority interest of ACME Intermediate Holdings, LLC. The excess of the estimated fair value of the securities issued to acquire the minority interest over the book value of minority interest at January 1, 1998 of approximately $14.6 million will be allocated to the fair value of the net assets acquired, primarily broadcast licenses and goodwill. For pro forma purposes, the entire excess has been allocated to broadcast licenses and intangibles and will be amortized over 20 years. This allocation is subject to adjustment by us.

(3) Adjustment eliminates interest expense of $2.5 million to give effect to the exchange of convertible debentures for shares of our common stock in conjunction with the reorganization as if it occurred as of January 1, 1998.

(4) Tax benefit relating to additional depreciation and amortization expense relating to KPLR, as described in footnote (1).

(5) To adjust the provision for income taxes on pro forma net loss before income taxes and minority interest, which gives effect to the change in our income tax status to a C corporation in connection with the reorganization. In connection with this adjustment, we estimated an effective tax rate of 40% and recorded a deferred tax benefit based on the deferred tax liabilities on our books as of December 31, 1998.

(6) In conjunction with the reorganization, the minority interest has been acquired by us and the allocation of loss to minority interest has been eliminated.

(7) Estimated number of shares of our common stock outstanding immediately prior to the consummation of the offering, including shares issued in exchange for ACME Television Holdings, LLC units, shares issued to acquire minority interest shares issued in the conversion of the convertible debentures and shares issued in exchange for the management carry units.

ACME COMMUNICATIONS, INC. AND SUBSIDIARIES

UNAUDITED ADJUSTED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 1999

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(IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA)

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	HISTORICAL ACME TELEVISION HOLDINGS, LLC	REORGANIZATION	PRO FORMA ACME COMMUNICATIONS, INC.
<S>	<C>	<C>	<C>
Net revenues	$ 26,635	$ --	$ 26,635
Operating expenses			
Station operating expenses	19,990	--	19,990
Depreciation and amortization	8,159	406(1)	8,565
Corporate	1,483	--	1,483
Equity-based compensation	10,700	--	10,700
Total operating expenses	40,332	406	40,738
Operating income (loss)	(13,697)	(406)	(14,103)
Other income (expenses)			
Interest income	27	--	27
Interest expense	(14,068)	1,228(2)	(12,840)
Gain on sale of assets	--	--	--
Other	--	--	--
Loss before taxes and minority interest	(27,738)	822	(26,916)
Income tax benefit (expense)	(2,064)	12,812(3)	10,748
Loss before minority interest	(29,802)	13,634	(16,168)
Minority interest	1,403	(1,403)(4)	n/a
Net loss	$(28,399)	$ 12,231	$ (16,168)
Net loss per share	$ n/a	$ n/a	$ (1.38)
Weighted average shares outstanding	n/a	11,750,000(5)	11,750,000

</TABLE>

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(1) In conjunction with the reorganization, we will acquire the minority interest of ACME Intermediate Holdings, LLC. The excess of the estimated fair value of the securities issued to acquire the minority interest over the book value of minority interest at January 1, 1999 of approximately $16.2 million will be allocated to the fair value of the assets acquired, primarily broadcast licenses and goodwill. For pro forma purposes, the entire excess has been allocated to broadcast licenses and intangibles and will be amortized over 20 years.

(2) Adjustment eliminates interest expense, $1.2 million for the six months ended June 30, 1999, to give effect to the exchange of convertible debentures for shares of our common stock in conjunction with the reorganization as if this occurred as of January 1, 1998.

(3) To adjust the provision for income taxes on pro forma net loss before income taxes and minority interest, which gives effect to the change in our income tax status to a C corporation in connection with the reorganization. In connection with this adjustment, we estimated an effective tax rate of 40% and recorded a deferred benefit based on the deferred tax liabilities on its books.

(4) In conjunction with the reorganization, the minority interest has been acquired by us and the allocation of loss to minority interest has been eliminated.

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(5) Estimated number of shares of our common stock outstanding immediately prior to the consummation of the offering, including shares issued in exchange for ACME Television Holdings, LLC units, shares issued to acquire minority interest shares issued in the conversion of the convertible debentures and shares issued in exchange for management carry units.

SELECTED CONSOLIDATED AND PRO FORMA FINANCIAL DATA

The following selected financial data should be read in conjunction with our consolidated financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in the prospectus. The selected consolidated financial data presented below as of and for the years ended December 31, 1997 and 1998 are derived from our consolidated financial statements, which have been audited by KPMG LLP, independent auditors. The selected consolidated financial data presented below as of June 30, 1999 and for the six months ended June 30, 1998 and 1999 are derived from the unaudited financial statements of ACME Television Holdings, LLC, which in the opinion of our management, contain all necessary adjustments of a normal recurring nature, to present the financial statements in conformity with generally accepted accounting principles. Our results for the six month period ended June 30, 1999 are not necessarily indicative of the results for the year ended December 31, 1999. Our selected financial data is not comparable from period to period because of our acquisition of television broadcast stations. The pro forma statement of operations data for ACME Communications, Inc., gives effect to the acquisition of Koplar Communication Inc. and to our reorganization at the beginning of each period indicated, whereas the pro forma ACME Communication, Inc. balance sheet data gives effect only to the reorganization as of the date presented.

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	ACME TELEVISION HOLDINGS, LLC		PRO FORMA ACME COMMUNICATIONS, INC.(1)	ACME TELEVISION HOLDINGS, LLC		PRO FORMA ACME COMMUNICATIONS, INC.(1)
	YEARS ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	SIX MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,
	1997	1998	1998	1998	1999	1999
			(UNAUDITED)	(UNAUDITED)		(UNAUDITED)
	(IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:						
Net revenues............................	$ 11,347	$ 43,928	$ 43,928	$ 19,327	$ 26,635	$ 26,635
Operating expenses:						
Station operating expenses............	10,158	32,973	32,973	15,165	19,990	19,990
Depreciation and amortization..........	1,215	11,355	14,579	4,181	8,159	8,565
Corporate............................	1,415	2,627	2,627	1,194	1,483	1,483
Equity-based compensation..............	--	--	--	--	10,700	10,700
Operating loss..........................	(1,441)	(3,027)	(6,251)	(1,213)	(13,697)	(14,103)
Other income (expenses):						
Interest income........................	287	231	231	188	27	27
Interest expense.......................	(6,562)	(23,953)	(21,478)	(11,472)	(14,068)	(12,840)
Gain on sale of asset..................	--	1,112	1,112	--	--	--
Other.................................	--	(380)	(380)	10	--	--
Loss before taxes and minority interest..............................	(7,716)	(26,017)	(26,766)	(12,487)	(27,738)	(26,916)
Income tax benefit (expense)............	--	2,393	10,702	365	(2,064)	10,748

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Loss before minority interest	(7,716)	(23,624)	(16,064)	(12,122)	(29,802)	(16,168)
Minority interest	237	1,684	--	868	1,403	--
Net loss	$ (7,479)	$ (21,940)	$ (16,064)	$ (11,254)	$ (28,399)	$ (16,168)
Pro forma basic and diluted net loss per share	n/a	n/a	$ (1.37)	n/a	n/a	$ (1.38)
Basic and diluted weighted average shares outstanding(1)	n/a	n/a	11,750,000	n/a	n/a	11,750,000
BALANCE SHEET DATA:						
Total assets	$220,475	$ 288,082	n/a	$ 290,439	$ 330,282	$ 347,931
Long-term debt(2)	192,452	220,256	n/a	220,074	277,426	252,670
Total members' capital	16,306	1,413	n/a	30,838	(16,286)	n/a
Total shareholders' equity	n/a	n/a	n/a	n/a	n/a	31,700

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	ACME TELEVISION HOLDINGS, LLC			
	YEARS ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	1997	1998	1998	1999
			(UNAUDITED)	
	(IN THOUSANDS)			
<S>	<C>	<C>	<C>	<C>
SUPPLEMENTAL FINANCIAL DATA:				
Broadcast cash flow and adjusted EBITDA(3):				
Operating loss	$ (1,441)	$ (3,027)	$ (1,213)	$(13,697)
Add back:				
Equity-based compensation	--	--	--	10,700
Depreciation and amortization	1,215	11,355	4,181	8,159
Time brokerage fees	--	228	228	--
Amortization of program rights	1,433	5,321	2,195	3,250
Corporate expenses	1,415	2,627	1,194	1,483
Adjusted program payments(3)	(1,598)	(5,124)	(2,152)	(3,379)
Broadcast cash flow	$ 1,024	$ 11,380	$ 4,433	$ 6,516
Less:				
Corporate expenses	1,415	2,627	1,194	1,483
Adjusted EBITDA	$ (391)	$ 8,753	$ 3,239	$ 5,033
Broadcast cash flow margin(3)	9.0%	25.9%	22.9%	24.5%
Adjusted EBITDA margin(3)	n/m	19.9%	16.8%	18.9%
Cash flows provided by (used in) operations:				
Operating activities	$ (599)	$ 319	$ (89)	$ 3,731
Investing activities	(191,730)	(15,504)	(20,790)	(48,841)
Financing activities	201,153	7,362	13,949	45,778
Ratio of earnings to fixed charges	(65.1)%	(82.5)%	(76.6)%	(21.9)%

</TABLE>

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(1) Reflects the acquisition of Koplar Communications, Inc. and our reorganization as explained in the pro forma financial information included elsewhere in this prospectus.

(2) Includes amounts outstanding under our bridge loan, convertible debentures, 10 7/8% senior discount notes and 12% senior secured notes.

(3) We define:

- broadcast cash flow as operating income, plus equity-based compensation, depreciation and amortization, time brokerage fees, amortization of

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program rights, and corporate expenses, less program payments -- the latter as adjusted to reflect reductions for liabilities relating to expired rights or rights which have been written-off in connection with acquisitions;

- adjusted EBITDA as broadcast cash flow less corporate expenses;

- broadcast cash flow margin as broadcast cash flow as a percentage of net revenues; and

- adjusted EBITDA margin as adjusted EBITDA as a percentage of net revenues.

We have included broadcast cash flow, broadcast cash flow margin, adjusted EBITDA and adjusted EBITDA margin data because management believes that these measures are useful to an investor to evaluate our ability to service debt and to assess the earning ability of our stations' operations. However, you should not consider broadcast cash flow, broadcast cash flow margin, adjusted EBITDA and adjusted EBITDA margin in isolation or as substitutes for net income, cash flows from operating activities and other statement of operations or cash flows data prepared in accordance with generally accepted accounting principles as a measure of liquidity or profitability. These measures are not necessarily comparable to similarly titled measures employed by other companies.

OUR PREDECESSOR'S SUMMARY CONSOLIDATED FINANCIAL DATA

The following table summarizes the financial data of our predecessor, Channel 32, Incorporated. The data presented in this table are derived from the financial statements and notes which are included elsewhere in this prospectus. You should read those sections for a further explanation of the financial data summarized here.

<TABLE>
<CAPTION>

	CHANNEL 32, INCORPORATED (PREDECESSOR)			
	PERIOD FROM DECEMBER 16, 1993 (INCEPTION) TO JUNE 30, 1994	YEARS ENDED JUNE 30, 1995	YEARS ENDED JUNE 30, 1996	PERIOD FROM JULY 1, 1996 TO JUNE 17, 1997
		(IN THOUSANDS)		(UNAUDITED)
<S>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:				
Net revenues	$ --	$ 288	$ 2,729	$ 1,306
Operating expenses:				
Station operating expenses	17,626	896	4,736	2,364
Depreciation and amortization	--	234	542	346
Operating loss	(17,626)	(842)	(2,549)	(1,404)
Other income (expenses):				
Interest income	--	--	45	--
Interest expense	(4,691)	(200)	(3,252)	(2,222)
Other	--	--	(259)	(10)
Net loss	$(22,317)	$(1,042)	$(6,015)	$(3,636)

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with ACME Television Holdings, LLC's consolidated financial statements and related notes included elsewhere in this prospectus.

OVERVIEW

We derive our revenues primarily from the sale of advertising time to local, regional and national advertisers. Our revenues depend on our ability to provide popular programming that attracts audiences in the demographic groups targeted by advertisers, thereby allowing us to sell advertising time at satisfactory rates. Our revenues also depend significantly on factors such as the national and local economy and the level of local competition.

Our revenues are generally highest during the fourth quarter of each year, primarily due to increased expenditures by advertisers in anticipation of holiday season consumer spending and an increase in viewership during this period. We generally pay commissions to advertising agencies on local, regional and national advertising and to national sales representatives on national advertising. Our revenues reflect deductions from gross revenues for commissions payable to advertising agencies and national sales representatives.

Our primary operating expenses are programming costs, employee compensation, advertising and promotion expenditures and depreciation and amortization. Programming expense consists primarily of amortization of broadcast rights relating to syndicated programs as well as news production and sports rights fees. Changes in employee compensation expense result primarily from increases in total staffing levels, from adjustments to fixed salaries based on individual performance and inflation and from changes in sales commissions paid to our sales staff based on levels of advertising revenues. Advertising and promotion expenses consist primarily of media and related production costs resulting from the promotion of our stations and programs. This amount is net of any reimbursement received or due for such advertisement and promotion from any network, including The WB Network, or other program provider.

The carrying value of long-lived assets, consisting of tangible, identifiable intangible, and goodwill, is reviewed if the facts and circumstances suggest that they might be impaired. For purposes of this review, assets are grouped at the operating company level, which is the lowest level for which there are identifiable cash flows. If this review indicates that an asset's carrying value will not be recoverable, as determined based on future expected, undiscounted cash flows, the carrying value is reduced to fair market value. There are neither facts nor circumstances that would lead management to believe that any of our long-lived assets are impaired.

RESULTS OF OPERATIONS

Six Months Ended June 30, 1999 compared to Six Months Ended June 30, 1998

Net revenues increased 38% to $26.6 million for the first half of 1999 compared to the first half of 1998. This gain reflects solid growth at our flagship station KPLR and significant increases in net revenues at our stations in Portland, Oregon (KWBP), Salt Lake City (KUWB) and Knoxville (WBXX). The revenue gains in these markets have been driven by improved audience ratings and market revenue shares at these stations.

Station operating expenses increased 32% to $20.0 million for the first half of 1999 compared to the first half of 1998. This increase is primarily

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related to increased

programming and staffing related costs at our developing stations, KWBP, KUWB, KWBQ, WBXX and WTVK.

Depreciation and amortization expense increased 95% to $8.2 million during the first half of 1999 compared to the first half of 1998. This significant increase primarily relates to the March 1998 acquisition of KPLR and the resulting amortization of the intangible assets of that station.

Corporate expenses increased 24% to $1.5 million for the first half of 1999 compared to the first half of 1998. This increase relates primarily to increased staffing to support the growing operations of our station group.

Equity-based compensation expense during the first half of 1999 totaled $10.7 million. There was no corresponding expense in the first half of 1998. This non-cash charge relates to an estimated increase in the value of the management carry units that were issued in June 1997 to our senior management members. The increase in the estimated value is in part a result of the increasing success of The WB Network, our recent operating results and the increased number of the stations under our ownership and management.

Interest expense for first half of 1999 was $14.1 million, an increase of 23% over the first half of 1998. This increase relates primarily to the continued increased principal balance of our 10 7/8% senior discount notes and our 12% senior secured notes, and the April 1999 borrowings under our revolving credit facility in connection with the acquisition of WBDT, WIWB and WBUI from Paxson Communications.

We recorded a net income tax expense of $2.1 million during the first half of 1999 compared to a $365,000 net income tax benefit recorded for the first half of 1998. This accrual was partially offset by a tax expense that relates to a accrual of $3.0 million in connection with a benefit of $936,000 relating to a net operating loss carryforward at KPLR and a reduction of a deferred tax liability primarily related to KPLR'S FCC license.

Minority interest represents the allocation of the loss for the respective periods to the minority interest holders of our subsidiary ACME Intermediate Holdings, LLC.

Our net loss for the six months ended June 30, 1999 was $28.4 million compared to a net loss for the first half of 1998 of $11.3 million. This $17.1 million increase in our net loss is attributable primarily to increased interest expense, increased amortization of intangible assets, exclusive of depreciation and amortization, increased income tax expense and the equity-based compensation expense, net of improved operating results.

Broadcast cash flow for the first half of 1999 increased 47% to $6.5 million. This increase was driven by significant revenue gains and improved operating margins at all of our stations. Adjusted EBITDA increased 55% for the first half of 1999 due to increased broadcast cash flow and a lower rate of growth of corporate expenses compared to our rate of broadcast cash flow growth.

Year Ended December 31, 1998 compared to Year Ended December 31, 1997

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Net revenues for the year ended December 31,1998 increased $32.6 million, or 287%, to $43.9 million as compared to $11.3 million for the year ended December 31, 1997. The most significant reason for this increase is that our 1997 net revenues included only the fourth quarter results of KPLR, which we began managing on October 1, 1997, compared to 1998, which included KPLR's full year results. Also favorably impacting the 1998 comparison to 1997 was our fourth quarter 1997 launch of WBXX, the second quarter 1998 launch of

KUWB, increased revenues at KWBP and our acquisition of WTVK, which we began operating in March 1998.

Operating expenses increased to $47.0 million compared to the prior year's operating expenses of $12.8 million, or 267%. Station operating and corporate expenses increased significantly in 1998 due to the significant increase in the number of stations we added or launched since the third quarter of 1997.

Depreciation and amortization expense for the year includes $9.4 million in the amortization of intangible assets. As of December 31, 1997, only KWBP and WBXX stations had been acquired and, accordingly, there was only $1.1 million in amortization expense for that period.

Interest expense for 1998 was $24.0 million, primarily representing the amortization of original issuance discount of our 10 7/8% senior discount notes, 12% senior secured discount notes and interest on our 10% convertible debentures, along with related amortization of prepaid financing costs. The interest expense of $6.6 million for 1997 represents primarily the interest expense on the 10 7/8% senior discounted notes and 12% senior secured notes, which were outstanding only during the fourth quarter of the year and interest on the convertible debentures, which were issued in June 1997 and therefore were outstanding for only a little more than six months during 1997.

Station KPLR is our only operating C corporation. During 1993, KPLR, after deduction of allocable interest charges, generated a net taxable loss. The deferred tax benefit corresponding to that loss was $2.4 million.

Our net loss for 1998 was $21.9 million compared to a net loss of $7.5 million for 1997. This increased net loss is due primarily to the increased amortization of intangible assets relating to our newly acquired and launched stations and the substantially increased interest expense incurred in connection with the September 1997 issuance of long-term debt to finance our acquisitions. These increased expenses were offset by improved operating performance which is attributable to the inclusion of the full year operating results of KPLR.

Our broadcast cash flow for 1998 was $11.4 million, compared to a $1.0 million broadcast cash flow in 1997. This increase is primarily attributable to the profitable operations of KPLR -- only the fourth quarter operating results of KPLR are included in our full year 1997 results, whereas KPLR's full year results are included in our 1998 results. To a lesser extent, the increase in broadcast cash flow is due to significantly reduced losses at KWBP for 1998.

INCOME TAXES

Historically, we and all of our operating subsidiaries, other than our subsidiary related to KPLR which is a C corporation, have been organized as limited liability companies. Accordingly, although we have been subject to various minimum state taxes, all federal tax attributes have been passed through to our members. Upon our reorganization into a C corporation, we will be subject to federal and state income taxes.

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LIQUIDITY AND CAPITAL RESOURCES

Our revolving credit facility allows for borrowings up to a maximum of $40.0 million, which are dependent upon our meeting certain financial ratio tests as delineated in the credit agreement. The revolving credit facility can be used to fund future acquisitions of broadcast stations and for general corporate purposes. At June 30, 1999, $39.4 million was outstanding and $600,000 was available under the revolving credit facility. Amounts outstanding under our revolving credit facility bear interest at a base rate, that at our option is either the bank's prime rate or LIBOR, plus a spread. We will repay all amounts outstanding under our revolving credit facility with a portion of the net proceeds of this offering.

Cash provided by our operating activities during 1998 was $319,000 and for the six months ended June 30, 1999 was $3.7 million due to significantly improved broadcast cash flow.

Cash used in our investing activities during 1998 was $15.5 million and related partially to the acquisition of WTVK and the purchase of property and equipment, offset by the net gain related to the acquisition and subsequent sale of a construction permit in the Springfield, Missouri market. Cash used in investing activities during the first six months of 1999 was $48.8 million and related primarily to our acquisitions of WBDT, WIWB and WBUI, the final payment in connection with our acquisition of KUPX, our investment in a digital tower joint venture in the Portland, Oregon market and the purchase of property and equipment.

Cash provided by our financing activities during 1998 was $7.4 million and related primarily to net borrowings under our revolving credit facility in connection with our acquisition of WTVK offset by repayments of capital leases. Cash provided by financing activities during the first six months of 1999 was $45.8 million consisting of revolving credit borrowings in connection with our acquisitions of WBDT, WIWB and WBUI, the completion of our acquisition of KUPX, our digital tower joint venture investment in Portland and capital expenditures.

Cash interest on ACME Intermediate's 12% senior secured notes due 2005, $71.6 million fully accreted principal amount, will begin accruing in 2002 and is payable starting in 2003. Cash interest on ACME Television's 10 7/8% senior discount notes due 2004, $175.0 million fully accreted principal amount, will begin accruing in 2000 and is payable starting in 2001.

We expect that we will incur approximately $14 million in capital expenditures over the next twelve months in connection with the build-out, upgrade and initial digital conversion of our current facilities.

We believe that funds generated from operations will be sufficient to satisfy our cash requirements for our existing operations for at least the next twelve months. We expect that any future acquisitions of television stations would be financed through proceeds from this offering, funds generated from operations, through borrowings under our revolving credit facility, and through additional debt and equity financings. However, we cannot guarantee the offering will be completed or that such additional debt and/or equity financing will be available or available at rates acceptable to us.

YEAR 2000

Year 2000 issues are a result of computer software applications using a two-digit format, as opposed to a four-digit format, to indicate the year. Some computer software applications might then be unable to uniquely distinguish dates beyond the year 1999, which could cause

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system failures or miscalculations at our broadcast and corporate locations that could cause disruption of operations, including a temporary inability to produce broadcast signals or engage in normal business activities.

We are in the process of evaluating potential Y2K issues for both our information technology and non-information technology systems such as telephone/PBX systems, fax machines, editing equipment, cameras, microphones, etc. All of our internal software and hardware is purchased, leased or licensed from third party vendors. Most of our station facilities are new or have been recently upgraded and we have polled all of our significant software vendors and have been advised by them that their software is Y2K compliant.

We have completed the assessment, planning and testing phases and have commenced the final phase of our Y2K project implementation. During this phase, we will fix, retest and implement critical applications that were discovered to be Y2K deficient during the preceding phases.

At this point in time, we are not aware of any additional significant upgrades or changes that will need to be made to our internal software and hardware to become Y2K ready, nor are we aware of any material supplier with Y2K readiness problem. We expect to be able to implement the systems and programming changes necessary to address Y2K information technology and non-information technology readiness issues and, based on preliminary estimates, we do not believe that the costs of doing so will have a material effect on our results of operations or financial condition. As of June 30, 1999, we have spent less than $100,000 on Y2K activities and our budgeted expenditures for the remainder of 1999 are less than $75,000 in total. However, we cannot be sure that there will not be a delay in, or increased costs associated with the implementation of such changes.

RECENT DEVELOPMENTS

On February 19, 1999, we entered into an asset purchase agreement with Ramar Communications II, Ltd. to acquire the television broadcast assets of KASY, serving the Albuquerque-Santa Fe, New Mexico market, for approximately $27.3 million, $25.0 million of which will be paid at closing, less $500,000 which has been deposited into escrow and $1.0 million paid to the seller in August, 1999. On July 30, 1999, we amended the agreement and paid $1.0 million of the purchase price to Ramar. In a related transaction, we are selling KWBQ, our existing station serving the Albuquerque - Santa Fe market, to Ramar for $100,000. At the closing, Ramar will grant Montecito Communications, LLC, a limited liability company owned entirely by members of our senior management, an option to purchase KWBQ for an exercise price of $100,000. We anticipate that Montecito will assign the option to us immediately after the closing of the sale of KWBQ. The closings of both the KASY and the KWBQ transactions, which have been approved by the FCC, are subject to various conditions and are expected to occur shortly after the completion of this offering. Under the KASY purchase agreement we are required to close the transaction by October 31, 1999, or the purchase price will increase by a rate of 10% per annum, retroactive to August 13, 1999 through the actual date of closing. If the transaction does not close before February 1, 2000, Ramar may keep the $1.0 million and will receive the $500,000 in escrow as liquidated damages. We also would be required to pay an additional $1.7 million as liquidated damages pursuant to a local marketing agreement relating to KASY to which Ramar is a party. After the closing, we intend to operate KWBQ under a local marketing agreement with Ramar, which was filed with the FCC prior to the adoption of the new ownership rules on August 5, 1999. Subject to FCC approval, we may purchase the station if Montecito assigns the option to us. We believe this transaction will allow us to enhance revenues and cash flows in this market through cross-promotion and achieving operating efficiencies, including operating both stations from one studio and office facility.

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FUTURE NON-RECURRING CHARGES

We expect to incur approximately $19.3 million of non-recurring compensation expense related charges in connection with this offering. Of these charges, a $3.0 million cash bonus to be paid in first quarter 2000 will be earned by senior management upon completion of this offering. In addition, a non-cash charge of approximately $16.3 million will be incurred in connection with the exchange of the management carry units for shares of our common stock.

PENDING ADOPTION OF ACCOUNTING STANDARD

The FASB (Financial Accounting Standards Board) has issued FASB statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" which we will be required to adopt for its year ending December 31, 2000. This pronouncement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, which are collectively referred to as derivatives, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This pronouncement is not expected to have a significant impact on our financial statements since we currently have no derivative instruments.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our revolving credit facility has a variable interest rate and our interest expense can therefore be materially affected by future fluctuations in the applicable interest rate. At June 30, 1999, a hypothetical 100 basis point increase in the prime rate would result in additional interest expense of approximately $3.9 million on an annualized basis.

INDUSTRY OVERVIEW

Commercial television broadcasting. Commercial television broadcasting began in the United States on a regular basis in the 1940s over a portion of the broadcast spectrum commonly know as the VHF Band, which consists of very high frequency broadcast channels numbered 2 through 13. Additional television channels were later assigned by the FCC under broadcast spectrum commonly known as the UHF Band, which consists of ultra-high frequency broadcast channels numbered 14 through 83; channels 70 through 83 have been reassigned to non-broadcast services. Currently, there are a limited number of channels available for broadcasting in any one designated market area, and the license to operate a broadcast station in a designated market area is granted by the FCC.

Although UHF and VHF stations compete in the same market, UHF stations have historically suffered a competitive disadvantage, as UHF signals are more subject to obstructions such as terrain than VHF signals and VHF stations are able to provide higher quality signals to a wider area. Over time, the disadvantage of UHF stations has gradually declined through UHF stations' carriage on local cable systems and improved receivers and transmitters.

A majority of the commercial television stations in the United States are affiliated with NBC, CBS or ABC -- the traditional networks -- or with Fox. Each traditional network provides the majority of its affiliates' programming each day without charge in exchange for a substantial majority of the available advertising time in the programs supplied. Fox has operating characteristics similar to ABC, CBS and NBC, although the hours of network programming provided for Fox affiliates is less than that provided by the traditional networks. Each of the traditional networks and Fox sell this advertising time and retain the revenues. The affiliate typically receives compensation from the traditional network and retains the revenues from advertising time sold in and between

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network programs and in programming the affiliate produces or purchases from non-network sources.

Stations not affiliated with one of the traditional networks were historically considered independent stations. Independent stations generally rely on and broadcast syndicated programming, which is acquired by the station for cash or occasionally barter. Through the acquisition of syndicated programming the acquiring station generally obtains exclusive rights to broadcast a program in the market for a specified period of time or number of episodes agreed upon between the independent station and the distributor of the syndicated programming. Types of syndicated programming include feature films, popular television series previously shown on network television and current television series produced for direct distribution to television stations. Through barter and cash-plus-barter arrangements, a national syndicated program distributor typically retains and sells a portion of the available advertising time for programming it supplies, in exchange for reduced fees to the station for such programming.

Like Fox, United Paramount Network and The WB Network have each established affiliations predominantly with formerly independent stations, and in some cases, with newly constructed stations. These networks supply their affiliates with significantly less programming than ABC, CBS and NBC. As a result, these stations retain a significantly higher portion of their available inventory of advertising time for their own use than do traditional network affiliates. In August 1998, Pax Net, an affiliate of Paxson Communications and a seventh broadcast network, was launched. Unlike the other networks, Pax Net provides substantially all of the programming to its affiliates, most of which were previously independent or religious broadcasters or are newly built television stations.

Ratings. All television stations in the United States are grouped into 210 television markets that are ranked by size according to the number of households with televisions in each market. Almost all commercial television stations, and all of our stations, subscribe to Nielsen Media Research, which periodically publishes reports on the estimated audience for television stations in the various television markets throughout the country. These audience reports, which are based on a randomly selected sample of homes in each market, provide audience data on the basis of total television households and selected demographic groupings in 15-minute or half-hour increments for each program and market. The audience estimates are expressed in terms of the number of households or demographic groups watching a given program:

- as a percentage of all households or demographic groups in the market -- the program's rating; and

- as a percentage of households or demographic groups actually viewing television during that program's time period -- the program's share.

For example, a program generating a 3.5 household rating and a 6 household share means that 3.5% of the total homes with televisions were watching that show and of the homes watching television at that time, 6% were watching that program.

Each specific geographic television market is called a designated market area. A designated market area is determined as an exclusive geographic area consisting of all counties in which the home-market commercial stations receive the greatest percentage of total viewing hours.

In larger markets, Nielsen measures audience viewing through a combination of meters connected directly to selected television sets which report the household rating and share results on a daily basis and weekly diaries of television viewing that are periodically prepared over a four-week period by the actual viewers. Nielsen refers to these markets as metered markets. In smaller markets, only weekly diaries are completed periodically by the actual viewers and Nielsen refers to these markets as diary markets. The periodic four-week diary periods are commonly known as sweeps periods and are critical to stations

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since they provide independent information to advertisers about the viewing level of a given station's programming to a multitude of demographic age and gender groups. Due to the underlying costs of installing meters in a market, the monthly Nielsen subscription fees for each station in a metered market are significantly higher than those for diary markets.

While meters do not provide daily demographic ratings, the daily reported household ratings and shares give the stations in metered markets key information about the general performance of a given show. Also, results in metered markets tend to more accurately reflect viewing since measurement is not totally dependent on the memory of the viewer and timeliness of the diary entry.

Currently, we operate in three metered markets: St. Louis, Portland and Salt Lake City. All of our other markets are diary markets. Over the past five years, Nielsen has expanded the number of metered markets from 32 to 46, and we believe that they will continue to convert markets from diary to metered markets. In most cases where such conversions have taken place, affiliates of The WB Network and Fox show immediate increases in ratings and share, which we believe are related to a number of factors, including more accurate reporting and a shift in the audience sample to those, usually younger households, more comfortable with electronic measurement devices.

Advertising. The advertising rates charged by competing stations within a designated market depend primarily on four factors:

- the station's ratings of households viewing its programs as a percentage of total households with televisions in that designated market area;

- audience share of households viewing its programs as a percentage of households actually watching television at a specific time;

- the time of day the advertising is aired; and

- the demographic qualities of the program's viewers, primarily age and gender.

Additional factors include:

- the size of the designated market area in which the station operates;

- the number of advertisers competing for available advertising time;

- demographic characteristics of the designated market area served by the station, the availability and pricing of alternative advertising media in the designated market area;

- relative ability of competing sales forces; and

- the development of projects and marketing programs that tie advertiser messages to programming.

All network affiliated stations, including those affiliated with Fox, UPN, The WB Network and Pax Net are required to carry national and regional spot advertising sold by their networks. This reduces the amount of advertising time available for sale directly by the network-affiliated stations.

Advertisers wishing to reach a national audience usually purchase time directly from the traditional networks, Fox, UPN, The WB Network, Pax Net and cable networks, or advertise nationwide on an ad hoc basis. National advertisers who wish to reach a particular regional or local audience buy advertising time

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directly from local stations through national advertising sales representative firms, or in the cases of some large stations groups, from the station group itself. Local businesses purchase advertising time directly from the station's local sales staff.

BUSINESS

COMPANY OVERVIEW

We currently own and operate nine broadcast television stations in medium-sized markets across the United States. Each of our stations is a network affiliate of The WB Network, making us the third largest WB Network affiliated station group in the country. Our television stations broadcast in markets that cover in aggregate approximately 5.4% of the total U.S. television households. Mr. Kellner, our Chairman and Chief Executive Officer, is also a founder, Chief Executive Officer and partner of The WB Network, and was President of Fox Broadcasting Company from its inception in 1986 through 1993. Mr. Kellner and our other founders formed our company to capitalize on the opportunity to affiliate with The WB Network, the fastest growing English-language broadcast television network in the country. We will continue to expand our station group by selectively acquiring and building primarily WB Network affiliated stations in medium-sized markets.

Since our formation in 1997, we have focused primarily on acquiring independently-owned stations, under-performing stations and construction permits for new stations in markets that we believe have the growth potential and demographic profile to support the successful launch of a new WB Network affiliate. We believe that medium-sized markets provide advantages such as fewer competitors and lower operating costs compared to large markets. Our strategy is to capitalize on these advantages and to grow our revenues and cash flow by focusing on generating local sales. Since we centralize many of our stations' administrative functions and primarily provide entertainment programming, our station general managers are able to focus on increasing sales and improving operating margins. We have experienced significant revenue and broadcast cash flow growth and we anticipate further growth because many of our stations are newly launched. For the six months ended June 30, 1999, we generated $26.6 million in revenues and $6.5 million in broadcast cash flow, representing an increase of 37.8% in revenues and 47.0% in broadcast cash flow over the six months ended June 30, 1998.

Like The WB Network, we target our programming to younger audiences, in particular, young adults, teens and kids. We believe that these younger audiences are a growing and increasingly important demographic target for advertisers, and that our affiliation with The WB Network affords us a significant competitive advantage over other network affiliated television broadcasters in attracting these younger audiences. Since its launch in 1995, The WB Network is the only English-language broadcast network in the United States to increase its audience share in these key target demographic groups. To build and retain our audience share during non-network hours, we also acquire the broadcast rights to popular syndicated programming that we believe complements The WB Network programming. In addition, we broadcast local programming such as news in St. Louis, local weather updates and local and regional sports programming in selected markets. We believe this programming will enhance our ability to sell advertising time to local and regional advertisers and increase audience awareness of our newly launched stations.

OUR STRATEGY

The principal components of our business and growth strategy are:

- Our WB Network Affiliation. Our WB Network affiliation provides our stations with popular prime time and kids programming and the opportunity to co-brand our stations with the Warner Bros. brand, which is one of the most recognized brands in the entertainment industry. We believe that affiliating and co-branding a start up station with The WB Network gives that station immediate brand recognition and

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audience awareness. In addition, we believe our stations' affiliation with The WB Network provides us with a significant competitive advantage in attracting the younger audiences we believe are a growing and increasingly important demographic target for advertisers. The traditional networks attract viewers with a median age ranging from 42 to 53. Fox attracts viewers with a median age of 34 years while the median age of The WB Network viewers is 27 years of age. We expect that stations we acquire in new markets will enter into affiliation agreements with The WB Network.

- Strength of Our Senior Management Team. Our senior management team is one of the most experienced in the industry with an average of over 20 years of experience owning and operating broadcast television stations and selling television advertising time. Mr. Kellner, our Chairman and Chief Executive Officer, is also a founder, Chief Executive Officer and partner of The WB Network, and was President of Fox Broadcasting Company from its inception in 1986 through 1993. Mr. Gealy, our President and Chief Operating Officer, began his broadcast television career in sales and since then has held various management positions, including station general manager and group executive responsible for eight stations. Mr. Allen, our Executive Vice President and Chief Financial Officer, has spent 13 years as an executive in the entertainment industry, including seven years as Chief Financial Officer of Fox Broadcasting Company.

- Popular and Proven Syndicated Programming. While The WB Network programming provides the foundation of our programming, we also acquire popular syndicated programming, which is an important part of building our stations' audience and revenue share. We believe that broadcasting popular and targeted programming before and after The WB Network prime time programs builds and retains our audience share during these critical dayparts. We seek to acquire programming that targets demographic groups similar to those targeted by The WB Network during its prime time programming. Our syndicated programming for the 1999 and 2000 seasons includes newly syndicated programming such as The Drew Carey Show, Suddenly Susan, Caroline in the City and Spin City, as well as proven programs such as Friends, Seinfeld and Star Trek: The Next Generation.

- Focus on Sales. To grow our revenues, we aggressively market our advertising time to local advertisers and also sell advertising time to regional and national advertisers. We believe that our focus on local sales enables us to capture existing local advertising revenues and to create new television advertising revenues by selling to first-time buyers of television advertising time. Since we centralize many of our stations' administrative functions and primarily provide entertainment programming, our station general managers are able to focus on increasing sales and improving operating margins. Our station general managers have an average of over 18 years of experience selling television advertising time and are directly involved in their stations' sales management. When we acquire or build a station, we focus on building the station's sales force and provide on-going in-house sales training and development.

- Selective and Opportunistic Expansion in Medium-Sized Markets. We will continue to expand our group of television stations selectively and opportunistically by acquiring independently-owned stations, under-performing stations and construction permits for new stations. Since our inception in 1997, we have acquired six stations, built three stations and entered into joint services agreements with two other stations. We target medium-sized markets because they are typically characterized by fewer and less sophisticated competing television station operators and other media, and lower operating costs than larger markets.

- Focus on a Young and Growing Audience. We target our programming primarily to young adults, teens and kids, demographic groups that are growing in size and purchasing power. For example, in 1998 teens spent and/or influenced $140 billion in purchases, up from $120 billion in 1997. As a population, teens are growing at approximately twice the rate of the rest of the U.S. population. Kids also exert indirect influence

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over approximately $400 billion each year in purchases such as cars, vacations and household goods. We believe that our programming strategy enhances our ability to sell advertising time by providing direct access to these attractive demographic groups.

- Significant Economic and Operating Efficiencies. We believe that we benefit from significant economic and operating efficiencies as a result of the size of our station group. We centralize our graphic design and production, scheduling, purchasing, national sales and some accounting and treasury functions at our corporate headquarters. For example, because we buy syndicated programming on a centralized basis, we believe that we have access to higher quality syndicated programming at attractive prices.

PROGRAMMING

We broadcast programs to attract young adults, teens and kids. Our programming includes:

- The WB Network prime time programming;

- Kids' WB!;

- syndicated programming; and

- local programming.

Prime Time Programming. In prime time, The WB Network is currently ranked number one among teens. Prime time programming includes: 7th Heaven, Buffy the Vampire Slayer, Dawson's Creek, Charmed and Felicity. When The WB Network began broadcasting in 1995, it provided two hours of prime time programming per week. In the 1999/2000 season, The WB Network will provide 13 hours of prime time programming Sunday through Friday and has announced plans to provide two hours of prime time programming on Saturday for the 2000/2001 season.

The bar graphs below present ratings information for The WB Network prime time programming as reported by Nielsen Television Index and for each of the broadcast seasons indicated.

[Adult Ratings Performance Graph]

	ADULTS 18-34
94-95	1.2
95-96	1.3
96-97	1.4
97-98	1.8
98-99	2.0

[Teen Ratings Performance Graph]

	TEENS 12-17
94-95	1.9
95-96	2.6
96-97	3.1
97-98	4.5
98-99	4.2

[BAR GRAPH -- The bar graph on the left side presents rating data for adults 18 to 34 years of age for the 1994/1995 through the 1998/1999 broadcast seasons.

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The growth achieved in ratings points in the five year period among adults 18 to 34 is included above the bar representing the 1998/1999 broadcast season. The bar graph on the right side presents rating data for teens 12 to 17 years of age for the 1994/1995 through the 1998/1999 broadcast seasons. The growth achieved in ratings points over in the five year period among teens 12 to 17 is included above the bar representing the 1998/1999 broadcast season.]

Kids' WB! Programming. The WB Network launched Kids' WB! in September 1995 with three hours of programming on Saturdays, and currently provides 19 hours of kids' programming Monday through Saturday. Kids' WB! programming includes Pokemon, the number one rated kids animated program. Kids' WB! currently airs three episodes of Pokemon on Saturday and this fall, will air two episodes on Saturday and two episodes each day, Monday through Friday. Based on the high ratings for Pokemon, we believe the significant increase in Pokemon airings will increase Kids' WB! weekday ratings this fall. Kids' WB! also airs Warner Bros. produced shows such as Batman Beyond, Animaniacs, Pinky and the Brain and Superman. Warner Bros.' animated programs also feature popular Looney Toons characters such as Bugs Bunny, Daffy Duck, Tazmanian Devil, Tweety Bird, Sylvester, Road Runner and Wile E. Coyote.

The bar graph below presents ratings information for The WB Network's Kids' WB! Saturday programming as reported by Nielsen Television Index and for each of the broadcast seasons indicated.

[Kids Ratings Performance Graph]

	SATURDAY: KIDS 2-11
95-96	2.0
96-97	1.7
97-98	2.1

[BAR GRAPH -- The bar graph presents ratings data for the Kids' WB! Saturday programming from the 1995/1996 through the 1998/1999 broadcast season. The growth achieved in ratings points in the three year period among kids 2-11 is included above the bar representing the 1998/1999 broadcast season.]

Syndicated Programming. In addition to The WB Network programming, our stations air syndicated programs. Generally, our most profitable programming time periods are those immediately before and after The WB Network programming. Consequently, during these time periods, we air programs that are targeted to the audiences similar in demographics as those that watch The WB Network prime time programs. These important syndicated programs include Friends, Star Trek: Next Generation, and Seinfeld, and we have acquired the broadcast rights to The Drew Carey Show, Suddenly Susan, Caroline in the City, and Spin City. We have multi-year contracts to air most of our syndicated programming.

Local Programming. Each of our stations airs programming of local interest, which we believe creates immediate viewership at our start-up stations, increases local awareness of our stations and expands our advertiser base. At KWBP, our station in Portland, we air weather updates throughout each evening, a format we intend to replicate at our other stations. At many of our stations, we acquire broadcast rights and air certain regional and local sporting events including games of the St. Louis Cardinals and the St. Louis Blues at KPLR, the Seattle Mariners and the University of Oregon Ducks at KWBP, the Atlanta Braves and the Atlanta Hawks at WBXX and the Colorado Rockies at KUWB. In addition, KPLR airs a nightly 30-minute local newscast.

OUR STATIONS

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The following table provides general information concerning our stations(1):

<TABLE>
<CAPTION>

STATION - CHANNEL MARKETPLACE	TV HOUSEHOLDS(2) MARKET RANKING	NUMBER	MAY 1999 AUDIENCE SHARE ADULTS 18-34 PRIME TIME	SIGN-ON/ SIGN-OFF	TEENS 12-17 PRIME TIME	SIGN-ON/ SIGN-OFF	BEGINNING OF ACME OPERATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
KPLR - 11 St. Louis, MO	21	1,110,000	14	16	21	23	October 1997
KWBP - 32 Portland, OR	23	994,000	4	4	5	4	February 1997
KUWB - 30 Salt Lake City, UT(3)	36	707,000	2	3	4	7	April 1998
KWBQ - 19 Albuquerque-Santa Fe, NM(4)	49	566,000	n/a	n/a	n/a	n/a	March 1999
WBDT - 26 Dayton, OH(5)	54	504,000	n/a	n/a	n/a	n/a	June 1999
WBXX - 20 Knoxville, TN	63	447,000	5	6	3	3	October 1997
WIWB - 14 Green Bay-Appleton, WI(5)	69	385,000	n/a	n/a	n/a	n/a	June 1999
WBUI - 23 Champaign-Springfield-Decatur, IL(5)	82	335,000	n/a	n/a	n/a	n/a	June 1999
WTVK - 46 Ft. Myers-Naples, FL	83	330,000	3	3	8	5	March 1998

</TABLE>

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(1) All ownership and statistical information is from BIA Publishing, Inc. and Nielsen Media Research.

(2) All television stations throughout the United States are grouped into 210 markets that are ranked in size according to the number of households with televisions in the market for the 1998/1999 season.

(3) We operate but do not currently own KUWB. We own, but do not operate KUPX - also in the Salt Lake City market. We and the owner of KUWB have agreed to swap our stations, which we expect to occur in the third quarter of 1999.

(4) KWBQ will be sold once we acquire KASY, also in the Albuquerque-Santa Fe market. We intend to operate KWBQ under a local marketing agreement. KWBQ was not reportable in the market in May 1999.

(5) We acquired and began operating these stations in June 1999. Prior to our acquisition they did not carry The WB Network programming and did not generate any measurable audience shares in May 1999.

KPLR: ST. LOUIS, MISSOURI

Designated Market Area: 21 TV Households: 1,110,000

Total Age 2+ Population: 2,819,000

Market Description. Thirty-three percent of the total population of St. Louis is under 25 years of age. The estimated average household income in the St. Louis market is approximately $45,000 per year. Major employers in the

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market include Emerson Electric, May Department Stores, Anheuser-Busch, Monsanto, Ralston Purina and TWA. The television advertising revenue in the St. Louis marketplace was estimated at $219.9 million in 1998 and has grown at a compound annual rate of approximately 6.1% over the past five years.

Station Overview. We began operating KPLR under a local marketing agreement in October 1997 and acquired the station in March 1998. KPLR signed on the air in 1959 and

has been affiliated with The WB Network since the network's launch. In addition to carrying The WB Network prime time programming and Kids8 WB!, the station broadcasts a daily 9pm, half-hour local newscast and also has the exclusive broadcast rights to air games of the St. Louis Cardinals and the St. Louis Blues. In addition, the station's syndicated programming currently includes Friends, Seinfeld, Sister Sister, Martin and Cheers. The station has contracted for the future exclusive market broadcast rights to popular shows such as The Drew Carey Show (9/99), Spin City (9/00) and Sabrina (9/00). In the May 1999 sweeps period, KPLR was the first or second most watched station in the market during the Monday through Sunday 5 p.m. to 1 a.m. time period in important demographic audiences such as teens, persons 12 - 24 years of age, adults 18 - 34 years of age and adults 18 - 49 years of age. On an adults 18 - 49 years of age share basis, the station is regularly one of the top three performing WB Network affiliates in the country in prime time. The station has also been the number one ranked WB affiliate in kids ratings during the last two seasons.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the St. Louis designated market area:

OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM +/- SHARE POINTS MAY '99 VS MAY '98
ACME.................	KPLR - 11	WB	18	3
Belo Corporation.....	KMOV - 4	CBS	9	-1
Fox..................	KTVI - 2	FOX	11	0
Gannett..............	KSDK - 5	NBC	19	-5
Sinclair Broadcast...	KDNL - 30	ABC	11	1

KWBP: PORTLAND, OREGON

Designated Market Area: 23	TV Households: 994,000
Total Age 2 Population: 2,493,000	

Market Description. Thirty-two percent of the total population of Portland is under 25 years of age. The estimated average household income in the Portland market is approximately $42,000 per year. Major employers in the market include Intel, Fred Meyer, Providence Health System, U.S. Bank of Oregon, Tektronix and Safeway. The television advertising revenue in the Portland marketplace was estimated at $179.8 million in 1998 and has grown at a compound annual rate of approximately 8.4% over the past five years.

Station Overview. We began operating KWBP under a local marketing agreement in February 1997 and acquired the station in June 1997. KWBP signed on the air in 1989 and has been affiliated with The WB Network since the network's launch. In addition to carrying The WB Network prime time programming and Kids' WB!, the station's syndicated programming currently includes Star Trek: The Next Generation, Full House, Xena: Warrior Princess and America's Funniest Home Videos. To date, the audience share at KWBP has been adversely affected primarily by the lack of available quality syndicated programming for that market and, to a lesser extent, due to a transmission site located further away from the market's population center than our competitors' sites. We have recently acquired a transmission site that will improve our signal coverage. In addition, the station has contracted for the future exclusive market broadcast

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rights to popular shows such as The Drew Carey Show (9/99), Caroline in the City (9/99) and King of the Hill (9/01). In the May 1999 sweeps period, KWBP delivered an average weekly cumulative number of 438,000 households from sign-on to sign-off, representing an 11% increase over May 1998.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Portland designated market area:

OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	+/- SHARE POINTS MAY '99 VS MAY '98
ACME	KWBP - 32	WB	3	+1
Belo Corporation	KGW - 8	NBC	18	-1
BHC Corporation	KPTV - 12	UPN	8	-4
Fisher Broadcasting	KATU - 2	ABC	13	+2
Lee Enterprises	KOIN - 6	CBS	8	+1
Meredith Corporation	KPDX - 49	FOX	16	+1
Paxson Communications	KPXG - 22	PAX	1	+1

KUWB: SALT LAKE CITY, UTAH

Designated Market Area: 36	TV Households: 707,000
Total Age 2+ Population: 2,131,000	

Market Description. Forty-four percent of the total population of Salt Lake City is under 25 years of age. The estimated average household income in the Salt Lake City market is approximately $43,000 per year. Major employers in the market include Intermountain Health Care, Brigham Young University, IOMEGA, ICON Health and Fitness and Smith Food & Drug Centers. Salt Lake City is the site of the 2002 winter Olympic Games. The television advertising revenue in the Salt Lake City marketplace was estimated at $155.2 million in 1998 and has grown at a compound annual rate of approximately 8.6% over the past five years.

Station Overview. We began operating KUWB in April 1998 under a local marketing agreement and expect to acquire the station during the third quarter of 1999. KUWB is currently owned by Paxson Communications, which manages our station in the market, KUPX. We have agreed to swap KUPX to Paxson Communications in exchange for KUWB and have received FCC approvals for this transaction. KUWB has been affiliated with The WB Network since the network's launch. When we began operating the station, we replaced the primarily religious paid programming and infomercials that were being run on the station in all non-WB Network time periods with syndicated programming. This station's syndicated programming currently includes The Fresh Prince, Cheers, Roseanne and Full House. It also carries the NBC-affiliated Saturday Night Live and the daytime drama Sunset Beach. The station has contracted for the future exclusive market broadcast rights to popular shows such as The Drew Carey Show (9/99), Caroline in the City (9/99), Spin City (9/00) and Sabrina (9/00). In the May 1999 sweeps period, KUWB delivered an average weekly cumulative number of 293,000 households from sign-on to sign-off, an increase of 144,000 homes compared to May 1998. The WB Network prime time programming contributed significantly to KUWB's success in the market. In The WB Network prime time, KUWB increased its share of the teen audience by five share points compared to May 1998 and its adult demographics gained approximately two share points during the same time period.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Salt Lake City

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designated market area:

OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	+/- SHARE POINTS MAY '99 VS MAY '98
ACME (Paxson Communications local marketing agreement)	KUPX - 16	PAX	0	0
CBS	KUTV - 2	CBS	8	0
Fox	KSTU(1) - 13	FOX	17	-2
KSL - International	KSL - 5	NBC	19	-2
Larry Miller Broadcasting	KJZZ - 14	UPN	10	-4
Paxson Communications (ACME local marketing agreement)	KUWB - 30	WB	4	13
United Television	KTVX - 4	ABC	10	-1

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(1) The ratings reported by Nielsen for this station include information for total satellite stations. These satellite stations are fully licensed for broadcasting on a regular channel assignment but they carry only programming which duplicates entirely the programming and commercial content of a parent station. Nielsen viewing credit is generally given to the total satellite station.

KWBQ: ALBUQUERQUE - SANTA FE, NEW MEXICO

Designated Market Area: 49	TV Households: 566,000
Total Age 21 Population: 1,513,000	

Market Description. Thirty-six percent of the total population of Albuquerque - Santa Fe is under 25 years of age. The estimated average household income in the Albuquerque - Santa Fe market is approximately $37,000 per year. Major employers in the market include Intel, Motorola, General Electric, General Mills, Philips and Levi Strauss. The television advertising revenue in the Albuquerque - Santa Fe marketplace was estimated at $94.4 million in 1998 and has grown at a compound annual rate of approximately 9.1% over the past five years.

Station Overview. We launched KWBQ in March 1999 with The WB Network prime time programming and Kids' WB!. In addition, the station's syndicated programming currently includes Full House, Step By Step, The Fresh Prince, America's Funniest Home Videos and Roseanne. The station has contracted for the future exclusive market broadcast rights to popular shows such as Star Trek: Voyager (9/99), Caroline in the City (9/99) and Spin City (9/00). After only two months of broadcast time, KWBQ entered its first major sweeps period in May 1999. From sign-on to sign-off, KWBQ reached an average of 41,000 households, or 7% of the total designated market area. However, in the Albuquerque - Santa Fe metropolitan statistical area, KWBQ reached 13% of the households.

Shortly after the completion of this offering, we will acquire KASY, a UPN affiliated station serving the Albuquerque - Santa Fe market, from Ramar and sell the KWBQ broadcast license to Ramar. At the closing of these transactions, Ramar will grant Montecito an option to purchase KWBQ which we anticipate that Montecito will assign to us. We will continue to operate KWBQ as a WB Network affiliate under a separate local marketing agreement with Ramar, therefore allowing us to manage two stations in the market. We plan to aggressively cross-promote the two stations and operate them from a single studio and office

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facility. Subject to FCC approval, we may purchase the station if Montecito assigns the option to us.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Albuquerque - Santa Fe designated market area:

OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/ SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	+/-SHARE POINTS MAY '99 VS MAY '98
ACME	KWBQ - 19	WB	0	0
Belo Corporation	KASA - 2	FOX	10	+1
Hubbard Broadcasting	KOB(1) - 4	NBC	16	-3
Lee Enterprises	KRQE(1) - 13	CBS	7	+1
Pulitzer Broadcasting	KOAT(1) - 7	ABC	12	0
Ramar Communications	KASY(1) - 50	UPN	2	-1
Univision Television Group	KLUZ - 41	UNI	4	+1

(1) The ratings reported by Nielsen for this station include information for total satellite stations. These satellite stations are fully licensed for broadcasting on a regular channel assignment but they carry only programming which duplicates entirely the programming and commercial content of a parent station. Nielsen viewing credit is generally given to the total satellite station.

WBDT: DAYTON, OHIO

Designated Market Area: 54	TV Households: 504,000
Total Age 2+ Population: 1,268,000	

Market Description. Thirty-three percent of the total population of Dayton, Ohio is under 25 years of age. The estimated average household income in the Dayton market is approximately $43,000 per year. Major employers in the market include Chrysler Corp/ Acustar Inc., General Motors, Bank One Dayton, American Matsushita and BF Goodrich. The television advertising revenue in the Dayton marketplace was estimated at $88.4 million in 1998 and has grown at a compound annual rate of approximately 5.9% over the past five years.

Station Overview. We acquired WBDT in June 1999 after the May 1999 sweeps period. WBDT signed on the air in October 1980 and has been affiliated with The WB Network since our acquisition of the station. WBDT, former Pax Net station, currently carries a combination of Pax Net and WB Network programming. Pax Net programming including Dr. Quinn, Diagnosis Murder and Touched by an Angel is shown during the morning and prime access time periods. The WB Network prime time programming and Kids' WB! is shown at The WB Network scheduled times. In addition, the station has contracted for the future exclusive market broadcast rights to popular shows such as Full House (9/99), Family Matters (9/00), Fresh Prince (9/99), America's Funniest Home Videos (9/99), Sabrina (9/00), Clueless (9/00) and Everybody Loves Raymond (9/01). We believe that our programming changes, in particular the airing of The WB Network and new syndicated programs, will improve WBDT's ratings.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Dayton designated market area, prior to our purchase of WBDT, formerly WDPX.

<TABLE>

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OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	+/- SHARE POINTS MAY '99 VS MAY '98
<S>	<C>	<C>	<C>	<C>
Cox Broadcasting.......	WHIO - 7	CBS	16	+1
Glencairn Ltd..........	WRGT - 45	FOX	10	+1
Paxson Communications.......	WDPX - 26	PAX	1	+1
Sinclair Broadcast.....	WKEF - 22	NBC	12	0
STC Broadcasting.......	WDTN - 2	ABC	11	-1
Trinity Broadcasting Network.............	WKOI - 43	Ind.	0	0

</TABLE>

WBXX: KNOXVILLE, TENNESSEE

<TABLE>

<S>	<C>
Designated Market Area: 63	TV Households: 447,000
Total Age 2+ Population: 1,098,000	

</TABLE>

Market Description. Thirty-one percent of the total population of Knoxville is under 25 years of age. The estimated average household income in the Knoxville market is approximately $37,000 per year. Major employers in the market include the University of Tennessee, TVA, Oakridge National Laboratories, Alcoa and Nippondenso. The television advertising revenue in the Knoxville marketplace was estimated at $68.0 million in 1998 and has grown at a compound annual rate of approximately 7.9% over the past five years.

Station Overview. We launched WBXX in October 1997. In addition to carrying The WB Network prime time programming and Kids' WB!, the station has broadcast rights to air games of the Atlanta Braves. In addition, the station's syndicated programming currently includes Friends, Sister Sister, Full House and Cheers. The station has contracted for the future exclusive market broadcast rights to popular shows such as The Drew Carey Show (9/99), Caroline in the City (9/99), Sabrina (9/00), Spin City (9/00) and Suddenly Susan (9/00). In the May 1999 sweeps period, WBXX delivered an average weekly cumulative number of 135,000 households from sign-on to sign-off, an increase of 3,000 households compared to May 1998. From May 1998 to May 1999, WBXX was the only station in the market to increase its average weekly number of households.

In April 1999, we entered into a ten year joint services agreement with Paxson Communications under which we provide certain sales and operational services to WPXK, serving the Knoxville, Tennessee market. Through April 2009, WPXK will carry solely the Pax Net supplied programming and we will share equally with Paxson Communications the excess of station revenues over certain operating expenses.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Knoxville designated market area:

<TABLE>
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OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	+/- SHARE POINTS MAY '99 VS MAY '98
<S>	<C>	<C>	<C>	<C>
ACME...................	WBXX - 20	WB	5	0
Gannett................	WBIR - 10	NBC	16	-4
Gray Communications....	WVLT - 8	CBS	7	-2
Paxson Communications..	WPXK - 54	PAX	0	0
Raycom Media...........	WTNZ - 43	FOX	6	-2
Young Broadcasting.....	WATE - 6	ABC	13	+4

</TABLE>

WIWB: GREEN BAY - APPLETON, WISCONSIN

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<TABLE>
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Designated Market Area: 69	TV Households: 385,000
Total Age 2+ Population: 982,000	

</TABLE>

Market Description. Thirty-four percent of the total population of Green Bay - Appleton is under 25 years of age. The estimated average household income in the Green Bay - Appleton market is approximately $41,000 per year. Major employers in the market include Fort James Corporation, the Oneida Tribe of Indians of Wisconsin, Schneider National, Humana, Shopko Stores, American Medical Security, Bellin Memorial Hospital and Procter & Gamble Paper Products. The television advertising revenue in the Green Bay - Appleton marketplace was estimated at $53.9 million in 1998 and has grown at a compound annual rate of approximately 7.4% over the past five years.

Station Overview. We acquired WIWB in June 1999 after the May 1999 sweeps period. WIWB signed on the air in August 1998 and has been affiliated with The WB Network since our acquisition of the station. WIWB, a former Pax Net station, currently carries a combination of Pax Net and WB Network programming. Pax Net programming including Dr. Quinn, Diagnosis Murder and Touched by an Angel is shown during the morning and prime access time periods. The WB Network prime time and Kids' WB! is shown at The WB Network scheduled times. The station has contracted for the future exclusive market broadcast rights to popular shows such as Step by Step (9/99), Fresh Prince (9/99), Jerry Springer (9/99), Sabrina (9/00), Clueless (9/00), Suddenly Susan (9/00), Jamie Foxx (9/00) and Everybody Loves Raymond (9/01). We believe that our programming changes, in particular the airing of the WB Network programming and new syndicated programs, will improve WIWB's ratings.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Green Bay - Appleton designated market area, prior to our purchase of WIWB, formerly WPXG.

<TABLE>
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			SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM	
OWNER	CALL LETTERS - CHANNEL	AFFILIATION	MAY '99 SHARE OF PERSONS 12 - 34	+/- SHARE POINTS MAY '99 VS MAY '98
<S>	<C>	<C>	<C>	<C>
Ace TV................	WACY - 32	UPN	4	-2
Aires Telecommunications...	WGBA - 26	NBC	16	-2
CBS....................	WFRV - 5	CBS	8	-3
Paxson Communications..	WPXG - 14	PAX	1	+1
SF Broadcasting........	WLUK - 11	FOX	12	+1
Young Broadcasting.....	WBAY - 2	ABC	15	-1

</TABLE>

WBUI: CHAMPAIGN - SPRINGFIELD - DECATUR, ILLINOIS

<TABLE>
<S> <C>

Designated Market Area: 82	TV Households: 335,000
Total Age 2+ Population: 814,000	

</TABLE>

Market Description. Thirty-three percent of the total population of Champaign - Springfield - Decatur is under 25 years of age. The estimated average household income in the Champaign - Springfield - Decatur market is approximately $42,000 per year. Major employers in the market include ADM, Staley's, Caterpillar, Mueller, Illinois Power, Kraft and the University of Illinois. The television advertising revenue in the Champaign - Springfield - Decatur marketplace was estimated at $42.7 million in 1998 and has grown at a compound annual rate of approximately 6.6% over the past five years.

Station Overview. We acquired WBUI in June 1999 after the May 1999 sweeps

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period. WBUI signed on the air in May 1984 and has been affiliated with The WB Network since our acquisition of the station. WBUI, a former Pax Net station, currently carries a combination of Pax Net and WB Network programming. Pax Net programming including Dr. Quinn, Diagnosis Murder and Touched by an Angel is shown during the morning and prime access time periods. The WB Network prime time and Kids' WB! is shown at The WB Network scheduled times. The station has contracted for the future exclusive market broadcast rights to popular shows such as Full House (9/99), Star Trek: Voyager (9/99), Fresh Prince (9/99), Entertainment Tonight (9/99), Sabrina (9/00), Suddenly Susan (9/00), Spin City (9/00) and Clueless (9/00). We believe that our programming changes, in particular the airing of The WB Network and new syndicated programs, will improve WBUI's ratings.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Champaign - Springfield - Decatur designated market area, prior to our purchase of WBUI, formerly WPXU.

OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM +/- SHARE POINTS MAY '99 VS MAY '98
Bahakel Communications.....	WRSP(1) - 55	FOX	11	+3
Gannett.............	WICS(1) - 20	NBC	20	-3
LIN Television.......	WAND - 17	ABC	12	0
Midwest Television...	WCIA(1) - 3	CBS	11	-2
Paxson Communications.....	WPXU - 23	PAX	1	+1

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(1) The ratings reported by Nielsen for this station include information for total satellite stations. These satellite stations are fully licensed for broadcasting on a regular channel assignment but they carry only programming which duplicates entirely the programming and commercial content of a parent station. Nielsen viewing credit is generally given to the total satellite station.

WTVK: FT. MYERS - NAPLES, FLORIDA

Designated Market Area: 83	TV Households: 330,000
Total Age 2+ Population: 782,000	

Market Description. Twenty-five percent of the total population of Ft. Myers - Naples is under 25 years of age. The estimated average household income in the Ft. Myers - Naples market is approximately $45,000 per year. Major employers in the market include The Lee County School District, Lee Memorial Health System, Columbia Healthcare and Publix SuperMarkets. The television advertising revenue in the Ft. Myers - Naples marketplace was estimated at $56.2 million in 1998 and has grown at a compound annual rate of approximately 7.4% over the past five years.

Station Overview. We began operating WTVK in March 1998 under a local marketing agreement and acquired the station in June 1998. WTVK signed on the air in October 1990 and has been affiliated with The WB Network since our acquisition of the station. In addition to carrying The WB Network prime time programming and Kids' WB!, the station's syndicated programming currently includes Sister Sister, The Nanny, Mad About You, NewsRadio, X-Files and Stargate. The station has contracted for the future exclusive market broadcast rights to popular shows such as Star Trek: Voyager (9/99), Drew Carey (9/99), Sabrina (9/00), Suddenly Susan (9/00), Spin City (9/00) and Caroline in the City (9/00). In the May 1999 sweeps period WTVK delivered a two household share from sign-on to sign-off for the third consecutive sweeps period. WTVK delivered an average weekly household cumulative number of 76,000 in May 1999, an increase of

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3,000 households since May 1998. WTVK has increased its share of the teen audience significantly Monday through Wednesday 8pm to 10pm. In May 1999, WTVK held an 18 share of the teen audience making it the number one station in the time period in that demographic.

Competition. The following table outlines summary information regarding the commercially-rated broadcast television stations in the Ft. Myers - Naples designated market area:

OWNER	CALL LETTERS - CHANNEL	AFFILIATION	SIGN-ON/SIGN-OFF: MON - SUN 7AM - 1AM MAY '99 SHARE OF PERSONS 12 - 34	+/- SHARE POINTS MAY '99 VS MAY '98
ACME	WTVK - 46	WB	3	+1
Emmis Communications	WFTX - 36	FOX	13	0
Ft. Myers Broadcasting	WINK - 11	CBS	11	+1
Montclair Communications	WZVN - 26	ABC	6	-3
Waterman Broadcasting	WBBH - 20	NBC	14	-3
West Coast Christian TV	WRXY - 49	Ind.	0	0

WZPX: GRAND RAPIDS, MICHIGAN

In addition to the nine stations described above, in April 1999, we entered into a joint sales agreement with DP Media for WZPX, serving the Grand Rapids, Michigan market. WZPX is a primary affiliate of Pax Net. In connection with this agreement, WZPX will enter into a secondary affiliation agreement with The WB Network for five years. Under our joint sales agreement, we sell certain advertising time for WZPX, and as compensation, we retain a portion of the excess of station revenues over station operating expenses, if any. We are obligated to pay any expenses which are not covered by advertising revenues and 40% of all interest expense owed by DP Media with respect to WZPX. DP Media has the right to sell the station to us at any time during the next four years for $30.0 million. We have limited rights to acquire the station for that same amount if DP Media chooses to sell the station.

OUR AFFILIATION AGREEMENTS

Each of our stations has entered into a station affiliation agreement with The WB Network that provides each station with the exclusive right to broadcast The WB Network programming in its respective market. These affiliate agreements generally have three to ten year terms.

Under the affiliation agreements, The WB Network retains the right to program and sell approximately 75% of the advertising time available during The WB Network prime time schedule with the remaining 25% available for sale by our stations. The WB Network retains approximately 50% of the advertising time available during Kids' WB! programs aired in other dayparts.

In addition to the advertising time retained for sale by The WB Network, each station is also required to pay annual compensation to The WB Network. The amount of compensation is determined by taking into account the station's average ratings among adults ages 18 - 49 during The WB Network prime time programming, as well as the number of prime time programming hours provided per week by The WB Network. We participate in cooperative marketing efforts with The WB Network whereby the network reimburses up to 50% of certain approved advertising expenditures by a station to promote network programming. Our affiliation agreements for KPLR, KWBP and WBXX, also entitle those stations to the most favorable terms agreed to by The WB Network and any affiliate, except for superstation WGN, during the term of the affiliation agreements, and any subsequent modifications.

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In addition, as part of our acquisition of WBDT, WIWB and WBIU, we entered into a five-year secondary affiliation agreement with Pax Net at these stations. We are generally

obligated to run the Pax Net prime time programming in certain morning dayparts. We retain a portion of the advertising time during this programming for local sales, and Pax Net retains the balance.

ADVERTISING/SALES

Virtually all of our revenues for 1997 and 1998 and the first six months of 1999 consisted of advertising revenues, and no single advertiser accounted for more than 10% of our gross advertising revenues in these periods. Our advertising revenues are generated both by local advertising and national spot advertising.

Local Advertising. Local advertising revenues are generated by both local merchants and service providers and by regional and national businesses and advertising agencies located in a particular designated market area. Local advertising revenues represented 52% of our net advertising revenues in 1997, 53% in 1998 and 55% in the first six months of 1999.

National Spot Advertising. National spot advertising represents time sold to national and regional advertisers based outside a station's designated market area. National spot advertising revenues represented 48% of our net advertising revenues in 1997, 47% in 1998 and 45% in the first six months of 1999. National spot advertising primarily comes from:

- new advertisers wishing to test a market;
- advertisers who are regional retailers and manufacturers without national distribution;
- advertisers who need to enhance network advertising in given markets; and
- advertisers wishing to place more advertisements in specified geographic areas.

OUR COMPETITION

Broadcast television stations compete for advertising revenues primarily with other broadcast television stations in their respective markets and, to a lesser but an increasing extent, with radio stations, cable television system operators, newspapers, billboard companies, direct mail and internet sites. Traditional network and Fox programming generally achieves higher household audience levels than that of The WB Network and syndicated programming aired by independent stations which is attributable to a number of factors, including:

- the traditional networks' efforts to reach a broader audience;
- historically, less competition;
- generally better channel positions;
- more network programming being broadcast weekly;
- the traditional networks' cross-promotions; and
- the traditional networks' more established market presence than The WB Network.

However, because The WB Network provides fewer hours of programmings per week than the traditional networks, we have a significantly higher inventory of advertising time for our own use and our programs therefore achieve a share of

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television market advertising revenues greater than their share of the market's audience. We believe that this available advertising time, combined with our efforts to attract audiences with our programming

which are key targets of advertisers and our focus on advertising sales allows us to compete effectively for advertising revenues within our stations' markets.

The broadcasting industry is continuously faced with technical changes and innovations, the popularity of competing entertainment and communications media, changes in labor conditions, and governmental restrictions or actions of federal regulatory bodies, including the FCC, any of which could possibly have a material adverse effect on a television station's operations and profits. Sources of video service other than conventional television stations, the most common being cable television, can increase competition for a broadcast television station by bringing distant broadcasting signals not otherwise available to the station's audience, serving as a distribution system for national satellite-delivered programming and other non-broadcast programming originated on a cable system and selling advertising time to local advertisers. Other principal sources of competition include home video exhibition, direct-to-home broadcast satellite television, entertainment services and multichannel multipoint distribution services. Currently, two FCC permitees, DirecTV and Echostar, provide subscription DBS services via high-power communications satellites and small dish receivers, and other companies provide direct-to-home video service using lower powered satellites and larger receivers.

Other technology advances and regulatory changes affecting programming delivery through fiber optic telephone lines and video compression could lower entry barriers for new video channels and encourage the development of increasingly specialized niche programming. The Telecommunications Act of 1996 permits telephone companies to provide video distribution services via radio communication, on a common carrier basis, as cable systems or as open video systems, each pursuant to different regulatory schemes. We cannot predict the effect that these and other technological and regulatory changes will have on the broadcast television industry and on the future profitability and value of a particular broadcast television station.

Broadcast television stations compete with other television stations in their designated market areas for the acquisition of programming. Generally, cable systems do not compete with local stations for programming, but various national cable networks do from time to time and on an increasing basis acquire programming that could have been offered to local television stations. Public broadcasting stations generally compete with commercially-rated broadcasters for viewers, but do not compete for advertising revenues. Historically, the cost of programming has increased because of an increase in the number of independent stations and a shortage of quality programming.

FEDERAL REGULATION OF TELEVISION BROADCASTING

Television broadcasting is a regulated industry and is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended from time to time. The Communications Act prohibits the operation of television broadcasting stations except under a license issued by the FCC. The Communications Act empowers the FCC, among other things:

- to issue, revoke and modify broadcast licenses;

- to decide whether to approve a change of ownership or control of station licenses;

- to regulate the equipment used by stations; and

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- to adopt and implement regulations to carry out the provisions of the Communications Act.

Failure to observe FCC or other governmental rules and policies can result in the imposition of various sanctions, including monetary forfeitures, the grant of short, or less than maximum, license renewal terms or, for a particularly egregious violations, the denial of a license renewal application, the revocation of a license or denial of FCC consent to acquire additional broadcast properties.

License Grant, Renewal, Transfer and Assignment. A party must obtain a construction permit from the FCC to build a new television station. Once a station is constructed and commences broadcast operations, the permittee will receive a license which must be renewed by the FCC at the end of each eight-year license term. The FCC grants renewal of a broadcast license if it finds that the station has served the public interest, convenience, and necessity and the licensee has not seriously violated the Communications Act or FCC rules and policies. If the FCC finds that a licensee has failed to meet these standards, the FCC may deny renewal or condition renewal. Any other party with standing may petition the FCC to deny a broadcaster's application for renewal. However, only if the FCC issues an order denying renewal will the FCC accept and consider applications from other parties for a construction permit for a new station to operate on that channel. The FCC may not consider any applicant in making determinations concerning the grant or denial of the licensee's renewal application. Although renewal of licenses is granted in the majority of cases even when petitions to deny have been filed, we cannot be sure our station licenses will be renewed for a full term or without modification.

Our current licenses expire as follows:

STATION	EXPIRATION DATE
KPLR	February 1, 2006
KWBP	February 1, 2007
KUWB(1)	October 1, 2006
KWBQ(2)	October 1, 2006
WBDT	October 1, 2005
WBXX	August 1, 2005
WIWB	December 1, 2005
WBUI	December 1, 2005
WTVK	February 1, 2005

(1) We operate KUWB and own KUPX. The expiration date for KUPX and KUWB are the same. We plan to swap ownership of these stations.

(2) We currently operate under a construction permit. We expect the license to be granted during the second half of 1999.

The Communications Act prohibits the assignment of a broadcast license or the transfer of control of a broadcast licensee without the prior approval of the FCC. In determining whether to permit the assignment or transfer of control of, or the grant or renewal of, a broadcast license, the FCC considers a number of factors pertaining to the licensee, including:

- compliance with various rules limiting common ownership of media

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properties;

- the character of the licensee and those persons holding attributable interests therein; and

- compliance with the Communications Act's limitations on alien ownership.

Character generally refers to the likelihood that the licensee or applicant will comply with applicable law and regulation. Attributable interests generally refers to the level of

ownership or other involvement in station operations which would result in the FCC attributing ownership of that station or other media outlet to the person or entity in determining compliance with FCC ownership limitations.

To obtain the FCC's prior consent to assign a broadcast license or transfer control of a broadcast licensee, an application must be filed with the FCC. If the application involves a substantial change in ownership or control, the application must be placed on public notice for a period of no less than 30 days during which petitions to deny the application may be filed by interested parties, including certain members of the public. If the FCC grants the application, interested parties have no less than 30 days from the date of public notice of the grant to seek reconsideration or review of that grant by the full commission or, as the case may be, a court of competent jurisdiction. The full FCC commission has an additional 10 days to set aside on its own motion any action taken by the FCC's staff. When passing on an assignment or transfer application, the FCC is prohibited from considering whether the public interest might be served by an assignment or transfer to any party other than the assignee or transferee specified in the application.

The FCC staff informed us that, so long as we have an interim voting agreement, our reorganization from a limited liability company into a corporation and our issuance of shares to the public in the offering will be deemed to result in a non-substantial change of ownership requiring a short-form application to the FCC. Accordingly, we applied for FCC approval to complete the reorganization and offering conditioned on our entry into the interim voting agreement. The FCC staff granted that application on September 2, 1999. Interested parties will have 30 days from the date of public notice of that grant to seek FCC reconsideration or review of the grant of the full commission or a court. The full commission also has an additional 10 days to reconsider the grant on its own motion. We cannot predict how long the FCC would take to act upon a request for reconsideration or review. We expect the period to request FCC reconsideration to expire in mid-October, 1999. If this offering closes before the FCC order approving our short-form application becomes final, we would be at risk of third party challenges to and FCC reconsideration of that initial approval.

The FCC staff has also informed us that, without the required interim voting agreement, our reorganization and our issuance of shares to the public in the offering will result in a substantial change of control requiring a long-form application to the FCC. Accordingly, in addition to our short-form application, we have made a long-form application to the FCC to go forward from the reorganization and offering without the interim voting agreement. We must receive the final order of the FCC approving the long-form application before we can terminate the interim voting agreement. That long-form application must be open to the public for challenge or other comment for 30 days before the FCC staff can act on it. Interested parties may file petitions to deny the application on or before that date. The 30-day period runs through September 27, 1999. If the FCC grants the long-form application, interested parties will have another 30 days from public notice of the grant to seek FCC reconsideration or review of the grant of the full commission or a court. The full commission also has an additional 10 days to reconsider the grant on its own motion. We may decide to go forward with our reorganization and the offering whether or not the

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FCC has granted our long-form application. If this offering closes before the FCC order granting our long-form application becomes final, we would be at risk of third party challenges to and FCC reconsideration of that initial approval.

Although we believe that it is likely we will receive final FCC orders approving our reorganization and this offering, third party challenges to or FCC reconsideration of our applications may require changes to permit approval to become final. Nor can we assure you that the interim voting agreement will remain in effect as required by the FCC. If the FCC or

a court reconsiders or reviews the grant of our short-form application and the grant of our short-form application is rescinded, or if the interim agreement terminates without approval of our long-form application, the FCC could force us to divest our FCC licenses, pay fines, deny renewal of our license, refuse to approve of any of our acquisitions, order us to restructure our reorganization or order us to take any other action necessary to come into compliance with an FCC order.

Ownership Restrictions. The officers, directors and equity owners of 5% or more of the company's outstanding voting stock of a company holding one or more broadcast licenses are deemed to have attributable interests in the broadcast company. However, minority voting stock interests generally will not be attributable if there is a single holder of more than 50% of the outstanding voting power of the corporation. Also, specified institutional investors, including mutual funds, insurance companies and banks acting in a fiduciary capacity, may own up to 10% of the outstanding voting stock without being subject to attribution if they exercise no control over the management or policies of the broadcast company.

Under the rules currently in effect, the FCC will not grant a license to operate a television station, unless established waiver standards are met, to any party, or parties under common control, that has an attributable interest in another television station with an overlapping service contour. FCC regulations also prohibit one owner from having attributable interests in television broadcast stations that reach in the aggregate more than 35% of the nation's television households. For purposes of this calculation, stations in the UHF band which covers channels 14 - 69 are attributed with only 50% of the households attributed to stations in the VHF band, which covers channels 2 - 13. Subject to certain exceptions, the rules generally prohibit, the holder of an attributable interest in a television station from also having an attributable interest in a radio station, daily newspaper or cable television system serving a community located within the relevant coverage area of that television station. Separately, the FCC's cross-interest policy may prohibit the common ownership of an attributable interest in one media outlet and a non-attributable equity interest in another media outlet, among other significant interests, in the same market.

The FCC recently adopted amendments to its ownership rules. Among other things, the new rules:

- determine whether stations are in the same market by reference to a Nielsen designated market area rather than through a signal overlap among stations;

- permit common ownership of two television stations in the same designated market area under certain circumstances;

- permit some radio-television ownership combinations;

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- eliminate the cross-interest policy;
- attribute the ownership of a station to parties whose debt and/or equity holdings in the company exceed 33% of the station's total assets if certain other factors are present;
- increase the benchmark for certain passive investors from 10% to 20%; and
- treat some local marketing agreements or time brokerage agreements with television stations as an attributable interest.

Those amendments are not yet effective, nor are the FCC's actions final. We do not know whether the new rules will become effective in their present form or be modified in future proceedings.

Restrictions on Foreign Ownership. The Communications Act prohibits the issuance of broadcast licenses to, or the holding of a broadcast license by foreign citizens or any corporation of which more than 20% of the capital stock is owned of record or voted by non-U.S. citizens or their representatives or by a foreign government or a representative thereof, or by any corporation organized under the laws of a foreign country. The Communications Act also authorizes the FCC to prohibit the issuance of a broadcast license to, or the holding of a broadcast license by, any corporation controlled by any other corporation of which more than 25% of the capital stock is owned of record or voted by aliens. The FCC has interpreted these restrictions to apply to other forms of business organizations, including partnerships. As a result of these provisions, the licenses granted to our subsidiaries that hold FCC licenses could be revoked if more than 25% of our stock were directly or indirectly owned or voted by aliens. Our certificate of incorporation contains limitations on alien ownership and control substantially similar to those contained in the Communications Act. Pursuant to our certificate of incorporation, we have the right to refuse to sell shares to aliens or to repurchase alien-owned shares at their fair market value to the extent necessary, in the judgment of our board of directors, to comply with the alien ownership restrictions.

Programming and Operation. The Communications Act requires broadcasters to serve the public interest, convenience and necessity. The FCC has gradually restricted or eliminated many of the more formalized procedures it had developed to promote the broadcast of programming responsive to the needs of the station's community of license. Licensees continue to be required, however, to present programming that is responsive to community problems, needs and interests and to maintain certain records demonstrating such responsiveness. Complaints from listeners concerning a station's programming will be considered by the FCC when it evaluates the licensee's renewal application, but these complaints may be filed and considered at any time.

Stations must also pay regulatory and application fees and follow various FCC rules that regulate, among other things:

- political advertising;
- children's programming;

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- the broadcast of obscene or indecent programming;

- sponsorship identification; and

- technical operations and equal employment opportunity requirements.

Failure to observe these or other rules and policies can result in the imposition of various sanctions, including monetary forfeitures, the grant of short, less than the maximum, renewal terms, or for particularly egregious violations, the denial of a license renewal application or the revocation of a license.

Review of Must Carry Rules. FCC regulations implementing the Cable Television Consumer Protection and Competition Act of 1992 require each television broadcaster to elect, at three year intervals beginning October 1, 1993, to either (a) require carriage of its signal by cable systems in the station's market which is referred to as must carry rules or (b) negotiate the terms on which such broadcast station would permit transmission of its signal by the cable systems within its market which is referred to as retransmission consent. The United States Supreme Court upheld the must-carry rules in a 1997 decision. These

must carry rights are not absolute, and their exercise is dependent on a variety of factors such as:

- the number of active channels on the cable system;

- the location and size of the cable system; and

- the amount of programming on a broadcast station that duplicates the programming of another broadcast station carried by the cable system.

Therefore under certain circumstance, a cable system may choose to decline to carry a given station. We have elected must carry with respect to each of our stations which are each carried on the related cable system.

Local Marketing Agreements. We have, from time to time, entered into local marketing agreements, generally in connection with pending station acquisitions. By using local marketing agreements, we can provide programming and other services to a station proposed to be acquired before we receive all applicable FCC and other governmental approvals.

FCC rules and policies generally permit local marketing agreements if the station licensee retains ultimate responsibility for and control of the applicable station, including finances, personnel, programming and compliance with the FCC's rules and policies. We cannot be sure that we will be able to air all of our scheduled programming on a station with which we have local marketing agreements or that we will receive the anticipated revenue from the sale of advertising for such programming.

Under the rules currently in effect, the licensee of a television station providing programming on another television station under a local marketing agreement is not considered to have an attributable interest in the other

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station. However, the FCC recently adopted rules provide that the licensee of a television station which provides programming for more than 15% of the time on another television station serving the same market would be deemed to have an attributable interest in the latter station for purposes of the national and local multiple ownership rules. The FCC also adopted a grandfathering policy providing that local marketing agreements that are in compliance with existing FCC rules and policies and were entered into before November 5, 1996 would be permitted to continue in force until the FCC conducts its biennial review of regulations in 2004. Local marketing agreements entered into after that date but prior to the FCC action will be grandfathered until August 2001.

None of our local marketing agreements were in existence on the date of enactment of the Telecommunications Act or on November 5, 1996. Therefore we may be forced to terminate the KWBQ local marketing agreement in August 2001 if it has not been previously terminated, unless holding an attributable interest in KWBQ and KASY would comply with the television duopoly rule or a waiver of the rule was granted.

Digital Television Services. The FCC has adopted rules for implementing DTV service in the United States. Implementation of DTV will improve the technical quality of television signals and provide broadcasters the flexibility to offer new services, including high-definition television and data broadcasting.

The FCC has established service rules and adopted a table of allotments for DTV. Under the table, all eligible broadcasters with a full-power television station are allocated a separate channel for DTV operation. Stations will be permitted to phase in their DTV operations over a period of years following the adoption of a final table of allotments, after which they will be required to surrender their license to broadcast the analog, or non-DTV, signal. Affiliates of the top four networks in the top ten markets are already required to be on the air with a

digital signal. Affiliates of the top four networks in the next twenty largest markets must be on the air with a digital signal by November 1, 1999. Our stations must be on the air with a digital signal by May 1, 2002. Under applicable law and regulation, television broadcasters must return their analog license to the government by 2006 unless specified conditions exist, that in effect, affect the public's limited access to DTV transmissions in a particular market.

The Communications Act and the FCC's rules impose certain conditions on the FCC's implementation of DTV service. Among other requirements, the FCC must:

- limit the initial eligibility for licenses to existing television broadcast licensees or permittees;

- allow DTV licensees to offer ancillary and supplementary services; and

- charge appropriate fees to broadcasters that supply ancillary and supplementary services for which such broadcasters derive certain nonadvertising revenues.

Equipment and other costs associated with the DTV transition, including the necessity of temporary dual-mode operations, will impose some near-term financial costs on television stations providing the services. The potential also exists for new sources of revenue to be derived from DTV. We cannot predict the overall effect the transition to DTV might have on our business.

Children's Television Act. FCC rules limit the amount of commercial matter that a television station may broadcast during programming directed primarily at children 12 years old and younger. FCC rules further require television stations to serve the educational and informational needs of children 16 years old and younger through the stations' own programming as well as through other means. Television broadcasters must file periodic reports with the FCC to document their compliance with foregoing obligations.

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Other Pending FCC and Legislative Proceedings. In 1995, the FCC issued notices of proposed rulemaking proposing to modify or eliminate most of its remaining rules governing the broadcast network-affiliate relationship. The network-affiliate rules were originally intended to limit networks' ability to control programming aired by affiliates or to set station advertising rates and to reduce barriers to entry by networks. The dual network rule, which generally prevents a single entity from owning more than one broadcast television network, is among the rules under consideration in these proceedings. Although the Telecommunications Act substantially relaxed the dual network rule by providing that an entity may own more than one television network, none of the four major national television networks may merge with each other or acquire certain other networks in existence on February 8, 1996. We cannot predict how or when the FCC proceeding will be resolved or how those proceedings or the relaxation of the dual network rule may affect our business.

The Satellite Home Viewer Act allows satellite carriers to deliver broadcast programming to subscribers who are unable to obtain television network programming over the air from local television stations. Congress is currently considering legislation to amend the act to facilitate the ability of satellite carriers to provide subscribers with programming from a non-local television station. We cannot predict whether any such legislation will be enacted or what, if any, impact such legislation may have on our company.

The FCC has also initiated a proceeding to reexamine rules that previously required broadcast licensees to provide equal employment opportunities. If the FCC does adopt new rules governing equal employment opportunities we may have additional administrative burdens. However, adoption of any new rules will not affect our continuing obligation to comply with other federal and state laws concerning equal employment opportunities.

Federal regulatory agencies and Congress from time to time consider proposals for additional or revised rules. We cannot predict the resolution of these issues or other issues discussed above, although their outcome could, over a period of time, affect, either adversely or favorable, the broadcasting industry generally or us specifically.

The foregoing summary of FCC and other governmental regulations is not intended to be comprehensive. For further information concerning the nature and extent of federal regulation of broadcast stations, you should refer to the Communications Act, the Telecommunications Act, other Congressional acts, FCC rules and the public notices and rulings of the FCC.

EMPLOYEES

At June 30, 1999, we had 309 employees, including 44 at KPLR in St. Louis who were subject to collective bargaining agreements. We believe that our relationships with our employees and the unions representing our unionized employees are good.

PROPERTIES AND FACILITIES

All of our leased studio, office and tower facilities are leased pursuant to long-term leases. We believe that all facilities and equipment are adequate, with minor changes and additions, for conducting operations as presently contemplated. Set forth below is information with respect to our existing studios and other facilities. Information as to tower size reflects the height above average terrain of the antenna radiation center.

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MARKET	APPROXIMATE SIZE	OWNERSHIP
St. Louis, Missouri		
Studio and office facilities(1)	36,000 sq. ft.	Owned
Tower	1,011 ft.	Leased
Portland, Oregon		
Studio and office facilities	15,255 sq. ft.	Owned
Tower	1,785 ft.	Leased
Knoxville, Tennessee		
Studio and office facilities	8,000 sq. ft.	Leased
Tower	2,399 ft.	Owned(2)
Salt Lake City, Utah		
Studio and office facilities	9,500 sq. ft.	Leased
Tower	3,839 ft.	Leased
Ft. Myers - Naples, Florida		
Studio and office facilities	5,000 sq. ft.	Leased
Tower	1,000 ft.	Leased
Albuquerque - Santa Fe, New Mexico		
Studio and office facilities	9,000 sq. ft.	Owned
Tower	1,234 ft.	Leased
Dayton, Ohio		
Studio and office facilities	14,150 sq. ft	Owned
Tower	485 ft.	Owned
Green Bay - Appleton, Wisconsin		
Studio and office facilities	2,640 sq. ft.	Leased
Tower	660 ft.	Leased
Champaign - Springfield - Decatur, Illinois		
Studio and office facilities	9,600 sq. ft.	Owned
Tower	1,030 ft.	Owned

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(1) Excludes 30,000 square feet of apartment space located above the studio and office facilities.

(2) Tower owned on leased property.

LEGAL PROCEEDINGS

We are currently in a dispute with Edward Koplar in connection with Mr. Koplar's resignation in the fall of 1998 from his position as Chief Executive Officer of ACME Television of Missouri, Inc., formerly Koplar Communications, Inc. Mr. Koplar has claimed that we breached his management agreement, and under the terms of that agreement has claimed that we owe him $4 million and has threatened to bring suit against us. We believe that Mr. Koplar's claim is without merit and that the resolution of this matter will not have a material adverse effect on our financial condition or results of operations. We have accrued $350,000 as a reserve relating to this matter.

In addition, we are currently and from time to time involved in litigation incidental to the conduct of our business. We maintain comprehensive general liability and other insurance which we believe to be adequate for the purpose. We are not currently a party to any lawsuit or proceeding that we believe would have a material adverse effect on our financial condition or results of operations.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

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The following table sets forth information about our executive officers and directors as of August 31, 1999.

NAME	AGE	POSITION
Jamie Kellner......	52	Chairman of the Board and Chief Executive Officer
Doug Gealy.........	39	President, Chief Operating Officer and Director
Tom Allen..........	46	Executive Vice President, Chief Financial Officer and Director
Edward Danduran....	47	Vice President, Controller
James Collis(1)....	36	Director
Thomas Embrescia...	53	Director
Brian McNeill(1)...	43	Director
Michael Roberts....	50	Director
Darryl Schall(1)...	38	Director

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(1) Will resign from his position after the pricing of this offering but before our reorganization and in accordance with our short-term application to the FCC and has agreed to become a director again after final FCC approval of our long-form application.

Jamie Kellner is a founder of ACME and has served as our Chief Executive Officer and Chairman of the Board since 1997. Mr. Kellner is also a founder, Chief Executive Officer and partner of The WB Network since 1993. Previously, Mr. Kellner was President of Fox Broadcasting Company since its inception in 1986 to 1993. He currently serves on the board of directors of NELVANA LTD., a Canadian company internationally recognized for its children's and family programming, worldwide distribution and merchandise licensing.

Doug Gealy is a founder of ACME and has served as our President and Chief Operating Officer and as a member of our Board since 1997. Since December of 1996, Mr. Gealy has been involved in development activities for ACME. Before founding ACME, Mr. Gealy served for one year as Executive Vice President of Benedek Broadcasting Corporation. From 1991 to 1996, Mr. Gealy was a Vice President and General Manager of WCMH and its local marketing agreement, WWHO, both in Columbus, Ohio, and following the acquisition of these stations by NBC, served as President and General Manager of these stations.

Tom Allen is a founder of ACME and has served as our Executive Vice President and Chief Financial Officer and as a member of our Board since 1997. Since June 1996, Mr. Allen has been involved in development activities for ACME. From August 1993 to May 1996, Mr. Allen was the Chief Operating Officer and Chief Financial Officer for Virgin Interactive Entertainment. Before that Mr. Allen served as the Chief Financial Officer of the Fox Broadcasting Company from 1986 to 1993.

Edward Danduran has been our Vice President and Controller since July 1997. From November 1995 until April 1997, Mr. Danduran was a Financial Consultant for Virgin Interactive Entertainment, Inc. From 1989 to 1995, Mr. Danduran was the Chief Financial Officer of Phoneby, a business communications company.

James Collis has served as a member of our Board since July 1999. Mr. Collis is an Executive Vice President of CEA Management Corp., a corporation formed to manage CEA Capital Partners USA, L.P. and CEA Capital Partners USA CI, L.P. Mr. Collis has served in this role since 1997. Before joining CEA Management Corp., Mr. Collis was a Principal at Chase

Manhattan Bank beginning in December 1996. Before becoming a Principal, Mr. Collis was a Vice President of Chase Manhattan Bank beginning in June 1995 and an associate before that beginning in June 1991. Mr. Collis has also been an

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investor in the media and communications industry for nine years and serves on the board of directors for numerous private media and communication companies.

Thomas Embrescia has served as a member of our Board since we acquired WTVK from Second Generation Television, Inc. in June 1998. Mr. Embrescia is the Chairman and principal investor of Second Generation Television, a company he formed in 1993. In addition, he also serves as chairman or Chief Executive Officer and is a principal investor in several other media and marketing related businesses. Mr. Embrescia has over 31 years of experience in the broadcasting and media industry.

Brian McNeill has served as a member of our Board since July 1999. Since 1996, he has been the managing general partner of Alta Communications, a private venture capital firm he co-founded, which specializes in the communications industry. Since 1986, Mr. McNeill has been a general partner of various funds affiliated with Burr, Egan, Deleage & Co., a major private equity firm which specializes in investments in the communications and technology industries. He has served as a director in many private radio and television broadcasting companies such as Tichenor Media Systems, OmniAmerica Group, Panache Broadcasting and Shockley Communications and a publicly traded company, Radio One, Inc.

Michael Roberts has served as a member of our Board since April 1999. Mr. Roberts is a co-founder of Roberts Broadcasting which owns several television stations in medium-sized markets in the U.S. and has served as its Chairman and Chief Executive Officer since 1981. Mr. Roberts is also the founder of companies active in commercial real estate development, construction program management and corporate management consulting. Mr. Roberts is also a Managing Member for Roberts Wireless Communications, a Sprint affiliate serving Missouri, Southern Illinois and Kansas.

Darryl Schall has served as a member of our Board since July 1999. Mr. Schall has been a Senior Vice President of Trust Company of the West since November 1995. Mr. Schall was Director of Research at Crescent Capital Corporation from July 1994 until its acquisition by Trust Company of the West in 1995.

COMMITTEES OF OUR BOARD OF DIRECTORS

The board of directors has established an audit committee and a compensation committee. The audit committee currently consists of Messrs. Schall and Collis. As required by the FCC, Messrs. Schall and Collis will not serve as members of our board until final approval of our long-form application. Messrs. Schall and Collis will resign as board members immediately after pricing but before our reorganization. During this period, Messrs. Embrescia and Roberts will serve as the members of the audit committee until Messrs. Schall and Collis rejoin the board and replace them on the audit committee. The audit committee will make recommendations to the board of directors regarding the selection of independent auditors, review the results and scope of the audit and other services provided by our independent auditors and will review and evaluate our audit and control functions.

The compensation committee consists of Messrs. Embrescia and McNeill. As with Messrs. Schall and Collis, Mr. McNeill will not serve as a member of our board until final approval of our long-form application. During this period Mr. Roberts will serve as a member of the compensation committee until Mr. McNeill rejoins the board and replaces him on the compensation committee. The compensation committee makes recommendations

regarding our equity compensation plans and makes decisions concerning salaries and incentive compensation for our employees.

DIRECTOR COMPENSATION

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Our directors do not currently receive any cash compensation for services on our board of directors or any committee of our board. However, directors may be reimbursed for expenses they incur in attending board and committee meetings. All directors are eligible to participate in our 1999 Stock Incentive Plan.

EXECUTIVE COMPENSATION

The following table sets forth compensation earned for the years ended December 31, 1998 and 1997, the year of our formation, by our Chief Executive Officer, and our next three most highly paid executive officers.

SUMMARY COMPENSATION TABLE(1)

NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS(2)	OTHER ANNUAL COMPENSATION(3)	ALL OTHER COMPENSATION(4)
Jamie Kellner..............	1998	$175,000(5)	$100,000	$ --	$ --
Chairman of the Board and Chief Executive Officer	1997	--	--	--	--
Doug Gealy.................	1998	300,000	25,000	5,351	93,900
President and Chief Operating Officer	1997	250,000	50,000	--	2,449
Tom Allen..................	1998	300,000	25,000	--	6,334
Executive Vice President and Chief Financial Officer	1997	145,833	50,000	105,000	2,171
Edward Danduran............	1998	106,016	20,000	--	3,000
Vice President, Controller	1997	67,017	--	--	--

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(1) We did not have restricted stock, stock appreciation rights or payouts on long term incentive compensation plans during the periods covered.

(2) Amounts disclosed in the column reflect payments under the incentive provisions of employment agreements which are described under "Employment Agreements and Arrangements."

(3) Amounts disclosed in this column include:
   (a) For Mr. Gealy, a company leased automobile; and
   (b) For Mr. Allen, a signing bonus that was paid upon the closing of acquisitions of KPLR, KWPB, WBXX and KWBQ.

(4) Amounts disclosed in this column include:
   (a) Our contributions under our 401K Savings Plan, a defined contribution plan;
   (b) Reimbursements of COBRA expenses;
   (c) Payments on behalf of the named executives for life insurance; and
   (d) For Mr. Gealy, reimbursement of moving expenses in the amount of $86,251.

(5) For Mr. Kellner, this amount is his consulting fee.

EMPLOYMENT AGREEMENTS AND ARRANGEMENTS

We have entered into a non-exclusive consulting agreement with Mr. Kellner which expires in October 2003, and full-time exclusive employment agreements with each of Messrs. Gealy and Allen that expire in October 2003. The employment agreements provide for annual compensation reviews by our compensation committee, with stipulated minimum annual adjustments equal to increases in the Consumer Price Index. Mr. Kellner's consulting compensation is set annually on a discretionary basis by the compensation committee.

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As of August 31, 1999, Mr. Kellner's annual consulting fee is $175,000. For the year, beginning January 1, 2000, Mr. Kellner's annual consulting fee will be $250,000. Mr. Kellner is entitled to annual cash bonuses as determined by our compensation committee. In addition, in January 2000, we will pay Mr. Kellner a $1.2 million cash bonus.

As of August 31, 1999, each of Mr. Gealy's and Mr. Allen's base salary is $300,000. For the year beginning January 1, 2000, each of Mr. Gealy's and Mr. Allen's base salary will be $375,000. Mr. Gealy and Mr. Allen are entitled to annual cash bonuses as determined by our compensation committee. In addition, in January 2000, we will pay each of Mr. Gealy and Mr. Allen a $900,000 cash bonus.

Mr. Danduran is employed by us pursuant to employment agreement that expires December 31, 2001. The employment agreement requires Mr. Danduran to devote substantially all of his business time to our business and precludes Mr. Danduran from engaging in activities competitive with our business throughout the term of the employment agreement. As of August 31, 1999, Mr. Danduran's base salary is $106,016. Mr. Danduran is entitled to an annual cash bonus as determined by our compensation committee.

1999 STOCK INCENTIVE PLAN

Before this offering, we had long-term incentive compensation plans in which all general managers and non-founder corporate office executives participated. The awards generally vested in equal thirds on the third, fourth and fifth anniversaries of the effective date of the awards. For 1998, we recorded an expense of $399,000 representing the estimated awards earned during 1998 related to this plan. No awards granted under our long-term incentive compensation plans have vested and such awards have been converted to discounted stock options. See "Certain Specific Awards" below for a description of the discounted options.

In September 1999, we adopted our 1999 Stock Incentive Plan to provide an additional means to attract, motivate, reward and retain key personnel. The plan gives the administrator the authority to grant different types of stock and cash incentive awards and to select participants. While only stock options and restricted stock awards are contemplated at this time, the other forms of awards that may be granted give us flexibility to structure future incentives. Our employees, officers, directors, and consultants may be selected to receive awards under the plan. The following summary is qualified by reference to the complete plan, which is on file with the Securities and Exchange Commission.

Share Limits. A maximum of 4,200,000 shares of our common stock may be issued under the plan, or approximately 25.08% of our outstanding shares after giving effect to the public offering. The aggregate number of shares subject to stock options and stock appreciation rights granted under the plan to any one person in a calendar year can not exceed 1,000,000 shares. The aggregate number of shares subject to all awards granted under the plan to any one person in a calendar year cannot exceed 1,000,000 shares. Performance-based awards payable solely in cash that are granted under the plan to any one person in a calendar year cannot provide for payment of more than $1,000,000.

Each share limit and award under the plan is subject to adjustment for certain changes in our capital structure, reorganizations and other extraordinary events. Shares subject to awards that are not paid or exercised before they expire or are terminated are available for future grants under the plan.

Awards. Awards under the plan may be in the form of:

- nonqualified stock options;

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- incentive stock options;

- stock appreciation rights, or SARs;

- limited stock appreciation rights, which are SARs limited to specific events, such as in a change of control or other special circumstances;

- restricted stock;

- performance shares;

- stock units;

- stock bonuses; or

- cash bonuses based on performance.

Awards may be granted individually or in combination with other awards. Any cash bonuses and certain types of stock-based performance awards under the plan will depend upon the extent to which performance goals set by the administrator are met during the performance period.

Awards under the plan generally will be nontransferable, subject to such exceptions such as a transfer to a family member or to a trust, as authorized by the administrator.

Nonqualified stock options and other awards may be granted at prices below the fair market value of the common stock on the date of grant. Restricted stock awards can be issued for nominal or the minimum lawful consideration. Incentive stock options must have an exercise price that is at least equal to the fair market value of the common stock, or 110% of fair market value of the common stock for any owner of more than 10% of our common stock, on the date of grant. These and other awards may also be issued solely or in part for services.

Administration. The plan will be administered by our board of directors or a committee of directors appointed by the board. Currently, our board has delegated general administrative authority over the plan to our compensation committee.

The administrator of the plan has broad authority to:

- designate recipients of awards;

- determine or modify, subject to any required consent, the terms and provisions of awards, including the price, vesting provisions, terms of exercise and expiration dates;

- approve the form of award agreements;

- determine specific objectives and performance criteria with respect to performance awards;

- construe and interpret the plan; and

- reprice, accelerate and extend the exercisability or term, and establish the events of termination or reversion of outstanding awards.

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Change of Control. Upon a change of control event, each option and stock appreciation right will become immediately exercisable, restricted stock will immediately vest free of restrictions, and the number of shares, cash or other property covered by each performance award will be issued to the holder of the award, unless our board of directors determines to the contrary. Generally speaking, a change of control event will be triggered under the plan:

- upon our dissolution or liquidation;

- in connection with certain mergers or consolidations of ACME Communications, Inc. into or with, or upon a sale of all or substantially all of our assets to another entity other than one of our affiliates where our stockholders before the transaction own less than 50% of the surviving entity;

- if a change in ownership of more than 50% of our outstanding common stock occurs; or

- if a majority of our board of directors changes, other than through normal appointments and succession, over a period of two years or less.

The administrator of the plan may also provide for alternative settlements of awards, the assumption or substitution of awards, or other adjustments of awards, in connection with a change of control or other reorganization of ACME Communications, Inc.

Plan Amendment, Termination and Term. Our board of directors may amend, suspend or discontinue the plan at any time, but no such action will affect any outstanding award in any manner materially adverse to a participant without the consent of the participant. Plan amendments will generally not be submitted to stockholders for their approval unless such approval is required by applicable law.

The plan will remain in existence as to all outstanding awards until such awards are exercised or terminated. The maximum term of options, SARs and other rights to acquire common stock under the plan is 10 years after the initial date of award, subject to provisions for further deferred payment in certain circumstances. No award can be granted ten years after adoption of the plan by our board of directors.

Payment for Shares. The exercise price of options or other awards may generally be paid in cash or, subject to certain restrictions, shares of common stock. Subject to any applicable limits, we may finance or offset shares to cover any minimum withholding taxes due in connection with an award.

Federal Tax Consequences. The current federal income tax consequences of awards authorized under the plan follow certain basic patterns. Generally, awards under the plan that are includable in the income of the recipient at the time of exercise, vesting or payment, such as nonqualified stock options, SARs, restricted stock and performance awards, are deductible by us, and awards that are not required to be included in the income of the recipient, such as incentive stock options, are not deductible by us.

Generally speaking, Section 162(m) of the Internal Revenue Code provides that a public company may not deduct compensation, except for compensation that is commission or performance-based paid to its chief executive officer or to any of its four other highest compensated officers to the extent that the compensation paid to such person exceeds $1 million in a tax year. The regulations exclude from these limits compensation that is paid pursuant to a plan in effect before the time that a company is publicly held. We expect that compensation paid under the plan will not be subject to Section 162(m) in reliance on this transition rule, as long as such compensation is paid or stock options, SARs, and/or

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restricted stock awards are granted before the earlier of a material amendment to the plan or our annual stockholders meeting in the year 2003.

In addition, we may not be able to deduct certain compensation attributable to the acceleration of payment and/or vesting of awards in connection with a change of control event should that compensation exceed certain threshold limits under Section 280G of the Internal Revenue Code.

Non-Exclusive Plan. The plan is not exclusive. Our board of directors (or its delegate), under Delaware law, may grant stock and performance incentives or other compensation, in stock or cash, under other plans or authority.

Specific Awards. Approximately 2,783,341 shares are subject to options that will be outstanding before the consummation of this offering, and the balance of 1,416,659 shares remain available for grant purposes.

The shares covered by currently outstanding options represent the 10-year stock option grants authorized by our compensation committee in late August 1999. The outstanding option grants consist of:

- Options to acquire 283,500 shares upon conversion of our long-term incentive compensation plan awards. These options were granted at an exercise price of $15.00 per share and vest in equal thirds on December 31, 2000, 2001 and 2002.

- Options to acquire approximately an additional 215,750 shares granted as incentives to employees and other eligible persons. Of these grants, options to acquire 58,500 shares were granted at an exercise price of $18.00 per share and options to acquire 157,250 shares were granted at an exercise price equal to the initial public offering price of our shares of common stock. These options vest in equal installments over five years.

- Options to acquire an additional 2,284,091 shares, or approximately 12% of our common stock after giving effect to this offering, were granted to Messrs. Kellner, Gealy, and Allen. Of this number, options to acquire 913,635 shares were granted to Mr. Kellner, options to acquire 685,228 shares were granted to Mr. Gealy, and options to acquire 685,228 shares were granted to Mr. Allen. These options were granted at an exercise price equal to the initial public offering price of our shares of common stock and vest in four equal annual installments with the first installment vesting on the first anniversary of this offering. Vesting of these options may accelerate in some circumstances including, upon change of control and termination without cause.

401(K) PLAN

In 1998, we established a 401(k) defined contribution plan which covers all eligible employees. Participants in the 401(k) are allowed to make nonforfeitable contributions up to 15% of their annual salary, but may not exceed the annual maximum contribution limitations established by the Internal Revenue Service. We currently match 50% of the amounts contributed by each participant but do not match participant's contributions in excess of 6% of their contribution per pay period. We contributed and expensed $200,000 to the 401(k) in 1998.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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The following contains information regarding the beneficial ownership of our common stock for:

- certain holders or groups of related holders who, individually or as a group, are the beneficial owners of 5% or more of our common stock;

- the executive officers;

- each director who beneficially owns shares of our common stock;

- our executive officers and directors as a group; and

- those stockholders who will sell shares to the extent the over-allotment option is exercised.

Unless otherwise noted, the address for each person or entity named below is c/o ACME Communications, Inc. 2101 E. Fourth Street, Suite 202, Santa Ana, California 92705.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as indicated by footnote, and subject to community property laws where applicable, the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

Because our reorganization will not be completed until after the date of this prospectus, we have calculated the conversion of the limited liability company membership interests into shares of our common stock assuming that the mid-point of the range of offering price per share on the cover of this prospectus will be the actual offering price and also assumes our conversion from a limited liability company into a C corporation immediately before the closing of this offering. Pursuant to the ACME Television Holdings, LLC operating agreement, in connection with our reorganization, as the offering price increases, Messrs. Kellner, Gealy and Allen receive a disproportionately greater share of our pre-offering equity relative to our other pre-offering stockholders. Accordingly, if the offering price is higher than $20.00 per share, Messrs. Kellner, Gealy and Allen will have a greater percentage of our equity and our other pre-offering stockholders will have a lesser percentage, both before and after the offering. Similarly, if the offering price is lower than $20.00 per share, Messrs. Kellner, Gealy and Allen will have a lesser percentage of our equity and our other pre-offering stockholders will have a greater percentage. Within the $19.00 - $21.00 per share offering price range, these percentage differences are not substantial. These differences do not, in any event, affect the aggregate number of shares and aggregate percentage ownership of our pre-offering stockholders taken as a group, including Messrs. Kellner, Gealy and Allen.

Because this table assumes no exercise of the underwriters' over-allotment option and because our existing stockholders will only sell to the extent the option is exercised, the table below does not reflect any shares they may sell.

<TABLE>
<CAPTION>

	NUMBER OF SHARES	PERCENTAGE OF COMMON STOCK BENEFICIALLY OWNED

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NAME AND ADDRESS OF BENEFICIAL OWNER	BENEFICIALLY OWNED	BEFORE OFFERING	AFTER OFFERING
Jamie Kellner	619,689	5.27%	3.70%
Doug Gealy	449,150	3.82	2.68
Tom Allen	446,419	3.80	2.67
Edward Danduran	--	*	*
James Collis(1)(2)	1,598,322	13.60	9.54
Thomas Embrescia(3)	332,389	2.82	1.99
Brian McNeill(1)(4)	1,598,322	13.60	9.54
Michael Roberts	490,697	4.18	2.93
Darryl Schall(1)(5)	1,527,241	13.00	9.12
BancBoston Ventures Inc.(6)	1,608,748	13.69	9.60
Alta Communications, Inc./Burr, Egan, Deleage & Co., Inc.(4)	1,598,322	13.60	9.54
CEA ACME, Inc.(2)	1,598,322	13.60	9.54
TCW Asset Management Company(5)	1,527,241	13.00	9.12
Peregrine Capital, Inc.(7)	734,829	6.25	4.39
Continental Casualty Company/Loews Corporation(8)	877,824	7.47	5.24
Capital Research & Management Co.(9)	410,808	3.50	2.45
ACME Capital Partners(10)	206,799	1.76	1.23
Lincoln National Life Insurance Company(11)	205,393	1.75	1.23
1994 Embrescia FITrust f/b/o F.M. Embrescia(12)	68,492	*	*
1994 Embrescia FITrust f/b/o M.M. Embrescia(13)	68,492	*	*
1994 Embrescia FITrust f/b/o A.M. Embrescia(14)	68,492	*	*
Canyon Partners(15)	61,613	*	*
Jonathan Pinch & Linda Pinch(16)	50,362	*	*
Larry S. Blum Living Trust(17)	20,145	*	*
Post Advisory Group(18)	20,553	*	*
All directors and executive officers as a group (9 persons)	7,062,229	60.09	42.17

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* Represents beneficial ownership of less than 1%.

(1) Will resign from his position after the pricing of this offering but before our reorganization in accordance with our short-form application to the FCC and has agreed to become a director again after FCC approval of our long-form application.

(2) Includes 29,255 shares held by CEA ACME, Inc. and 1,199,238 shares held by CEA Capital Partners USA, L.P. and 369,829 shares held by CEA Capital Partners USA CI, L.P., two limited partnerships which own CEA ACME, Inc. Mr. Collis, one of our directors, is an Executive Vice President of CEA Management Corp., a corporation formed to manage CEA Capital Partners USA, L.P. and CEA Capital Partners USA CI, L.P., which own CEA ACME, Inc. and therefore may be deemed to having voting and investment power over the shares. Mr. Collis and CEA Management Corp. have no pecuniary interest in and disclaim beneficial ownership of these shares. The address for CEA Management Corp. is 17 State Street, 35th Floor, New York, NY 10004.

(3) Includes 68,492 shares held by each of three trusts, 1994 Embrescia FITrust f/b/o F.M. Embrescia, 1994 Embrescia FITrust f/b/o M.M. Embrescia and 1994 Embrescia FITrust f/b/o A.M. Embrescia, of which Mr. Embrescia is trustee. Mr. Embrescia is deemed to be the beneficial owner of these shares. The address for Mr. Embrescia is 1228 Euclid Avenue, Suite 860, Cleveland, OH 44115. Mr. Embrescia has granted the

underwriters an option to purchase up to 25,634 shares of his common stock pursuant to the underwriters' over-allotment option.

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(4) Includes 399,580 shares held by Alta Subordinated Debt Partners III, LP, 1,172,062 shares held by Alta Communications VI, LP, and 26,680 shares held by Alta Comm S by S, LLC. Alta Subordinated Debt Partners III, L.P. is managed by Burr, Egan, Deleage & Co., Inc. and Alta Communications VI, L.P. and Alta Comm S By S, LLC are indirectly managed by Alta Communications, Inc. which may be deemed to have investment powers with respect to the shares held by these partnerships. Mr. McNeill is the general partner of the general partner of Alta Subordinated Debt Partners III and of Alta Communications VI and is a member of Alta Comm S by S, and may be deemed to have investment power with respect to the shares owned by these funds. Mr. McNeill disclaims beneficial ownership of the shares held by these funds, except to the extent of his proportionate pecuniary interest therein. The address for both Alta Communications, Inc. and Burr, Egan, Deleage & Co., Inc., which have common ownership, is One Post Office Square, Suite 3800, Boston, MA 02109.

(5) Includes 1,039,497 shares held by TCW Leveraged Income Trust, LP, and 487,744 shares held by TCW Shared Opportunity Fund II LP, investment funds for which TCW Asset Management provides investment advisory services. Mr. Schall is a Senior Vice President of TCW Asset Management and may be deemed to have investment powers with respect to the shares owned by these funds. Mr. Schall has no pecuniary interest in and disclaims beneficial ownership of these shares. The address for TCW Asset Management Company is 11100 Santa Monica Boulevard, Suite 2000, Los Angeles, CA 90025. Affiliates of TCW Asset Management Company have granted the underwriters an option to purchase up to 308,481 shares of its common stock pursuant to the underwriters' over-allotment option.

(6) BankBoston Corporation directly or indirectly has voting control with respect to the stock of BancBoston Ventures. The address for BancBoston Ventures Inc. is 100 Federal Street, Boston, MA 02110.

(7) Linda D. Rose and David J. Alderman directly or indirectly have voting control with respect to the stock of Peregrine Capital, Inc. The address for Peregrine Capital, Inc. is 9725 SW Beaverton-Hillsboro Hwy., Suite 350, Beaverton, OR 97005-3366.

(8) Lawrence A. Tisch and Preston R. Tisch directly or indirectly have voting control with respect to the stock of the Loews Corporation, the parent corporation of Continental Casualty Company. The address for Continental Casualty/Loews is 667 Madison Ave., 7th Fl., New York, NY 10021. Continental Casualty has granted the underwriters an option to purchase up to 177,308 shares of its common stock pursuant to the underwriters' over-allotment option.

(9) Capital Research has granted the underwriters an option to purchase up to 82,976 shares of its common stock pursuant to the underwriters' over-allotment option. The address for Capital Research is 667 Madison Avenue, 7th Floor, New York, NY 10021.

(10) ACME Capital Partners has granted the underwriters an option to purchase up to 41,770 shares of its common stock pursuant to the underwriters' over-allotment option. The address for ACME Capital Partners is 101 E. Kennedy Blvd., Suite 3300, Tampa, FL 33602.

(11) Lincoln National has granted the underwriters an option to purchase up to 41,487 shares of its common stock pursuant to the underwriters' over-allotment option. The address for Lincoln Partners is 200 East Berry Street 2R02, Fort Wayne, IN 46807.

(12) 1994 Embrescia FITrust f/b/o F.M. Embrescia has granted the underwriters an option to purchase up to 13,835 shares of its common stock pursuant to the underwriters' over-allotment option. The address for 1994 Embrescia FITrust

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f/b/o F.M. Embrescia is c/o Mr. Embrescia, 1228 Euclid Avenue, Suite 860, Cleveland, OH 44115.

(13) 1994 Embrescia FITrust f/b/o M. M. Embrescia has granted the underwriters an option to purchase up to 13,835 shares of its common stock pursuant to the underwriters' over-allotment option. The address for 1994 Embrescia FITrust f/b/o M.M. Embrescia is c/o Mr. Embrescia, 1228 Euclid Avenue, Suite 860, Cleveland, OH 44115.

(14) 1994 Embrescia FITrust f/b/o A. Embrescia has granted the underwriters an option to purchase up to 13,835 shares of its common stock pursuant to the underwriters' over-allotment option. The address for 1994

Embrescia FITrust f/b/o A. Embrescia is c/o Mr. Embrescia, 1228 Euclid Avenue, Suite 860, Cleveland, OH 44115.

(15) Canyon Partners has granted the underwriters an option to purchase up to 12,445 shares of its common stock pursuant to the underwriters' over-allotment option. The address for Canyon Partners is 9665 Wilshire Blvd., #200, Beverly Hills, CA 90212.

(16) Jonathan Pinch & Linda Pinch have granted the underwriters an option to purchase up to 10,173 shares of their common stock pursuant to the underwriters' over-allotment option. The address for Jonathan Pinch & Linda Pinch is 1228 Euclid Avenue, Suite 860, Cleveland, OH 44115.

(17) Larry S. Blum Living Trust has granted the underwriters an option to purchase up to 4,070 shares of its common stock pursuant to the underwriters' over-allotment option. The address for Larry S. Blum Living Trust is 1228 Euclid Avenue, Suite 860, Cleveland, OH 44115

(18) Post Advisory Group has granted the underwriters an option to purchase up to 4,151 shares of its common stock pursuant to the underwriters' over-allotment option. The address for Post Advisory Group is 18880 Century Park East, Suite 820, Los Angeles, CA 90067.

CERTAIN TRANSACTIONS

THE WB TELEVISION NETWORK

Our stations have entered into affiliation agreements and, from time to time, related marketing arrangements with The WB Network. Mr. Kellner is an owner and the Chief Executive Officer of The WB Network. We believe that the terms of each of these affiliation agreements or marketing agreements are or were at least as favorable to us or our affiliates as those that could be obtained from an unaffiliated party.

AGREEMENTS WITH VARIOUS SELLERS OF STATIONS

Pursuant to June 1995 agreements among Koplar Communications, Inc. the company from which we acquired KPLR, Roberts Broadcasting, and its owners, Michael Roberts and his brother Steven Roberts, Roberts Broadcasting cannot (a) transfer its license for WHSL, East St. Louis, Missouri, (b) commit any programming time of the station for commercial programming or advertising or (c)

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enter into a local marketing agreement with respect to such station until June 1, 2000. If the current affiliation agreement for WHSL is terminated, the substitute format must be substantially similar to the current home shopping network format or, in the alternative, an infomercial format. Annual payments from KPLR under the agreements were $200,000 in each of 1995, 1996 and 1997 and subsequent to our acquisition of KPLR, we paid a total of $300,000 in each of 1998 and 1999. Both Michael and Steven Roberts are stockholders of our Company and Michael Roberts is one of our directors.

In connection with our stations in Utah and New Mexico, we entered into long-term agreements to lease studio facilities and/or transmission tower space from an affiliate of Michael and Steven Roberts. These leases have terms of approximately fifteen years and provide for monthly payments aggregating approximately $25,000, subject to adjustment based on the Consumer Price Index. In addition, upon consummation of this offering, entities affiliated with Michael and Steven Roberts have the option to purchase the studio building in Albuquerque from us at its original cost and to lease it back to us at fair market value. In October 1998, we paid Michael Roberts an $80,000 finder's fee in connection with our purchase of the property.

In connection with our purchase of KWBP in June 1997, Peregrine Capital, Inc., one of our stockholders, acquired 4,400 membership units in our predecessor, ACME Television Holdings, LLC as part of the purchase price for KWBP. In addition, we loaned the seller of KWBP, an affiliate of Peregrine Capital, approximately $119,000. This loan was repaid in July 1999. In January 1998, we purchased the construction permit for KWBQ, formerly KAOU, from an affiliate of Michael Roberts and Steven Roberts for $10,000. In connection with our purchase of WTVK in June 1998, Thomas Embrescia one of our directors and stockholders and his affiliates, collectively acquired 2,062.5 membership units in our predecessor, ACME Television Holdings, LLC, as part of the purchase price for WTVK. In connection with our purchase of KUPX, one of our directors, Michael Roberts and Steven Roberts, each acquired 3,000 membership units in our predecessor, ACME Television Holdings, LLC, as part of the purchase price for KUPX in December 1997. In addition, in December 1997, we loaned Michael Roberts and Steven Roberts $4.0 million, in connection with the purchase of KUPX. This loan was repaid in connection with the closing of the KUPX sale in February 1999.

VOTING AGREEMENTS

To satisfy FCC requirements until our pending long-form change of control application is approved by the FCC and becomes final, we have entered into an interim voting agreement with Messrs. Kellner, Gealy, Allen, Embrescia and Roberts, and certain investment funds managed by or affiliated with Alta Communications, BancBoston, CEA Capital and TCW Asset Management Company, all of whom are current stockholders. Under the interim voting agreement, the stockholders have agreed to vote their common stock to permit Messrs. Kellner, Gealy and Allen to elect our board of directors but retain approval rights over some corporate actions. In addition, these stockholders are parties to a long-term voting agreement that takes effect when we receive the final order by the FCC for our long-term application. Pursuant to the long-term voting agreement, if it takes effect, Messrs. Kellner, Gealy, Allen, Embrescia and Roberts and affiliates of Alta Communications, BancBoston, CEA Capital and TCW Asset Management Company will be able to elect at least a majority of our board. If it takes effect, the long-term voting agreement will expire two years from the closing of this offering. In addition to being stockholders, Messrs. Kellner, Gealy, Allen, Embrescia and Roberts are all directors.

AGREEMENTS WITH OTHER STOCKHOLDERS AND DIRECTORS

On October 1, 1997, in connection with our acquisition of KWBP, we paid CEA, Inc., an affiliate of one of our stockholders, CEA Capital Partners, a broker's fee of approximately $176,000. On the same day, we paid CEA, Inc., $132,000 in connection with the purchase of WBXX, $25,000 in connection with the purchase of the construction permit for KWBQ (formerly KAOU), $45,000 in

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connection with the purchase of the construction permit for KUPX (formerly KZAR) and $889,000 in connection with the purchase of KPLR, as broker's fees in each of the transactions. Additionally, in connection with the recent acquisition of WBUI, WIWB and WBDT, we paid CEA, Inc. a broker's fee of $125,000. CEA, Inc. also received compensation from the seller in connection with the purchase of WBUI, WIWB and WBDT. One of our directors, Mr. Collis, is an officer of an affiliate of CEA Capital Partners.

In June and September 1997, we issued 10% convertible debentures with the right to convert into 24,775,970 membership units to affiliates of Alta Communications, Banc Boston, CEA Capital Partners and TCW Asset Management Company, each of which are stockholders of our company. Another of our directors, Mr. Schall, is an officer of an affiliate of TCW Asset Management Company and Mr. McNeill, also one of our directors, is an officer of an affiliate of Alta Communications.

In connection with the sale of the 12% senior secured notes in September 1997, we paid CEA, Inc. $165,622 in financing fees and $527,378 in connection with the sale of the 10 7/8% senior discount notes. Additionally, in connection with each of the June and September 1997 issuances of membership units and 10% convertible debentures, we paid CEA, Inc. a financing fee of $440,000 and $1.1 million.

In February 1999, we exercised our option to purchase the property where KWBP is located for $1.5 million from an affiliate of Peregrine Capital. Before the purchase, we leased the property from the same affiliate.

We believe that the terms of each of the foregoing transactions are or were at least as favorable to us or our affiliates as those that could be obtained from an unaffiliated party.

FORMATION TRANSACTIONS

In June 1997, we issued to each of Mr. Kellner, Mr. Gealy and Mr. Allen membership units with a preferential return at 2.0 times the rate of return on all non-founder membership units. Mr. Kellner acquired 290 membership units, Mr. Gealy acquired 160 membership units and Mr. Allen acquired 150 membership units, all at $1,000 per unit. In June and September 1997, we issued 1,342.5 membership units, all at $1,000 per unit, to affiliates of BancBoston, CEA Capital Partners, Alta Communications, ACME Capital Partners and TCW Asset Management Company with a preferential return at 1.5 times the rate of return on all non-founder membership units.

Also in connection with our formation, we issued to Mr. Kellner an additional 40 management carry units, to Mr. Gealy 30 management carry units and to Mr. Allen 30 management carry units in consideration for their founding our company and their services to us.

BRIDGE LOAN

On April 23, 1999, to finance in part the acquisition of WBDT, WIWB and WBUI affiliates of certain of our stockholders, Alta Communications, TCW Asset Management Company, BancBoston and CEA Capital Partners agreed to make a $15.0 million loan to us, $7 million of which was paid on April 23, 1999 and $8 million of which was paid on June 23, 1999. Interest on the loan accrues beginning at 22.5% per year and escalates quarterly after six months and is due on the earlier of April 2002 or consummation by us of any debt or equity financings generating net proceeds greater than the outstanding loan balance. We anticipate that we will use the proceeds of this offering to repay the investors in full for the loan. Three of our directors are officers of entities making the loans. Brian McNeill is an officer of an affiliate of Alta Communications, Darryl Schall is an officer of an affiliate of TCW Asset Management Company and James Collis is an officer of an affiliate of CEA Capital Partners.

KWBQ OPTION

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In connection with the closing of the KASY purchase and the KWBQ sale, we anticipate that Ramar Communications will grant Montecito Communications, LLC, a limited liability company owned entirely by Messrs. Kellner, Gealy and Allen, an option to purchase KWBQ for an exercise price of $100,000. We anticipate that Montecito will assign the option to us immediately after the closing of the sale of KWBQ. We anticipate that the closing of these transactions will take place in the fourth quarter of 1999.

REGISTRATION RIGHTS

Rights of ACME Television Holdings, LLC Unitholders

We have entered into a Registration Rights Agreement with some of our existing investors. At any time after the earlier to occur of (a) June 30, 2002 or (b) 180 days after the consummation of this offering, a majority in interest of these holders may demand that we file a registration statement under the Securities Act covering all or a portion of the securities of ours held by them. However, the securities to be registered must have an anticipated aggregate public offering price of at least $7.5 million. These holders can effect two such demand registrations.

When we are eligible to use a Registration Statement on Form S-3 to register an offering of our securities, these stockholders may request that we file a registration statement on

Form S-3, covering all or a portion of securities of ours held by them, provided that the aggregate public offering price is at least $2.0 million. These stockholders can request that we file one S-3 registration statement per year.

These registration rights will be subject to our right to delay the filing of a registration statement, not more than once in any 12-month period, for not more than 90 days.

In addition, these stockholders will have certain "piggyback" registration rights. If we propose to register any common stock under the Securities Act, other than pursuant to the registration rights noted above, these stockholders may require us to include all or a portion of their securities in such registration. However, the managing underwriter, if any, of any such offering has certain rights to limit the number of registrable securities proposed to be included in such registration.

We would bear all registration expenses incurred in connection with these registrations. The stockholders would pay all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of its securities.

The registration rights of these stockholders under the registration rights agreement terminate when that entity may transfer its securities under rule 144 promulgated under the Securities Act or have otherwise been transferred.

Rights of Holders of Membership Units Issued September 1997

In September 1997, ACME Intermediate privately placed 71,634 units consisting of the 12% senior secured notes and membership units in ACME Intermediate, pursuant to which certain investors acquired approximately 6% of the membership interests of ACME Intermediate. Concurrently, an affiliate of TCW Asset Management Company acquired convertible debentures and preferred membership units issued by one of our subsidiaries which are convertible into membership units representing approximately 2% of the membership interests in ACME Intermediate. In conjunction with the September 1997 private placement, we entered into the membership unitholders agreement, dated September 30, 1997 with CIBC Wood Gundy Securities Corp. which provides the purchasers of the membership units and convertible securities with certain registration rights. As described in the section entitled "The Reorganization" we will exchange shares of our common stock for these interests in ACME Intermediate. At any time after the consummation of this offering, holders of 25% of the common stock issued in exchange for the securities related to ACME Intermediate may demand that we file a registration statement under the Securities Act covering all or a portion of their shares of our common stock. These holders can effect two such demand

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registrations.

In addition, these holders will have certain "piggyback" registration rights. If we propose to register any common stock under the Securities Act, other than pursuant to the registration rights noted above, these holders may require us to include all or a portion of their securities in such registration. However, the managing underwriter, if any, of such offering has certain rights to limit the number of registrable securities proposed to be included in such registration.

The holders making the demand would bear all registration expenses incurred in connection with any demand registrations and we would bear all registration expenses incurred with any other registrations. The holders would pay all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of its securities.

Rights of Certain Acme Communication, Inc. Stockholders

In connection with our reorganization, we intend to enter into a registration rights agreement with all of our stockholders immediately before the offering. This agreement will supersede both of the ACME Television Holdings Registration Rights Agreement and the ACME Intermediate Registration Rights Agreement. The rights of our current stockholders under the new registration rights agreement will be substantially similar to the rights of the parties to the ACME Television Holdings Registration Rights Agreement described above.

THE REORGANIZATION

Immediately before the closing of the offering, we will complete the reorganization described below. The FCC granted approval of our short-form application to complete the reorganization subject to our entry into an interim voting agreement. We expect the period to request FCC reconsideration of the grant of our short-form application to expire in mid-October 1999.

First, ACME Communications will issue common stock in exchange for all of the convertible debentures of ACME Television Holdings, LLC.

Second, ACME Communications will exchange shares of its common stock for (a) membership units representing approximately 6% of ACME Intermediate and (b) all of the convertible debentures and preferred convertible membership units of ACME Subsidiary Holdings IV, LLC.

Third, a subsidiary of ACME Communications will merge into ACME Television Holdings, LLC. In this merger, ACME Television Holdings, LLC's membership units will be exchanged for shares of common stock of ACME Communications.

Fourth, ACME Subsidiary Holdings, LLC, a wholly-owned subsidiary of ACME Television Holdings, LLC, will be merged into ACME Communications, which will be the surviving corporation.

Lastly, ACME Subsidiary Holdings IV, LLC will be merged into ACME Communications, which will be the surviving corporation. After this merger, ACME Communications will own directly or indirectly 100% of the membership units of

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each of ACME Television Holdings, LLC and of ACME Intermediate.

[Pre-Reorg. Corporate Structure Flow Chart]

[Post-Reorg. Corporate Structure Flow Chart]

DESCRIPTION OF CAPITAL STOCK

GENERAL

Immediately before the closing of this offering, our authorized capital stock will consist of 50,000,000 shares of common stock, $0.01 par value and 10,000,000 shares of preferred stock, $0.01 par value.

As of June 30, 1999, assuming the conversion of our business form into a C corporation, there were outstanding 11,750,000 shares of common stock, each with a par value of $0.01, held of record by 32 stockholders.

COMMON STOCK

Subject to the preferences of any preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of legally available assets as and when determined by our board. Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. Our certificate of incorporation does not authorize cumulative voting for the election of our directors, which means that the holders of a majority of the shares voted can elect all of our directors then standing for election. Our common stock is not entitled to preemptive rights and is not subject to conversion or redemption. Upon liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our common stock after payment of liquidation preferences, if any, on any outstanding preferred stock and payment of other claims of creditors. Each outstanding share of our common stock is, and all shares of our common stock to be outstanding upon completion of this offering will be upon payment therefore, duly and validly issued, fully paid and nonassessable.

PREFERRED STOCK

Our board is authorized, subject to any limitations prescribed by Delaware law, to issue preferred stock in one or more series. Our board can fix the rights, preferences and privileges of the shares of each series and any qualifications, limitations or restrictions thereon.

Our board may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes could, among other things, under certain circumstances, have the effect of delaying, deferring or preventing a change of control of our company. We have no current plan to issue any shares of preferred stock.

CERTAIN PROVISIONS OF OUR CERTIFICATE OF INCORPORATION AND BYLAWS

Advance Notice. Our bylaws provide that advance notice of all director nominations or other business matters proposed to be brought before an annual

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meeting of our stockholders be delivered to our secretary at our corporate office not later than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. This provision may make it more difficult for stockholders to nominate or elect directors or take action opposed by the board.

Special Meetings. Our bylaws provide that special meetings of the stockholders may be called only by the board of directors, the chairman of the board of directors or the

president. This provision may make it more difficult for stockholders to take action opposed by the board.

No Stockholder Action by Written Consent. Our certificate of incorporation provides that stockholders can take action only at an annual or special meeting of stockholders duly called in accordance with our bylaws. Accordingly, our stockholders will not be able to take action by written consent in lieu of a meeting. This provision may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Indemnification of Directors and Officers. Our certificate of incorporation and bylaws provide indemnification to the fullest extent permitted by law for expenses, attorney's fees, damages, punitive damages, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by any threatened, pending or completed proceeding by or in our right by reason of the fact that the person is or was serving as one of our directors or officers. If we request any of these indemnitees to act as a director, officer, partner, venturer, proprietor, employee, agent, or trustee of another enterprise, we will also indemnify that person. Our certificate of incorporation and bylaws provide for the advancement of expenses to an indemnified party if the party agrees to repay those amounts if it is finally determined that the indemnified party is not entitled to indemnification. In addition, we have entered into indemnification agreements with each of our directors and executive officers.

Our bylaws authorize us to take steps to ensure that all persons entitled to the indemnification are properly identified and indemnified, including, if the board of directors so determines, purchasing and maintaining insurance.

FOREIGN OWNERSHIP RESTRICTIONS

Our certificate of incorporation includes provisions designed to ensure that our control and management remains with citizens of the United States and/or corporations formed under the laws of the United States or any of the states of the United States, as required by the Communications Act.

These provisions include restrictions on transfers of our capital stock by an alien. For the purpose of these restrictions, an alien is (a) a person who is a citizen of a country other than the United States; (b) any entity organized under the laws of a government other than the government of the United States or any state, territory, or possession of the United States; (c) a government other than the government of the United States or of any state, territory, or possession of the United States, or (d) a representative of, or an individual or entity controlled by, any of the foregoing.

Specifically, our foreign ownership restrictions provide:

- We cannot issue to an alien any shares of our capital stock if such issuance would result in the total number of shares of such capital stock held or voted by aliens, or for or by the account of aliens, to exceed 25% of (a) the total number of all shares of such capital stock outstanding at any time and from time to time or (b) the total voting power of all shares of such capital stock outstanding and entitled to vote at any time and from time to time. We cannot permit the transfer on our books of any capital stock to any alien that would result in the total number of shares of such capital stock held or voted by aliens, or for or by the account of aliens, exceeding such 25% limits.

- No alien or aliens, individually or collectively, shall be entitled to

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vote or direct or control the vote of more than 25% of (a) the total number of all shares of our capital

stock outstanding at any time and from time to time or (b) the total voting power of all shares of our capital stock outstanding and entitled to vote at any time and from time to time. Issuance or transfer of our capital stock in violation of this provision is prohibited.

Our board of directors have all powers necessary to implement these provisions and ensure compliance with the alien ownership restrictions of the Communications Act, including the power to prohibit the transfer of any shares of our capital stock to any alien and to take or cause to be taken any action it deems appropriate to implement this prohibition. We will place a legend regarding restrictions on foreign ownership of the capital stock on certificates representing our capital stock.

In addition, any shares of our capital stock determined by the board of directors to be owned beneficially by an alien or aliens will always be subject to redemption by us by action of the board of directors or any other applicable provision of law, to the extent necessary, in the judgment of the board of directors, to comply with the alien ownership restrictions. The terms and conditions of redemption are as follows:

- the redemption price will be equal to the lower of (a) the fair market value of the shares to be redeemed, as determined by the board of directors in good faith, and (b) the alien's purchase price for such shares;

- the redemption price may be paid in cash, securities or any combination thereof;

- if less than all the shares held by aliens are to be redeemed, the shares to be redeemed will be selected in any manner determined by the board of directors to be fair and equitable;

- at least 10 days' prior written notice of the redemption date will be given to the holders of record of the shares selected to be redeemed unless waived in writing by any such holder, but the redemption date may be the date we give written notice to holders if the cash or securities necessary to effect the redemption have been deposited in trust for the benefit of those holders and subject to immediate withdrawal by them upon proper surrender;

- from and after the redemption date, the shares to be redeemed will cease to be regarded as outstanding and any rights of the holders in respect of the shares to be redeemed or attaching to such shares of whatever nature, including any rights to vote or participate in dividends declared on capital stock of the same class or series as such shares, will cease and those holders thereafter will be entitled only to receive the cash or securities payable upon redemption; and

- other terms and conditions as the board of directors determines.

CERTAIN PROVISIONS OF DELAWARE LAW

We are a Delaware corporation and are subject to the provisions of Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, the statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years

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after the date of the transaction by which that person became an interested stockholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and an interested stockholder is a person who, together with affiliates and associates, owns, or within three years prior did own, 15% or more of our voting stock.

VOTING AGREEMENTS

Interim Voting Agreement. To satisfy FCC requirements until our pending long-form change of control application with the FCC is approved and becomes final, we will enter into an interim voting agreement with Messrs. Kellner, Gealy, Allen, Roberts, Embrescia and our initial institutional investors, certain investment funds managed by or affiliated with Alta Communications, BancBoston, CEA Capital and TCW Asset Management Company. During the term of this interim voting agreement, our board of directors will be comprised of five members.

The parties to this interim voting agreement have agreed to vote their shares to elect Messrs. Kellner, Gealy and Allen to the board of directors. Additionally, these institutional investors have also agreed to vote their shares to elect to our board of directors two individuals designated by Messrs. Kellner, Gealy and Allen. Those two designees must be qualified under the Communications Act and the FCC's rules and not be in privity with Messrs. Kellner, Gealy or Allen. Messrs. Roberts and Embrescia are the two designees and their qualifications have been approved by the FCC. The parties to the interim voting agreement have agreed that their shares will be voted in the same manner as a majority of Messrs. Kellner, Gealy and Allen in their capacities as stockholders.

In consideration for their agreement to cast their votes as described above, these institutional investors will retain their approval rights under existing agreements entered into with respect to their investments in ACME Television Holdings.

At least 60% in interest of the institutional investors must approve the following actions:

- redemption of our shares;
- authorization or issuance of additional shares of our common stock;
- payment or declaration of dividends;
- our merger or consolidation;
- the reorganization or sale of us, our subsidiaries, or any of our material assets;
- entry into new businesses;

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- our consent to enter into bankruptcy;

- incurrence of substantial debt;

- significant capital expenditures;

- any change of control requiring FCC approval;

- significant acquisitions; and

- changes in senior management or senior management compensation.

Long-Term Voting Agreement. Messrs. Kellner, Gealy and Allen and certain investment funds managed by or affiliated with Alta Communications, BancBoston, CEA Capital and TCW Asset Management Company will enter into a two-year voting agreement that will become effective upon FCC approval of our pending long-term change of control application becoming a final order. Under this agreement, the parties will vote for the election to our board of three individuals designated by Messrs. Kellner, Gealy and Allen and three individuals designated by the institutional investors who are parties to that agreement. In each case, the designations are subject to reasonable approval of the group that has not

made the designations. The parties to the agreement will collectively hold more than 50% of our common stock, and the institutional investors as a separate group will own approximately 38% of our common stock following completion of this offering. As the institutional investors' aggregate percentage ownership decreases, the number of board members they will be able to designate will decline. In any event, this agreement will expire two years from the closing of this offering.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for our common stock is U.S. Stock Transfer Corporation.

LISTING

We have applied to list our common stock on the Nasdaq National Market under the trading symbol "ACME."

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have 16,750,000 shares of common stock outstanding. The 5,000,000 shares of common stock to be sold by us in this offering will be freely tradeable without restriction or limitation under the Securities Act, except for shares held by our affiliates, as defined under Rule 144 of the Securities Act. Shares of common stock held by our affiliates may be sold only if registered under the Securities Act or sold in accordance with an applicable exemption from registration, such as Rule 144. Our directors, executive officers and our existing stockholders have agreed not to sell, directly or indirectly, any shares owned by them for a period of 180 days after the date of this prospectus without the prior written consent of Deutsche Bank Securities Inc. See "Underwriting." Upon the expiration of this 180 day lock-up period, substantially all of these shares will become eligible for sale, subject to the restrictions of Rule 144.

RULE 144

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In general, under Rule 144, a person, or persons whose shares are aggregated, who has beneficially owned shares for at least one year, including our affiliates, would be entitled to sell, within any three-month period, that number of shares that does not exceed the greater of 1% of the then-outstanding shares of common stock and the average weekly trading volume in the common stock during the four calendar weeks immediately preceding the date on which the notice of sale is filed with the Securities and Exchange Commission, provided certain manner of sale and notice requirements and requirements as to the availability of current public information about us are satisfied. A holder of restricted securities who is not deemed an affiliate of the issuer and who has beneficially owned shares for at least two years would be entitled to sell shares under Rule 144(k) without regard to these limitations. Our affiliates must comply with the restrictions and requirements of Rule 144, other than the one-year holding period requirement, in order to publicly sell shares of common stock. As defined in Rule 144, an affiliate of an issuer is a person who, directly or indirectly, through the use of one or more intermediaries controls, or is controlled by, or is under common control with, such issuer.

RULE 701

In general, under Rule 701, any of our employees, consultants or advisors who purchases or receives shares from us in connection with a compensatory option plan will be eligible to resell their shares beginning 90 days after the date of this prospectus. Non-affiliates will be able to sell their shares subject only to the manner-of-sale provisions of Rule 144. Affiliates will be able to sell their shares without compliance with the holding period requirements of Rule 144.

REGISTRATION RIGHTS

Upon completion of this offering, the holders of 11,750,000 shares of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. See "Certain Transactions -- Registration Rights." Except for shares purchased by affiliates, registration of their shares under the Securities Act would result in such shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration.

STOCK OPTIONS

Immediately after this offering, we intend to file a registration statement under the Securities Act covering the shares of common stock reserved for issuance upon exercise of outstanding options. The registration statement is expected to be filed and become effective as soon as practicable after the closing of this offering. Accordingly, shares registered under the registration statement will, subject to Rule 144 volume limitations applicable to affiliates, be available for sale in the open market beginning 180 days after the effective date of the registrant statement of which this prospectus is a part.

CERTAIN U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of certain U.S. federal income and estate tax consequences of the ownership and disposition of common stock by a beneficial owner thereof that is a non-U.S. holder. A non-U.S. holder is a person or entity that, for U.S. federal income tax purposes, is a non-resident alien individual, a foreign corporation, a foreign partnership, or a foreign estate or trust.

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This discussion is based on the Internal Revenue Code of 1986, as amended, and administrative interpretations as of the date hereof, all of which are subject to change, including changes with retroactive effect. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. You should consult your own tax advisor with respect to the particular tax consequences to you of owning and disposing of common stock, including the consequences under the laws of any state, local or foreign jurisdiction.

DIVIDENDS

Subject to the discussion below, dividends paid to a non-U.S. holder of common stock generally will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. For purposes of determining whether tax is to be withheld at a 30% rate or at a reduced rate as specified by an income tax treaty, we ordinarily will presume that dividends paid on or before December 31, 1999 to an address in a foreign country are paid to a resident of such country absent knowledge that such presumption is not warranted.

Under United States Treasury Regulations issued on October 6, 1997, which are applicable to dividends paid after December 31, 2000, to obtain a reduced rate of withholding under a treaty, a non-U.S. holder will generally be required to provide an Internal Revenue Service Form W-8 certifying such non-U.S. holder's entitlement to benefits under a treaty. The new regulations also provide special rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends paid to a non-U.S. holder that is an entity should be treated as paid to the entity or those holding an interest in that entity.

There will be no withholding tax on dividends paid to a non-U.S. holder that are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States if a Form 4224 stating that the dividends are so connected is filed with us. Instead, the effectively connected dividends will be subject to regular U.S. income tax in the same manner as if the non-U.S. holder were a U.S. resident. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional branch profits tax that is imposed, under certain circumstances, at a rate of 30%, or such lower rate as may be specified by an applicable treaty, of the non-U.S. corporation's effectively connected earnings and profits, subject to certain adjustments. Under the new regulations, Form W-8 will replace Form 4224.

Generally, we must report to the U.S. Internal Revenue Service the amount of dividends paid, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder. Pursuant to tax treaties or certain other agreements, the U.S. Internal Revenue Service may make such reports available to tax authorities in the recipient's country of residence.

Dividends paid to a non-U.S. holder at an address within the United States may be subject to backup withholding imposed at a rate of 31% if the non-U.S. holder fails to establish that it is entitled to an exemption or to provide a correct taxpayer identification number and certain other information.

Under current United States federal income tax law, backup withholding imposed at a rate of 31% generally will not apply to dividends paid on or before December 31, 2000 to a non-U.S. holder at an address outside the United States unless the payer has knowledge that the payee is a U.S. person. Under the new regulations, however, a non-U.S. holder will be subject to backup withholding unless applicable certification requirements are met.

GAIN ON DISPOSITION OF COMMON STOCK

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A non-U.S. holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of common stock unless (a) the gain is effectively connected with a trade or business of such holder in the United States, (b) in the case of certain non-U.S. holders who are non-resident alien individuals and hold the common stock as a capital asset, such individuals are present in the United States for 183 or more days in the taxable year of the disposition, (c) the non-U.S. holder is subject to a tax pursuant to the provisions of the Internal Revenue Code regarding the taxation of U.S. expatriates, or (d) we are or have been a U.S. real property holding corporation within the meaning of Section 897(c)(2) of the Internal Revenue Code at any time within the shorter of the five-year period preceding such disposition or such holder's holding period. We are not, and do not anticipate becoming, a U.S. real property holding corporation.

INFORMATION REPORTING REQUIREMENTS AND BACKUP WITHHOLDING ON DISPOSITION OF COMMON STOCK

Under current United States federal income tax law, information reporting and backup withholding imposed at a rate of 31% will apply to the proceeds of a disposition of common stock by a non-corporate holder through a U.S. office of a broker unless the disposing holder certifies as to its non-U.S. status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding will not apply to a payment of disposition proceeds where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. However, unless the broker has documentary evidence that the holder is a non-U.S. holder, U.S. information reporting requirements, but not backup withholding, will apply to a payment of disposition proceeds where the transaction is effected outside the United States by or through an office outside the United States of a broker that is either (a) a U.S. person, (b) a foreign person which derives 50% or more of its gross income for certain periods form the conduct of a trade or business in the United States, (c) a controlled foreign corporation for U.S. federal income tax purposes or (d) in the case of payments made after December 31, 2000, a foreign partnership with connections to the United States, unless such broker has documentary evidence in its files of the holder's non-U.S. status and has no actual knowledge to the contrary or unless the holder establishes an exemption.

Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is furnished to the U.S. Internal Revenue Service.

FEDERAL ESTATE TAX

An individual non-U.S. holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in the common stock will be required to include the value thereof in his gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

UNDERWRITING

We intend to offer our common stock in the United States and Canada through a number of underwriters. Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and CIBC World Markets Corp. are acting as representatives of each of the U.S. underwriters named below. Subject to the terms and conditions set forth in a U.S. underwriting agreement among us and the U.S. representatives on behalf of the U.S. underwriters, we have agreed to sell to the U.S. underwriters, and each of the U.S. underwriters severally and not jointly has agreed to purchase from us, the number of shares of common stock set forth opposite its name below.

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UNDERWRITER	NUMBER OF SHARES
Deutsche Bank Securities Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated..........	
Morgan Stanley & Co. Incorporated..........................	
CIBC World Markets Corp....................................	
Total..	4,250,000

We intend to offer our common stock outside of the United States and Canada. Deutsche Bank AG London, Merrill Lynch International, Morgan Stanley & Co. International Limited and CIBC World Markets Corp. are acting as representatives for certain international underwriters. Subject to the terms and conditions set forth in the international underwriting agreement between us and the international representatives on behalf of the international underwriters, and concurrently with the sale of 4,250,000 shares of common stock to the U.S. underwriters pursuant to the U.S. underwriting agreement, we have agreed to sell to the international underwriters, and each of the international underwriters severally and not jointly has agreed to purchase from us, an aggregate of 750,000 shares of common stock. The public offering price per share of common stock and the underwriting discount per share of common stock are identical under the U.S. underwriting agreement and the international underwriting agreement.

Pursuant to an agreement between the U.S. and international underwriting syndicates relating to the two offerings, each of the U.S. underwriters named herein has agreed that, as a part of the distribution of the shares offered hereby and subject to certain exceptions, it will offer, sell or deliver the shares of our common stock, directly or indirectly, only in the U.S. including the states and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction, in Canada and to U.S. persons, which term means, for the purposes of this paragraph:

- any individual who is a resident of the United States; or

- any corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof and whose office most directly involved with the purchase is located in the United States.

Each of the international underwriters has agreed that, as a part of the distribution of the shares offered as a part of the international offering, and subject to certain exceptions, it will:

- not, directly or indirectly, offer, sell or deliver shares of common stock in the United States or to any U.S. persons or to any person who it believes intends to reoffer, resell or deliver the shares in the United States or to any U.S. persons; and

- cause any dealer to whom it may sell such shares at any concession to agree to observe a similar restriction.

Pursuant to the agreement between the U.S. and international syndicates,

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sales may be made between the U.S. underwriters and the international underwriters of shares of common stock as mutually agreed. The price of any shares so sold shall be the initial public offering price, less an amount not greater than the selling concession.

In the U.S. underwriting agreement and the international underwriting agreement, the several U.S. underwriters and international underwriters, respectively, have agreed, subject to the terms and conditions set forth therein, to purchase all of the shares of common stock being sold pursuant to each such agreement if any of the shares of common stock being sold under the terms of such agreement are purchased. In a default by an underwriter, each underwriting agreement provides that, in certain circumstances, the purchase commitments of the nondefaulting underwriters may be increased or the agreements may be terminated. The closing with respect to the sale of shares of common stock to be purchased by the U.S. underwriters and the international underwriters are conditioned upon one another.

We have agreed to indemnify the underwriters against certain liabilities, including certain liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The shares of common stock are being offered by the underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to consummation of the reorganization, approval of certain legal matters by counsel for the underwriters and certain other conditions. The underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part.

COMMISSIONS AND DISCOUNTS

The representatives have advised us that the underwriters propose initially to offer the shares of common stock to the public at the initial public offering price set forth on the cover page of this prospectus, and to certain dealers at such price less a concession not in excess of $ per share of common stock. The underwriters may allow, and such dealers may reallow, a discount not in excess of $ per share of common stock on sales to certain other dealers. After the initial public offering, the public offering price, concession and discount may change.

The following table shows the per share and total public offering price, underwriting discount to be paid by us to the underwriters and the proceeds before expenses to us. This information is presented assuming either no exercise or full exercise by the underwriters of the over-allotment option.

<TABLE>
<CAPTION>

<S>	PER SHARE <C>	WITHOUT OPTION <C>	WITH OPTION <C>
Public offering price......................	$	$	$
Underwriting discount......................	$	$	$
Proceeds, before expenses, to ACME..........	$	$	$
Proceeds, before expenses, to the selling stockholders............................	$	$	$

</TABLE>

The expenses of the offering, exclusive of underwriting discounts, include the Securities and Exchange Commission registration fee, the National Association of Securities Dealers filing fee, the Nasdaq National Market listing fee, printing expenses, legal fees and expenses, accounting fees and expenses, road show expenses, Blue Sky fees and expenses, transfer agent and registrar fees and other miscellaneous fees. The expenses of the offering, exclusive of the underwriting discount, are estimated at $987,000 and are payable by us.

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OVER-ALLOTMENT OPTION

The selling stockholders have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to an aggregate of 750,000 additional shares of our common stock at the public offering price set forth on the cover page of this prospectus, less the underwriting discount. The underwriters may exercise this option solely to cover over-allotments, if any, made on the sale of our common stock offered hereby. To the extent that the underwriters exercise this option, each underwriter will be obligated, subject to certain conditions, to purchase a number of additional shares of our common stock proportionate to such underwriter's initial amount reflected in the foregoing table.

RESERVED SHARES

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered hereby to be sold to some of our directors, officers, employees, business associates and related persons. The number of shares of our common stock available for sale to the general public will be reduced to the extent that those persons purchase the reserved shares. Any reserved shares that are not orally confirmed for purchase within one day of the pricing of the offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

LOCK-UP

We and our executive officers and directors and all existing stockholders have agreed, for a period of 180 days after the date of this prospectus, not to offer, sell, contract to sell, loan, pledge, grant any option to purchase, make any short sale or otherwise dispose of (a) any shares of our common stock, (b) any options or warrants to purchase any shares of our common stock or (c) any securities convertible into, exchangeable for or that represent the right to receive shares of our common stock. Certain gifts, transfers to trusts, and distributions to partners or shareholders of a stockholder are permitted where the transferee agrees to be similarly bound. Transfers may also be made where Deutsche Bank Securities Inc. on behalf of the underwriters consents in advance.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the representatives. The factors considered in determining the initial public offering price, in addition to prevailing market conditions, include:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;

- certain of our financial information;

- our history and our prospects;

- the industry in which we compete;

- an assessment of our management and its past and present operations;

- the prospects for, and timing of, our future revenue;

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- the present state of our development; and

- the market values and various valuation measures of other companies engaged in activities similar to ours.

We cannot be sure that an active trading market will develop for our common stock or that our common stock will trade in the public market subsequent to the offering at or above the initial public offering price.

PRICE STABILIZATION, SHORT POSITIONS AND PENALTY BIDS

Until the distribution of our common stock is completed, rules of the Securities and Exchange Commission may limit the ability of the underwriters and certain selling group members to bid for and purchase our common stock. As an exception to these rules, the representatives are permitted to engage in transactions that stabilize the price of our common stock. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of our common stock.

If the underwriters create a short position in our common stock in connection with the offering, that is, if they sell more shares of our common stock than are set forth on the cover page of this prospectus, the representatives may reduce that short position by purchasing our common stock in the open market. The representatives may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

The representatives may also impose a penalty bid on underwriters and selling group members. This means that if the representatives purchase shares of our common stock in the open market to reduce the underwriters' short position or to stabilize the price of our common stock, they may reclaim the amount of the selling concession from the underwriters and selling group members who sold those shares.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of our common stock to the extent that it discourages resales of our common stock.

Neither any of the underwriters nor we make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither any of the underwriters nor we make any representation that the representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

CERTAIN RELATIONSHIPS AND ARRANGEMENTS

Canadian Imperial Bank of Commerce, an affiliate of CIBC World Markets Corp., is a primary lender and the agent under our credit agreement. We pay CIBC a commitment fee on the unused portion of its commitment as a lender under our credit agreement; CIBC also receives a fee for its services as administrative agent. As a lender, CIBC may receive more than 10% of the net proceeds of this offering to repay debt under our credit agreement. Under the Conduct Rules of the National Association of Securities Dealers, Inc., special considerations apply where a member or person associated with a member participating in an offering is paid more than 10% of the net proceeds. Accordingly, this offering is being made pursuant to Rule 2710(c)(8) of the NASD's Conduct Rules, in conjunction with which Deutsche Bank Securities Inc., a representative, is acting as a qualified independent underwriter in pricing this offering, preparing this prospectus and conducting due diligence.

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LEGAL MATTERS

O'Melveny & Myers LLP, Newport Beach, California will pass upon the validity of the shares of common stock offered by this prospectus. Irell & Manella LLP, Los Angeles, California will pass upon certain legal matters for the underwriters.

EXPERTS

The consolidated financial statements and schedules of our predecessor ACME Television Holdings, LLC as of December 31, 1998 and 1997, and for each of the years in the two-year period ended December 31, 1998, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Koplar Communications, Inc. for each of the years in the two-year period ended December 31, 1998, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of Channel 32, Incorporated for each of the years in the two-year period ended June 30, 1996, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act of 1933 with respect to the common stock offered by this prospectus. As permitted by the rules and regulations of the SEC, this prospectus, which is part of the registration statement, omits certain information included in the registration statement and the exhibits, schedules and undertakings set forth in the registration statement. For further information pertaining to us and the common stock offered by this prospectus, reference is made to our registration statement and its exhibits and schedules. Statements contained in this prospectus concerning the contents of any contract or any other document referred to in the prospectus are not necessarily complete. In each instance, reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference.

We file reports and other information with the Securities and Exchange Commission. Such reports and other information, as well as a copy of the registration statement may be inspected without charge at the SEC's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's regional offices located at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of all or any part of the registration statement may be obtained from such offices upon the payment of the fees prescribed by the SEC. In addition, registration statements and certain other filings made with the SEC through its Electronic Data Gathering, Analysis and Retrieval system, including our registration statement and all exhibits and amendments to our registration statement, are publicly available through the SEC's Web site at http://www.sec.gov.

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ACME COMMUNICATIONS, INC.

BALANCE SHEET

	AS OF JULY 23, 1999 (UNAUDITED)
ASSETS	
Due from affiliates	$1,000
Total assets	$1,000

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STOCKHOLDER'S EQUITY	
Stockholder's equity	
Common stock, $.01 par value; 1,000 shares authorized; 100 shares issued and outstanding	$ 1
Additional paid-in capital	999
Total stockholder's equity	$1,000

</TABLE>

See accompanying notes to the balance sheet.

ACME COMMUNICATIONS, INC.

NOTES TO UNAUDITED BALANCE SHEET

(1) DESCRIPTION OF THE BUSINESS AND FORMATION

FORMATION AND PRESENTATION

ACME Communications, Inc. was formed as a wholly-owned subsidiary of ACME Television Holdings, LLC ("Parent") on July 23, 1999. On September 8, 1999, the Company received $1,000 from its Parent which represents its contributed capital. With the exception of the initial nominal capitalization of the company, the Company has not had any operations or other activities.

ACME Communications, Inc., is contemplating the issuance of common stock in an initial public offering. Immediately before the closing, ACME Communications, Inc., will complete a reorganization with ACME Television Holdings, LLC and will become the successor entity. ACME Communications, Inc. does not guarantee that it will be able to successfully complete the issuance of common stock in an initial public offering.

INDEPENDENT AUDITORS' REPORT

The Board of Advisors

ACME Television Holdings, LLC:

We have audited the accompanying consolidated balance sheets of ACME Television Holdings, LLC and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of operations and members' capital and cash flows for the years ended December 31, 1998 and 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing

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standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ACME Television Holdings, LLC and subsidiaries as of December 31, 1998 and 1997 and the results of operations and cash flows for each of the years then ended, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

Los Angeles, California

July 28, 1999

ACME TELEVISION HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	AS OF DECEMBER 31, 1997	AS OF DECEMBER 31, 1998	AS OF JUNE 30, 1999 (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 8,824	$ 1,001	$ 1,669
Accounts receivable, net	888	10,840	13,151
Current portion of program rights	614	6,357	6,508
Prepaid expenses and other current assets	3,121	416	798
Total current assets	13,447	18,614	22,126
Property and equipment, net	7,346	16,441	25,002
Program rights, net of current portion	587	8,046	5,757
Deposits	143,000	37	536
Deferred income taxes	--	3,811	3,971
Intangible assets, net	36,004	222,987	261,156
Other assets	20,091	18,146	11,734
Total assets	$220,475	$288,082	$330,282
LIABILITIES AND MEMBERS' CAPITAL			
Current liabilities:			
Accounts payable	$ 3,363	$ 4,425	$ 4,951
Accrued liabilities	651	4,210	7,851
Current portion of program rights payable	653	7,649	6,082
Current portion of obligations under lease	292	1,273	1,277
Total current liabilities	4,959	17,557	20,161
Program rights payable, net of current portion	1,351	6,512	4,964
Obligations under lease, net of current portion	443	4,199	4,078
Other liabilities	1,047	4,671	5,670
Deferred income taxes	--	31,241	33,439
Revolving credit facility	--	8,000	39,400
Bridge loan	--	--	15,000
Convertible debentures	24,756	24,756	24,756

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10 7/8% senior discount notes	130,833	145,448	153,357
12% senior secured notes	36,863	42,052	44,913
Total liabilities	200,252	284,436	345,738
Minority interest	3,917	2,233	830
Members' capital:			
Members' capital	23,785	30,832	41,532
Accumulated deficit	(7,479)	(29,419)	(57,818)
Total members' capital (deficit)	16,306	1,413	(16,286)
Total liabilities and members' capital (deficit)	$220,475	$288,082	$330,282

</TABLE>

See accompanying notes to the consolidated financial statements.

ACME TELEVISION HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS)

<TABLE>
<CAPTION>

	FOR THE YEARS ENDED DECEMBER 31,		FOR THE SIX MONTHS ENDED JUNE 30,	
	1997	1998	1998	1999
			(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>
Net revenues	$11,347	$ 43,928	$ 19,327	$ 26,635
Operating expenses:				
Station operating expenses	10,158	32,973	15,165	19,990
Depreciation and amortization	1,215	11,355	4,181	8,159
Corporate	1,415	2,627	1,194	1,483
Equity-based compensation	--	--	--	10,700
Total operating expenses	12,788	46,955	20,540	40,332
Operating loss	(1,441)	(3,027)	(1,213)	(13,697)
Other income (expenses):				
Interest income	287	231	188	27
Interest expense	(6,562)	(23,953)	(11,472)	(14,068)
Gain on sale of asset	--	1,112	--	--
Other	--	(380)	10	--
Loss before taxes and minority interest	(7,716)	(26,017)	(12,487)	(27,738)
Income tax benefit (expense)	--	2,393	365	(2,064)
Loss before minority interest	(7,716)	(23,624)	(12,122)	(29,802)
Minority interest	237	1,684	868	1,403
Net loss	$(7,479)	$(21,940)	$(11,254)	$(28,399)

</TABLE>

See accompanying notes to the consolidated financial statements.

ACME TELEVISION HOLDINGS, LLC AND SUBSIDIARIES

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CONSOLIDATED STATEMENTS OF MEMBERS' CAPITAL (DEFICIT)

(IN THOUSANDS)

	MEMBERS' CAPITAL	ACCUMULATED DEFICIT	TOTAL MEMBERS' CAPITAL (DEFICIT)
Balance at December 31, 1996	$ --	$ --	$ --
Issuance of units, net	23,785	--	23,785
Net loss	--	(7,479)	(7,479)
Balance at December 31, 1997	23,785	(7,479)	16,306
Issuance of units, net	7,047		7,047
Net loss	--	(21,940)	(21,940)
Balance at December 31, 1998	30,832	(29,419)	1,413
Equity-based compensation	10,700	--	10,700
Net loss	--	(28,399)	(28,399)
Balance at June 30, 1999 (unaudited)	$41,532	$(57,818)	$(16,286)

See accompanying notes to the consolidated financial statements.

ACME TELEVISION HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FOR THE YEARS ENDED DECEMBER 31,		FOR THE SIX MONTHS ENDED JUNE 30,	
	1997	1998	1998	1999
			(UNAUDITED)	
Cash flows from operating activities:				
Net loss	$ (7,479)	$(21,940)	$(11,254)	$(28,399)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,215	11,355	4,181	8,159
Amortization of program rights	1,433	5,321	2,195	3,250
Amortization of debt issuance costs	445	989	247	337
Amortization of discount on 10 7/8% senior discount notes	3,463	14,170	6,934	7,909
Amortization of discount on 12% senior secured notes	1,213	5,189	2,503	2,861
Minority interest allocation	(237)	(1,684)	(868)	(1,403)
Equity-based compensation	--	--	--	10,700
Deferred taxes	--	(2,393)	(345)	(962)
Gain on sale of assets	--	(1,112)	--	--
Changes in assets and liabilities:				
Increase in accounts receivables, net	(888)	(5,479)	(4,023)	(2,311)
(Increase) decrease in prepaid expenses	(3,060)	364	(691)	(353)
(Increase) decrease in due from affiliates	(7)	7	--	--
(Increase) other assets	--	(576)	--	--
Increase in accounts payable	3,363	59	102	526
Increase in deferred tax liability				3,000
Increase in accrued expenses	651	2,639	5,532	5,215
Payments on programming rights payable	(1,758)	(6,588)	(2,853)	(4,227)

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Increase (decrease) in other liabilities	1,047	(2)	(1,749)	(571)
Net cash provided by (used in) operating activities	(599)	319	(89)	3,731
Cash flows from investing activities:				
Purchases of property and equipment	(6,077)	(2,945)	(3,934)	(4,493)
Purchases of and deposits for station interests	(175,129)	(16,675)	(17,635)	(41,765)
Cash acquired in acquisition -- St. Louis	--	779	779	--
Proceeds from sale of station interest	--	3,337	--	--
Purchase of Sylvan Tower interest	--	--	--	(2,583)
Other	(10,524)	--	--	--
Net cash used in investing activities	(191,730)	(15,504)	(20,790)	(48,841)
Cash flows from financing activities:				
Increase in revolving credit facility	--	11,000	12,000	31,400
Increase in bridge loan	--	--	--	15,000
Payments on revolving credit facility	--	(3,000)	--	--
Payments on capital leases	(97)	(638)	1,935	(572)
Issuance of members' capital	19,385	--		
Issuance of convertible debentures	24,756	--	--	--
Issuance of 10 7/8% senior discount notes	127,370	--	--	--
Issuance of 12% senior secured notes	35,650	--	--	--
Debt issuance costs	(10,065)	--	14	(50)
Minority interest	4,154	--	--	--
Net cash provided by financing activities	201,153	7,362	13,949	45,778
Net increase (decrease) in cash	8,824	(7,823)	(6,930)	668
Cash at beginning of period	--	8,824	8,824	1,001
Cash at end of period	$ 8,824	$ 1,001	$ 1,894	$ 1,669
Supplemental disclosures of cash flow information:				
Cash payments for:				
Interest	$ 514	$ 864	$ 121	$ 630
Taxes	--	70	18	70
Non-cash transactions:				
Purchases of property and equipment in exchange for capital lease obligations	$ --	$ 5,375	$ 2,036	438
Issuance of equity in connection with station acquisitions	4,400	7,047	7,047	--
Use of deposit as consideration for purchase transaction	--	143,000	--	--
Exchange of note receivable and option deposit as purchase consideration for station interest	$ --	$ --	$ --	$ 7,000

</TABLE>

See accompanying notes to the consolidated financial statements.

ACME TELEVISION HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND DECEMBER 31, 1998

(INFORMATION AT JUNE 30, 1999 AND FOR THE SIX MONTHS ENDED JUNE 30, 1998 AND 1999 IS UNAUDITED)

(1) DESCRIPTION OF THE BUSINESS AND FORMATION

FORMATION AND PRESENTATION

The accompanying consolidated financial statements are presented for ACME Television Holdings, LLC ("ACME" or the "Company") and its majority and wholly-owned subsidiaries. Segment information is not presented since all of the Company's revenues are attributed to a single reportable segment.

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Information with respect to the six months ended June 30, 1999 and 1998 is unaudited. The accompanying unaudited consolidated financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of management contain all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial position, results of operations and cash flows of the Company and subsidiaries, for the periods presented. The results of operations for the six month period are not necessarily indicative of the results of operations for the full year.

NATURE OF BUSINESS

The Company is a holding company with no assets or independent operations other than its investment in it's majority-owned subsidiary, ACME Intermediate Holdings LLC ("ACME Intermediate"). As of June 30, 1999, ACME Intermediate, through its wholly-owned subsidiary, ACME Television, LLC ("ACME Television"), owns and/or operates nine commercially licensed broadcast television stations (the "Stations" or "Subsidiaries") located throughout the United States.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions have been eliminated.

REVENUE RECOGNITION

Revenue from the sale of airtime related to advertising and contracted time is recognized at the time of broadcast. The Company generally receives such revenues net of commissions deducted by the advertising agencies and national sales representatives.

CASH AND CASH EQUIVALENTS

For purposes of reporting the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Accounts receivable are presented net of the related allowance for doubtful accounts which totaled $696,000, $555,000 and $51,000 at June 30, 1999, December 31, 1998 and 1997, respectively.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of accounts receivable and cash. Due to the short-term nature of these instruments, the carrying value approximates the fair market value. The Company believes that concentrations of credit risk with respect to accounts receivable, which are unsecured, are limited due to the Company's ongoing relationship with its clients. The Company provides its estimate of uncollectible accounts. The Company has not experienced significant losses relating to accounts receivable.

PROGRAM RIGHTS

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Program rights represent costs incurred for the right to broadcast certain features and syndicated television programs. Program rights are stated, on a gross basis, at the lower of amortized cost or estimated realizable value. The cost of such program rights and the corresponding liability are recorded when the initial program becomes available for broadcast under the contract. Generally, program rights are amortized over the life of the contract on a straight-line basis related to the usage of the program. The portion of the cost estimated to be amortized within one year and after one year are reflected in the balance sheets as current and noncurrent assets, respectively. The gross payments under these contracts that are due within one year and after one year are similarly classified as current and noncurrent liabilities.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. The cost of maintenance is expensed when incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets. When property is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the appropriate accounts and any gain or loss is included in the results of current operations. The principal lives used in determining depreciation rates of various assets are as follows:

Buildings and Improvements..........................	20 - 30 years
Broadcast and other equipment.......................	3 - 20 years
Furniture and fixtures..............................	5 - 7 years
Vehicles..	5 years

INTANGIBLE ASSETS

Intangible assets consist of broadcast licenses and goodwill, both of which are amortized on a straight-line basis over a 20-year life.

	AS OF DECEMBER 31,		AS OF JUNE 30,
	1997	1998	1999
Broadcast licenses......................	$24,338	$154,351	$184,011
Goodwill................................	12,427	78,808	93,799
Total intangible assets.............	36,765	233,159	277,810
Less: accumulated amortization..........	(761)	(10,172)	(16,654)
Net intangible assets...............	$36,004	$222,987	$261,156

BARTER AND TRADE TRANSACTIONS

Revenue and expenses associated with barter agreements in which broadcast time is exchanged for programming rights are recorded at the estimated average rate of the airtime exchanged. Trade transactions, which represent the exchange

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of advertising time for goods or services, are recorded at the estimated fair value of the products or services received. Barter and trade revenue is recognized when advertisements are broadcast. Merchandise or services received from airtime trade sales are charged to expense or capitalized when used or received.

LOCAL MARKETING AGREEMENTS

Pending FCC approval of the transfer of license assets, the Company generally enters into local marketing agreements (LMA's) with sellers in connection with station acquisitions. Under the terms of these agreements, the Company obtains the right to program and sell advertising time on 100% of the station's inventory of broadcast time. As the holder of the FCC license, the owner/licensee retains ultimate control and responsibility for all programming broadcast on the station. Included in the accompanying consolidated statements of operations for the years ended December 31, 1997 and 1998, are net revenues of $9.5 million and $6.8 million, respectively, that relate to LMAs. For the period ended June 30, 1999, $125,000 relating to LMA's is included in net revenue.

CARRYING VALUE OF LONG-LIVED ASSETS

The Company has adopted the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." The carrying value of long-lived assets (tangible, identifiable intangible, and goodwill) is reviewed if the facts and circumstances suggest that they may be impaired. For purposes of this review, assets are grouped at the operating company level, which is the lowest level for which there are identifiable cash flows. If this review indicates

that an asset's carrying value will not be recoverable, as determined based on future expected, undiscounted cash flows, the carrying value is reduced to fair market value.

INCOME TAXES

The Company is a limited liability company, therefore, no income taxes have been provided for its operations other than at its subsidiary ACME Television of Missouri, Inc. which is a C Corporation subject to federal and state taxation. Any liability or benefit from the Company's non-taxable entities' consolidated income or loss is the responsibility of, or benefit to, the individual members.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include the allowance for doubtful accounts net of the realizable value of programming rights and the evaluation of the recoverability of intangible assets. Actual results could differ from those estimates.

RECLASSIFICATIONS

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Certain amounts previously reported for 1997 and 1998 have been reclassified to conform to the 1999 financial statement presentation.

(3) PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	DECEMBER 31, 1997	DECEMBER 31, 1998	JUNE 30, 1999
Land	$ --	$ 553	$ 1,158
Buildings and improvements	365	2,529	5,002
Broadcast and other equipment	7,201	13,163	21,105
Furniture and fixtures	60	287	703
Vehicles	61	185	204
Construction in process	--	1,935	702
Total	$7,687	$18,652	28,874
Less: accumulated depreciation	(341)	(2,211)	(3,872)
Net property and equipment	$7,346	$16,441	$25,002

Included in property and equipment are assets acquired under capital leases with a total cost of $6,645,000 and the associated accumulated depreciation of $1,121,000 at June 30, 1999.

(4) ACQUISITIONS

On June 17, 1997, the Company acquired substantially all of the assets and assumed certain liabilities of Channel 32, Incorporated, relating to the operations of KWBP, in exchange for $18,675,000 in cash and $4,400,000 of membership units in the Company. The acquisition was accounted for using the purchase method. The excess of the purchase price plus the fair value of net liabilities assumed of approximately $23,478,000, has been recorded as an intangible broadcast license and is being amortized over a period of 20 years. In addition, the results of operations (excluding depreciation and amortization) of KWBP were recorded by the Company beginning January 1, 1997 pursuant to a local marketing agreement whereby ACME Oregon effectively operated the station and funded the station's losses during the period from January 1, 1997 to June 17 1997 (the acquisition date).

On July 29, 1997, the Company entered into a stock purchase agreement to acquire Koplar Communications, Inc. (KCI). On September 30, 1997, the Company placed $143 million in to an escrow account (classified as a deposit on the December 31, 1997 consolidated balance sheet). In connection with this acquisition, the Company entered into a long-term local marketing agreement with KPLR and filed the requisite applications with the FCC for the transfer of the Station's license to the Company.

Pursuant to the local marketing agreement, the Company retained all

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revenues generated by the station, bore substantially all operating expenses (excluding depreciation and amortization) of the station and was obligated to pay a local marketing agreement fee. These revenues and expenses for the period October 1 through December 31, 1997 are included in the Company's operating results for the year ended December 31, 1997.

On March 13, 1998, the Company completed its acquisition of Koplar Communications, Inc. ("KCI") and acquired all of the outstanding stock of KCI for a total consideration of approximately $146.3 million. The acquisition was accounted for using the purchase method. Pursuant to the local marketing agreement referred to above, all revenues and operating expenses of the station (excluding depreciation and amortization) for the period from September 30, 1997 to March 31, 1998 (the effective date of the purchase transaction) are included in the Company's operating results. The purchase transaction was recorded on the consolidated balance sheet of the Company effective March 31, 1998 and the Company's results of operations includes revenues and expenses (including amortization of intangible assets) beginning April 1, 1998.

The fair value of the assets acquired and liabilities assumed relating to the acquisition of KPLR (in thousands):

<TABLE>

<S>	<C>
Assets acquired:	
Cash and cash equivalents	$ 779
Accounts receivables, net	1,703
Program broadcast rights	8,490
Property and equipment	2,233
Prepaid expenses and other current assets	416
FCC license	82,563
Goodwill	93,775
Other assets	395
Total assets acquired	$190,354
Liabilities assumed:	
Accounts payable	$ (1,005)
Accrued liabilities	(1,332)
Program broadcast rights payable	(8,258)
Deferred income taxes	(29,889)
Other liabilities	(3,531)
Total liabilities assumed	$(44,015)
Total purchase price	$146,339

</TABLE>

On October 7, 1997, the Company acquired Crossville Limited Partnership, the owner of WINT, in exchange for $13,200,000 in cash. Subsequent to the acquisition, the Company changed the call letters of the station to WBXX. The acquisition was accounted for using the purchase method. The excess of the purchase price over the fair value of net assets acquired of approximately $13,287,000, has been recorded as an intangible broadcast license and is being amortized over a period of 20 years.

During 1997, the Company entered into an agreement that provided it with

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the right to: (i) acquire 49% of the licensee of KUPX (formerly KZAR) in exchange for membership units valued at $6 million, and (ii) pay $3 million for an option to acquire the remaining 51% interest in the licensee of KUPX for $5 million, exercisable immediately after the station commences on-air operations. On December 15, 1997, the Company acquired the 49% interest in the licensee of KUPX, paid $3 million to acquire the option and loaned the sellers $4 million (to be applied to the subsequent majority interest purchase price). On January 22, 1998, the Company issued $6 million of its member units to the sellers for the 49% interest in the license of KUPX in connection with the above transaction. The amount of the issuance was based upon a fixed dollar amount of consideration. The Company accounted for the 49% investment using the equity method of accounting. On February 16, 1999, the Company acquired the remaining 51% interest in KUPX. The $4.0 million loan was applied against the remaining purchase price of $5 million.

In May 1998 the Company and the majority owners of KUPX entered into an agreement with another broadcaster in Salt Lake City to (i) swap KUPX for KUWB, subject to FCC

approval (ii) enable the Company to operate KUWB under a local marketing agreement and (iii) enable the owner of KUWB to operate KUPX under a local marketing agreement. Pursuant to the LMA's, the Company retains all operating revenues and expenses (excluding depreciation and amortization) of KUWB and the owner of KUWB retains all operating revenues and expenses (excluding depreciation and amortization) of KUPX. In March 1999, the FCC approved the swap of KUPX for KUWB, which is expected to close during the third quarter of 1999. The Company intends to account for the swap as a non-monetary transaction using its historical cost. The Company believes that the fair value of KUWB approximates the historical cost of KUPX.

On August 22, 1997, the Company entered into an agreement with affiliates of the sellers of KZAR to acquire 100% of the interests in the construction permit for KAUO for a consideration of $10,000. This agreement was consummated on January 22, 1998. Subsequently, the call letters of KAUO were changed to KWBQ. Construction of KWBQ was completed and the station commenced broadcasting in March 1999.

On June 30, 1998, the Company acquired substantially all the assets and assumed certain liabilities of WTVK-Channel 46 serving the Fort Myers-Naples, Florida marketplace for approximately $14.5 million in cash and 1,047 membership units (valued at approximately $1.0 million). The acquisition was accounted for using the purchase method. The excess of the purchase price over the fair value of the net assets assumed of approximately $15.5 million has been recorded as an intangible broadcast license and goodwill, both of which are being amortized over a period of 20 years. The Company had entered into a local marketing agreement with WTVK wherein the Company, effective March 3, 1998, retained all revenues generated by the station, bore all operating expenses of the station (excluding depreciation and amortization) and had the right to program the station (subject to WTVK's ultimate authority for programming) and the station's existing programming commitments. The local marketing agreement terminated upon the consummation of the acquisition. Consequently, under the local marketing agreement the revenues and operating expenses (excluding depreciation and amortization) of the station are included in the Company's results of operations from March 3, 1998 to June 30, 1998. The purchase transaction was recorded on the consolidated balance sheet of the Company on June 30, 1998 and the Company's results of operations includes revenues and expenses (including amortization of intangible assets) beginning July 1, 1998.

On April 23, 1999, the Company acquired the non-FCC license assets of three

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Paxson Communication Corporation stations serving the Dayton, OH, Green Bay, WI and Champaign-Decatur, IL markets for $32 million. On June 23, 1999, following FCC approval of the transfer of the FCC licenses to ACME, the Company acquired the licenses and completed the acquisition of the three stations by making to PCC a final payment of $8.0 million. The Company financed this $40 million transaction by a $25 million borrowing under its Loan Agreement and a $15 million loan from certain of its members (the "Bridge Loan"). The Bridge Loan bears interest at 22.5% per annum, is unsecured, may be prepaid at any time without penalty and is due, along with all accrued interest, on April 23, 2002.

On February 19, 1999, the Company entered into an agreement in principle with Ramar Communications ("Ramar") to acquire Ramar's KASY TV-50, serving the Albuquerque market

for approximately $27 million. In a related transaction, the Company will concurrently sell to Ramar its station KWBQ, also serving the Albuquerque market. The Company will also enter into a 10-year local marketing agreement with Ramar to operate KWBQ. This transaction has been approved by the FCC and is expected to close in the fourth quarter of 1999.

The unaudited pro forma financial information for the year ended December 31, 1998 and 1997, set forth below reflects the net revenues and net loss assuming the KWBP, WBXX, KPLR, WTVK and KWBQ transactions had taken place at the beginning of each respective year. This unaudited pro forma financial information does not necessarily reflect the results of operations that would have occurred had the acquisitions occurred on January 1, 1998 and 1997.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,	
	1997	1998
<S>	<C>	<C>
Net revenues...	$35,410	$44,275
Net loss...	(24,044)	(24,173)

</TABLE>

(5) UNIT OFFERING

On September 30, 1997, ACME Intermediate issued 71,634 Units (the Unit Offering) consisting of 71,634 membership units (representing 8% of the ACME Intermediate's outstanding membership equity) and $71,635,000 (par value at maturity) in 12% senior secured discount notes due 2005 (Intermediate Notes). Cash interest on the Intermediate Notes is payable semi-annually in arrears, commencing with the six-month period ending March 31, 2003. The net proceeds from the Unit Offering, after the deduction of underwriter fees and other related offering costs, were $38.3 million and were received by the Company on September 30, 1997. The Company has allocated approximately $4.2 million of such net proceeds to minority interest, $35.6 million to the discounted note payable and $1.5 million to prepaid financing costs -- the latter which is being amortized over the eight year term of the notes. The Intermediate Notes contain certain covenants and restrictions including restrictions on future indebtedness and restricted payments, as defined, and limitations on liens, investments, transactions with affiliates and certain asset sales. The Company was in compliance with all such covenants and restrictions at June 30, 1999, December 31, 1998 and 1997.

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The Intermediate Notes are secured by a first priority lien on the limited liability company interests in ACME Television and ACME Subsidiary Holdings II, LLC, both of which are direct wholly-owned subsidiaries of ACME Intermediate. ACME Subsidiary Holdings II, LLC was formed solely to own a 0.5% interest in ACME Television, has no other assets or operations and does not constitute a substantial portion of the collateral for the Intermediate Notes.

(6) 10 7/8% SENIOR DISCOUNT NOTES

On September 30, 1997, ACME Television issued 10.875% senior discount notes due 2004 (Notes) with a face value of $175,000,000 and received $127,370,000 in gross proceeds from such issuance. These Notes provide for semi-annual cash interest payments beginning in the fourth year with the first interest payment due on March 31, 2001. The Notes are subordinated to ACME Television's bank revolver (see Note 7) and to the ACME Television's capital equipment finance facilities (see Note 10). The Notes mature on September 30, 2004 and may not be prepaid without penalty.

The Notes contain certain covenants and restrictions including restrictions on future indebtedness and limitations on investments, and transactions with affiliates. ACME Television was in compliance with all such covenants and restrictions at June 30, 1999, December 31, 1998 and December 31, 1997.

Costs associated with the issuance of these notes, including the underwriters fees and related professional fees are included in long-term other assets and will be amortized over the seven year term of the notes.

ACME Television's subsidiaries (hereinafter referred to in this section collectively as Subsidiary Guarantors) are fully, unconditionally, and jointly and severally liable for ACME Television's notes. The Subsidiary Guarantors are wholly owned and constitute all of ACME Television's direct and indirect subsidiaries except for ACME Finance Corporation, a wholly owned finance subsidiary of ACME Television with essentially no independent operations that is jointly and severally liable with the Company on the Notes. ACME Television has not included separate financial statements of the aforementioned subsidiaries because (i) ACME Television is a holding company with no assets or independent operations other than its investments in its subsidiaries and (ii) the separate financial statements and other disclosures concerning such subsidiaries are not deemed material to investors.

Various agreements to which ACME Television and/or the Subsidiary Guarantors are parities restrict the activity of the Subsidiary Guarantors to make distributions to the Company. The Investment and Loan Agreement (the Investment Agreement), dated June 17, 1997, as amended, among the Company and the parties thereto and the Limited Liability Company Agreement (the LLC Agreement), dated June 17, 1997, as amended, among the Company and the parties thereto each contain certain restrictions on the ability of the Subsidiary Guarantors to declare or pay dividends to ACME Television in the absence of the consent of certain parties thereto. The Indenture governing the Notes prevents the Subsidiary Guarantors from declaring or paying any dividend or distribution to ACME Television unless certain financial covenants are satisfied and there has been no default thereof. The revolving credit facility with Canadian Imperial Bank Corporation (see Note 7) also prohibits distributions from the Subsidiary Guarantors to ACME Television except in certain circumstances during which default has not occurred thereunder.

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(7) BANK REVOLVER

On August 15, 1997, ACME Television entered into a $22.5 million revolving credit facility (the Loan Agreement) with Canadian Imperial Bank Corporation (CIBC), as agent and lead lender. Under the terms of the Loan Agreement, advances bear interest at a base rate, that at our option, is either the bank's prime rate or LIBOR, plus a spread. Commitment fees are charged at a rate of .5% per annum, paid quarterly, on the unused portion of the facility. On December 2, 1997, the Loan Agreement was amended to provide ACME Television with an increased credit line to $40 million, more favorable interest rates and a lengthened term. As of June 30, 1999 there was an outstanding balance of $39.4 million and $600,000 was available under the Loan Agreement. As of December 31, 1998 there was an outstanding balance of $8.0 million and $32.0 million was available under the Loan Agreement. There was no outstanding balance due at December 31, 1997.

The Loan Agreement contains certain covenants and restrictions including restrictions on future indebtedness and limitations on investments and transactions with affiliates. ACME Television was in compliance with all such covenants and restrictions at June 30, 1999, December 31, 1998 and December 31, 1997.

Costs associated with the procuring of bank credit facilities, including loan fees and related professional fees, are included in long-term other assets and are amortized over the term of the Loan Agreement.

(8) CONVERTIBLE DEBENTURES

On June 30, 1997 and on September 30, 1997 the Company issued convertible debentures to certain investors in the aggregate amount of $24,756,000. The debentures bear interest at the rate of 10% per annum, compounded annually. Accrued interest, along with the principle balance is due and payable on June 30, 2008, or earlier in the event of certain specified events of default or in connection with a change of control of the Company.

Pursuant to the terms of the debentures, the holders may elect at any time prior to maturity to convert a portion or all of the then outstanding principal and accrued interest into membership units of the Company. The conversion rate is fixed by contract and represents, in the aggregate, and assuming the entire original principal and interest were converted, an additional 24,756 units of membership. As of June 30, 1999, December 31, 1998 and 1997, the amount of accrued interest due to the holders of the convertible debt is $4,751,000, $3,523,000 and $1,048,000, respectively, and is included in other liabilities on the Company's balance sheets.

(9) BRIDGE LOAN

On April 23, 1999, the Company entered into a $15.0 million loan agreement (the Bridge Loan) with Alta Communications VI, L.P., Alta Com S by S, LLC, Alta Subordinated Debt Partners III, L.P., BANCBOSTON Investments, Inc., CEA Capital Partners USA, L.P., CEA Capital Partners USA CI, L.P., TCW Shared Opportunity Fund III, L.P., Shared Opportunity Fund IIB, LLC and TCW Leveraged Income Trust II, L.P. (the Lenders); the proceeds of

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which were used solely to invest in ACME Intermediate. ACME Intermediate funded the acquisition of the property and equipment assets of Stations WBDT, WBWI and WBUI, with the proceeds.

Of the aggregate $15.0 million, $7.0 million was drawn on April 23, 1999 and the remaining $8.0 million was drawn on June 23, 1999.

The loan bears interest at 22.5%, compounded semi-annually. The interest rate increases 250 basis points on October 23, 1999 and every 90 days thereafter, not to exceed 35% per annum. The Company can prepay the loan without penalty. All principal and interest is due on the earlier of April 23, 2002 or consummation by the Company of any debt or equity financing generating net proceeds greater than the outstanding loan balance.

(10) COMMITMENTS AND CONTINGENCIES

OBLIGATIONS UNDER OPERATING LEASES

The Company is obligated under noncancelable operating leases for office space and its transmission sites. Future minimum lease payments as of the year ended December 31, 1998, under noncancelable operating leases with initial or remaining terms of one year or more are:

1999	$ 1,125,000
2000	1,118,000
2001	1,068,000
2002	970,000
2003	916,000
Thereafter	4,806,000
Total	$10,003,000

Total future minimum lease payments under non-cancelable operating leases were $10,003,000 and $6,615,000 at December 31, 1998 and 1997, respectively.

Total rental expense under operating leases for the six months ended June 30, 1999 and the twelve months ended December 31, 1998 and 1997 was approximately $562,000, $967,463 and $166,000, respectively.

OBLIGATIONS UNDER CAPITAL LEASES

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As of December 31, 1998, approximately $5.5 million of equipment was leased under capital equipment facilities. These obligations are reflected as current obligations under capital leases of $1,273,000 and $292,000, and as non-current liabilities under capital lease of $4,199,000 and $443,000 at December 31, 1998 and 1997 respectively. These capital lease obligations expire over the next five years. Future minimum lease payments as of December 31, 1998 under capital leases are:

1999	$ 1,638,000
2000	1,431,000
2001	1,371,000
2002	1,351,000
2003	931,000
Total	$ 6,722,000
Less: interest:	(1,250,000)
Present value of minimum lease payments	$ 5,472,000

PROGRAM RIGHTS PAYABLE

Commitments for program rights that have been executed, but which have not been recorded in the accompanying financial statements, as the underlying programming is not yet available for broadcast, were approximately $28,265,000 and $7,010,000 as of December 31, 1998 and December 31, 1997, respectively.

Maturities on the Company's program rights payables (including commitments not recognized in the accompanying financial statements due to the lack of current availability for broadcast) for each of the next five years are:

1999	$ 9,316,000
2000	9,903,000
2001	8,897,000
2002	6,322,000
2003	3,838,000
Thereafter	4,150,000
Total	$42,426,000

CERTAIN COMPENSATION ARRANGEMENTS

In June 1997, the Company issued an aggregate of 100 management carry units to certain members of management, which remain outstanding as of June 30, 1999. These units entitle holders to certain distribution rights upon achievement of certain returns by non-management investors and are subject to forfeiture or repurchase by the Company in the event of termination of each individual's employment by the Company under certain specified circumstances. These management carry units are accounted for as a variable plan

resulting in an expense when it is probable that any such distributions will be made. The Company determined the value of these at the issuance date to be immaterial. During the six months ended June 30, 1999, the Company recorded an

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expense of $10.7 million relating to the units. No expense was recorded relating to these units in 1998 or 1997

LEGAL PROCEEDINGS

We are currently in a dispute with Edward Koplar in connection with Mr. Koplar's resignation in the fall of 1998 from his position as Chief Executive Officer of ACME Television of Missouri, Inc., formerly Koplar Communications, Inc. Mr. Koplar has claimed that the Company breached his management agreement, and under the terms of that agreement has claimed that we owe him $4 million and has threatened to bring suit against us. We believe that Mr. Koplar's claim is without merit and that the resolution of this matter will not have a material adverse effect on our financial condition or results of operations. We have accrued $350,000 as a reserve relating to this matter.

In addition, the Company is party to routine claims and suits brought against it in the ordinary course of business. In the opinion of management, the outcome of such routine claims will not have a material adverse effect on the Company's business, financial condition, results of operations or liquidity.

OTHER

In January 1999, the Company mistakenly merged ACME Television Holdings of Missouri, Inc. ("Holdings"), a C corporation owning KPLR, into ACME Television, LLC. The Company is rescinding the merger. If the rescission is held not to be effective for tax purposes, the Company believes, based on an independent valuation of Holdings' assets, that the merger would result in a tax liability to the Company of approximately $3.0 million, which has been accrued in the financial statements.

(11) INCOME TAXES

The income tax benefit consists of the following:

(IN THOUSANDS)	1998
Current	
Federal income taxes	$ --
State income taxes	--
Total current tax expense	--
Deferred tax benefit	(2,393)
Total income tax benefit	$(2,393)

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The differences between the income tax benefit and income taxes computed using the U.S. Federal statutory income tax rates (35%) consist of the following:

(IN THOUSANDS)	1998
Tax benefit at U.S. Federal rate	$(3,471)
State income taxes, net of Federal tax benefit	(261)
Nondeductible expenses	1,430
Other	$ (91)
Income tax benefit	$(2,393)

DEFERRED INCOME TAXES

The Company's subsidiary, ACME Television Holdings of Missouri, Inc. is a "C" Corporation and is subject to state and federal income taxes (see Note 2 "Income Taxes"). The deferred tax asset of $3,811,000 and liability of $31,241,000 for the year ended December 31, 1998, were related to the following:

	1998 LONG TERM
Assets:	
Allowances and reserves	$ 2,211
Net operating loss carryforwards	1,255
Other	345
Deferred tax asset	$ 3,811
Liabilities:	
Program Amortization	$ (944)
Intangibles	(30,297)
Deferred tax liability	$ (31,241)
Net deferred tax liability	$ (27,430)

The primary difference in the book basis and tax basis of the Company's non-taxable entities relates to intangible assets. Intangible assets of the non-taxable entities had a book and tax basis of approximately $59 million and $58 million at December 31, 1998, respectively.

(12) RELATED PARTY TRANSACTIONS

The Company's stations have entered into affiliation agreements and, from time to time, related marketing arrangements with The WB Network. Jamie Kellner is an owner and the chief executive officer of The WB Network.

Pursuant to June 1995 agreements among Koplar Communications, Inc., Roberts Broadcasting, Michael Roberts and Steven C. Roberts, Roberts Broadcasting cannot

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(i) transfer its license for WHSL, East St. Louis, Illinois, (ii) commit any programming time of the station for commercial programming or advertising or (iii) enter into a local marketing agreement with respect to such station until June 1, 2000. In the event that the current affiliation agreement for WHSL is terminated, the substitute format must be substantially similar to the current home shopping network format or, in the alternative, an infomercial format. The annual payment from KPLR for these agreements was $200,000 during the first three years. The Company paid $300,000 in 1998 and will pay $300,000 in 1999 under this agreement.

In connection with our Salt Lake City and New Mexico stations, the Company has entered into long-term agreements to lease studio facilities and/or transmission tower space for KUWB, KUPX and KWBQ from an affiliate of Michael and Steven Roberts. Both Michael and Steven C. Roberts are members of the Company and Michael Roberts serves on the Company's Board of Advisors. These leases have terms of approximately fifteen years and provide for monthly payments aggregating approximately $25,000, subject to adjustment based on the Consumer Price Index.

On October 1, 1997, in connection with our acquisition of KWBP, we paid CEA, Inc., an affiliate of one of our stockholders, CEA Capital Partners, a broker's fee of approximately $176,000. On the same day, we paid CEA, Inc., $132,000 in connection with the purchase of WBXX, $25,000 in connection with the purchase of the construction permit for KWBQ (formerly KAUO), $45,000 in connection with the purchase of the construction permit for KUPX (formerly KZAR) and $889,000 in connection with the purchase of KPLR, as broker's fees in each of the transactions. Additionally, in connection with the recent acquisition of WBUI, WIWB and WBDT, we paid CEA, Inc. a broker's fee of $125,000. CEA, Inc. also received compensation from the seller in connection with the purchase of WBUI, WIWB and WBDT. One of our directors, Mr. Collis, is an officer of an affiliate of CEA Capital Partners.

In June and September 1997, we issued 10% convertible debentures with the right to convert into 24,775,970 membership units to affiliates of Alta Communications, Banc Boston, CEA Capital Partners and TCW Asset Management Company, each of which are stockholders of our company. Another of our directors, Mr. Schall, is an officer of an affiliate of TCW Asset Management Company.

In February 1999, we exercised our option to purchase the property where KWBP is located for $1.5 million from an affiliate of Peregrine Capital. Before the purchase, we leased the property from the same affiliate.

In connection with our purchase of KWBP in June 1997, we loaned the seller of KWBP approximately $119,000. This loan was repaid in July 1999.

(13) DEFINED CONTRIBUTION PLAN

In 1998, the Company established a 401(k) defined contribution plan (the Plan) which covers all eligible employees (as defined in the Plan). Participants are allowed to make nonforfeitable contributions up to 15% of their annual salary, but may not exceed the annual maximum contribution limitations established by the Internal Revenue Service. The

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Company currently matches 50% of the amounts contributed by each participant but does not match participants' contributions in excess of 6% of their contribution per pay period. The Company contributed and expensed $200,000 to the Plan for the year ended December 31, 1998, $97,000 for the six months ended June 30, 1998 and $94,000 for the six months ended June 30, 1999.

(14) MEMBERS' CAPITAL

The Company's membership units are held in various classes, each class of which entitles the holders to differing levels of distribution. As of December 31, 1997 and 1998, the Company's membership units outstanding were as follows:

CLASS	DECEMBER 31, 1997		DECEMBER 31, 1998	
	UNITS	$000'S	UNITS	$000'S
Management capital	600	600	600	600
Founders Class A	943	943	943	943
Founders Class B	533	533	533	533
Investor	18,210	18,210	16,757	16,757
Sellers	4,400	4,400	4,400	4,400
Less: Issuance costs	--	(901)	--	(901)
Total	24,686	23,785	31,733	30,832

Excludes management carry units issued by the Company to its senior management team.

(15) SUBSEQUENT EVENT -- REORGANIZATION

ACME Communications, Inc. was incorporated on July 23, 1999 and other than its initial nominal capitalization has had no operations. ACME Communications, Inc. is contemplating the issuance of common stock in an initial public offering.

Immediately before the closing of the offering, we will complete the reorganization described below. Before the following steps may be completed, we must receive FCC approval, for which we have filed an application. The Company does not guarantee the offering of common stock or reorganization transactions will be completed.

First, ACME Communications will issue common stock in exchange for all of the convertible debentures of ACME Television Holdings, LLC. The convertible debentures will be converted pursuant to their original conversion terms and as such, there will not be a gain or loss related to this transaction.

Second, ACME Communications will exchange shares of its common stock for (a) membership units representing approximately 6% of ACME Intermediate and (b) all of the convertible debentures and preferred convertible membership units of

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ACME Subsidiary Holdings IV, LLC. These transaction will be treated as acquisitions of minority interests. The fair value of the stock issued to acquire the minority interests will be allocated to the net assets acquired.

Third, a subsidiary of ACME Communications will merge into ACME Television Holdings, LLC. In this merger, ACME Television Holdings, LLC's membership units will be exchanged for shares of common stock of ACME Communications. This transaction will be treated as a reorganization at historical cost.

Fourth, ACME Subsidiary Holdings, LLC, a wholly-owned subsidiary of ACME Television Holdings, LLC, will be merged into ACME Communications, which will be the surviving corporation. This transaction will be treated as a reorganization at historical cost.

Lastly, ACME Subsidiary Holdings IV, LLC will be merged into ACME Communications, which will be the surviving corporation. After this merger, ACME Communications will own directly or indirectly 100% of the membership units of each of ACME Television Holdings, LLC and of ACME Intermediate. This transaction will be treated as a reorganization at historical cost.

Also ACME Communications issued options to acquire 283,500 shares of its common stock upon conversion of the Company's long-term incentive compensation plan awards granted in 1998. These options were issued at an exercise price of $15 per share and vest in equal thirds on December 31, 2000, 2001 and 2002. These options will be valued using the closing price of the offering. The difference between the accrual under the Company's long-term compensation plan at the date of the closing and the pro-rata vested portion of the options (using the original long-term incentive plan award date as the beginning of the vesting period) will be recorded as an adjustment to equity-based compensation expense. The remaining value of the options will be recorded on a straight-line basis over the remaining vesting period. ACME Communications also issued options to acquire 58,500 shares of its common stock at an exercise price of $18 per share prior to the offering. The value of these options will also be based on the closing offering price and will be expensed on a straight-line basis over the five-year vesting period of the options.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Koplar Communications, Inc.:

We have audited the consolidated statements of operations and cash flows of Koplar Communications, Inc. and subsidiary for the years ended December 31, 1996 and 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by

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management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated results of operations and cash flows of Koplar Communications, Inc. and subsidiary for the years ended December 31, 1996 and 1997 in conformity with generally accepted accounting principles.

/s/ KPMG LLP

St. Louis, Missouri
July 23, 1999

KOPLAR COMMUNICATIONS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,	
	1996	1997
<S>	<C>	<C>
Revenues, net	$27,381	$ 21,488
Operating expenses:		
Programming	11,385	8,458
Selling, general and administrative	11,455	13,896
Depreciation and amortization	702	556
Total operating expenses	23,542	22,910
Operating income (loss)	3,839	(1,422)
Other expense:		
Interest expense	2,155	1,200
Other expense	663	2,006
Total other expense	2,818	3,206
Income (loss) before income taxes and extraordinary item	1,021	(4,628)
Provision (benefit) for income taxes	462	(1,081)
Net income (loss) before extraordinary item	559	(3,547)
Extraordinary item:		
Loss on early extinguishment of debt, net of taxes of $868 and $93, respectively	(1,359)	(146)
Net loss	$ (800)	$ (3,693)

</TABLE>

See accompanying notes to consolidated financial statements.

KOPLAR COMMUNICATIONS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,	
	1996	1997
<S>	<C>	<C>
Cash flows from operating activities:		

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Net loss	$ (800)	$ (3,693)
Adjustments to reconcile net loss to net cash:		
Deferred income taxes	(173)	(361)
Amortization of programming rights	5,360	4,514
Adjustment to carrying value of programming rights	1,500	--
Amortization of deferred financing costs	411	47
Loss on early extinguishment of debt	2,227	239
Depreciation and amortization	702	556
Changes in operating assets and liabilities:		
Receivables	643	(544)
Prepaid expenses and other current assets	(142)	150
Other assets	44	350
Accounts payable and accrued expenses	(561)	5,247
Accrued interest	(301)	(76)
Income taxes receivable/payable	(773)	(694)
Other long-term liabilities	(182)	(58)
Net cash provided by operating activities	7,955	5,677
Cash flows from investing activities:		
Purchases of property and equipment	(687)	(293)
Deposits for PCS Auction	(468)	--
Return of deposits for PCS Auction	468	468
Investment in affiliate	(100)	(384)
Net cash used in investing activities	(787)	(209)
Cash flows from financing activities:		
Repayment of notes payable officer/shareholder	(1,168)	--
Payment on other debt and obligations under capital leases	(21)	(195)
Payment on programming obligations	(5,515)	(5,567)
Cash overdraft, net	1,244	(678)
Repayment of long-term debt	(11,640)	(13,950)
Proceeds from long-term debt	14,159	--
Proceeds from short-term ACME advances	--	14,899
Payments on revolver, net	(4,130)	--
Payment on deferred financing costs	(318)	--
Net cash used in financing activities	(7,389)	(5,491)
Net decrease in cash	(221)	(23)
Cash, beginning of year	244	23
Cash, end of year	$ 23	$ --
Cash paid for interest	$ 1,575	$ 1,216
Cash paid for income taxes	$ 120	$ --
Non-cash transactions:		
Programming rights purchased under installment obligations	$ 3,430	$ 3,205

</TABLE>

See accompanying notes to consolidated financial statements.

KOPLAR COMMUNICATIONS, INC.
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1997

(1) ORGANIZATION

The Company operates an independent television station in St. Louis, Missouri (KPLR-TV). The broadcasting license of KPLR-TV is owned by Koplar Television Co., L.L.C., a 99.9%-owned subsidiary of Koplar Communications, Inc.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

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USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of Koplar Communications, Inc. and subsidiary (collectively, the Company). Accordingly, all references herein to Koplar Communications, Inc. include the consolidated results of its subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

CASH AND CREDIT CONCENTRATIONS

The Company maintains several cash accounts, including a lockbox account, in a financial institution. The cash balances in these accounts may at times exceed insured limits. The majority of the Company's receivables are due from local and national advertising agencies and are not collateralized.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. The accelerated cost recovery system (ACRS) and modified accelerated cost recovery system (MACRS) are used for income tax purposes. Renewals and betterments are capitalized to the related asset accounts, while repair and maintenance costs, which do not improve or extend the lives of the respective assets, are charged to operations as incurred.

When assets are retired or otherwise disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recorded in operations.

PROGRAMMING RIGHTS

Programming rights are recorded at cost when the program is available to the Company for broadcasting. Programming rights and related obligations are recorded at cost without recognition of any imputed interest charges. Agreements define the lives of the rights and the number of showings. The cost of programming rights is charged against earnings either on the straight-line basis over the term of the agreement or per play for certain syndicated contracts based on the number of plays specified in the contract. Programming rights for programs which management expect to be broadcast in the succeeding fiscal year are shown as a current asset.

The Company assesses the valuation of its programming rights on an ongoing basis by evaluating the unamortized rights and future programming rights commitments and comparing the anticipated future number of plays and related revenue potential with the related unamortized cost. When unamortized cost exceeds the undiscounted estimated future revenue, the Company will recognize an adjustment to the related carrying value. During 1996, the Company recorded an adjustment to the carrying value of certain programming rights totaling approximately $1,500,000.

DEFERRED FINANCING COSTS

Financing costs incurred in connection with obtaining financing are deferred and amortized on a straight-line basis over the term of the borrowings. Amortization of deferred financing costs, included in interest expense, totaled approximately $411,000 and $47,000, for the years ended December 31, 1996 and 1997, respectively. In addition, the Company expensed approximately $2,227,000 and $239,000 of deferred financing costs during 1996 and 1997, respectively, as a result of the Company's refinancing of its long-term debt (see note 6). Accordingly, the expense related to these transactions has been reflected as an

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extraordinary item, net of tax effects, in the consolidated statements of operations.

INCOME TAXES

Deferred income taxes are recognized for the tax consequences in future years of temporary differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the temporary differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

INTEREST RATE HEDGE AGREEMENTS

The Company enters into interest rate swap agreements which involve the exchange of fixed and floating rate interest payments periodically over the life of the agreement without the exchange of the underlying principal amounts. All agreements entered into by the Company relate to outstanding debt obligations. Accordingly, the Company accounts for these instruments similar to a hedge agreement and the differential to be paid or received is

accrued as interest rates change and recognized over the life of the agreements as an adjustment to interest expense.

REVENUE RECOGNITION

Revenues from advertisements are recognized as commercials are broadcast. The Company receives such revenues net of commissions deducted for advertising agencies.

BARTER REVENUES

Barter transactions in which the Company accepts products or services in exchange for commercial airtime are recorded at the estimated fair values of the products or services received. Barter revenues are recognized when commercials are broadcast. The assets or services received in exchange for broadcast time are recorded when received or used. Certain of the Company's programming agreements involve the exchange of advertising time for programming. The Company does not record revenues and cost of revenues related to these arrangements, which have no impact on earnings. The Company estimates that revenues and costs associated with these agreements were approximately $2,612,000 and $2,800,000 for 1996 and 1997, respectively.

LOCAL MARKETING AGREEMENTS

The Company entered into a local marketing agreement (LMA) upon its acquisition by ACME Television Holdings, LLC (see note 15). As of December 31, 1997, regulatory approval of the transfer of the Company's License Assets was pending. Under the terms of the agreement, the Company receives specified periodic payments to operate KPLR-TV in exchange for the grant to ACME of the right to program and sell advertising on a specified portion of the station's inventory of broadcast time. In addition, ACME assumes the obligation to pay all operating expenses subsequent to September 30, 1998. Accordingly, ACME has recorded all operating revenues and expenses during the LMA period from October 1, 1997 through December 31, 1997. All other non-operating results are recorded by the Company during the LMA period.

(3) PREPAID EXPENSES AND OTHER CURRENT ASSETS

In 1995, the Company placed a refundable deposit of $1,235,000 with the FCC in order to bid on the regional rights for a personal communications system. The Company expects this product to replace cell phones, beepers and other portable communications technology. The Company was the successful bidder on a number of PCS licenses. During 1996, $468,000 of the initial deposit was returned to the Company.

In fourth quarter 1996, another round of PCS bidding was opened by the FCC. The auction was concluded and the deposit was returned in the first quarter of 1997.

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(4) PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 1996 and 1997 is as follows (dollars in thousands):

	1996	1997	ESTIMATED USEFUL LIVES
Land	$ 464	$ 464	--
Buildings and improvements	1,780	1,705	15 to 40 years
Equipment, furniture and fixtures	6,463	6,311	3 to 15 years
	8,707	8,480	
Less accumulated depreciation	(6,069)	(6,105)	
	$ 2,638	$ 2,375	

Depreciation expense for the years ended December 31, 1996 and 1997 was approximately $702,000 and $556,000, respectively.

(5) NOTE PAYABLE -- REVOLVER

The note payable - revolver was repaid in July 1996 as part of a debt refinancing with a financial institution (see note 6).

(6) LONG-TERM DEBT

The Company's long-term debt at December 31, 1996 totaled $13,650,000. Based upon the borrowing rates available to the Company for bank loans with similar terms and average maturities, the fair value of long-term debt approximated carrying value.

On July 10, 1996, the Company refinanced certain existing debt and received a revolving commitment totaling $19,000,000 (the Loan Agreement), of which approximately $14,266,000 was drawn from the commitment to satisfy certain existing obligations and refinancing costs.

At December 31, 1996, the Company had borrowed $13,650,000 against the revolving commitment agreement. Under the terms of the Loan Agreement, the Company was required to repay the loan and all unpaid interest thereon on July 1, 2001. The loan interest was based on either the alternative base rate or the adjusted LIBOR rate, as defined in the Loan Agreement.

In order to limit interest rate risk, the Company entered into a five-year interest rate swap for $5,000,000 of the borrowings, which locked in an interest rate of approximately 10%. The Company also entered into a three-year interest rate swap for $2,000,000 of the borrowings, which locked in an interest rate of approximately 10%. In addition, the Company entered into a 30-day interest rate swap for $5,000,000 of the outstanding borrowings, which locked in an interest rate of approximately 8.87% at December 31, 1996. The remaining borrowings accrued interest, payable monthly at the prime interest rate plus 0.25% - 0.75% per annum based on certain criteria. In addition, the Company is required to

pay quarterly a commitment fee of 0.5% per annum of the unused portion of the revolving commitment.

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During 1997, in conjunction with the acquisition by ACME, the outstanding loan balances were paid in full and certain short-term advances were extended to the Company by ACME. The total of outstanding advances at December 31, 19997 was approximately $14,899,000.

(7) PROGRAMMING OBLIGATIONS

Programming obligations are generally classified as current or noncurrent liabilities according to the payment terms of the various contracts.

At December 31, 1997, future minimum payments based on contractual agreements are as follows (in thousands):

YEAR ENDING DECEMBER 31,	
1998	$5,030
1999	3,295
2000	1,373
	$9,698

(8) NOTE PAYABLE -- PROGRAMMER

Note payable -- programmer represents an additional amount owed to Warner Bros. ("WB") in connection with the restructuring of certain programming obligations in 1994. During 1996, the Company entered into a Stock Purchase, Option and Repurchase Agreement with WB, under which the Company had an obligation in the amount of $3,692,000 to WB in addition to the liability recorded as programming obligations.

Under this agreement, the Company issued a promissory note for $3,092,000 to WB (payable in even installments over 36 months, plus interest at 1% over the prime rate per annum, payments to begin upon notification by WB to the Company), and also transferred to WB stock in an entity which is partially owned by the shareholder of the Company (see note 14). However, the agreement granted the programmer a "Put Right" under which the stock may be transferred by WB to the Company at any time until either June 28, 1997 or the exercise of the First Option (see below). In 1995, $100,000 was paid on the Put Right.

The Company replaced the note payable-programmer with a restructured agreement on December 31, 1996. The previous note payable and the related accrued interest were replaced with Note A and Note B. Note A was in the amount of $2,000,000 and at December 31, 1996 and 1997, $1,900,000 was outstanding. Interest accrues at prime plus 0.5%. Principal of $100,000 plus accrued interest to date are payable quarterly until the note is satisfied. There was no accrued interest on Note A at December 31, 1996 and 1997.

Note B was an option note for $2,250,000. At December 31, 1996 and 1997, $2,250,000 was outstanding on Note B. The programmer was granted an option callable between

January 1, 2000 and December 31, 2001. If called, WB would receive 12% of a related entity's stock instead of cash payments on the $2,250,000 promissory note. The Company's "Put Right" was exercisable between January 1, 1997 and December 31, 2001. If exercised, WB would receive 12% of the related entity's stock instead of cash payments on the $2,250,000 promissory note. Interest accrues at prime. There was no accrued interest on Note B at December 31, 1996 and 1997.

(9) COMMITMENTS

In conjunction with obtaining new programming and other related considerations, the Company's commitments amounted to approximately $5,395,000 as of December 31, 1997.

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The aggregate payments for these commitments over the next five years are as follows (in thousands):

YEAR ENDING DECEMBER 31,	
1998	$ 298
1999	1,250
2000	1,731
2001	1,476
2002	640
	$5,395

In January 1995 KPLR-TV became an affiliate of the WB Network. Under the affiliation agreement, the Company was required to make an annual payment to Warner Brothers if the ratings and revenue in prime time broadcasts of WB Network programming for the current year exceed ratings and revenues achieved by the Company in the preceding year. No such payments were payable to Warner Brothers for the years ended December 31, 1996 and 1997.

The Company had an operating lease for certain equipment that requires annual payments of approximately $42,000 for a remaining period of twelve years. Total rent expense under operating leases for the years ended December 31, 1996 and 1997 was approximately $123,000 and $115,000, respectively.

(10) NOTES PAYABLE -- OFFICER/SHAREHOLDER

Indebtedness to a shareholder of the Company consists of a promissory note for $1,023,000 and debentures payable for approximately $145,000, totaling $1,168,000 at December 31, 1995. The notes and interest were repaid in July 1996 when the Company refinanced certain debt with a financial institution (see note 6).

KOPLAR COMMUNICATIONS, INC.
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1997

(11) INCOME TAXES

The provisions for income taxes on continuing operations for the years ended December 31, 1996 and 1997 consists of the following (in thousands):

	1996	1997
Current:		
Federal	$ 552	$ (557)
State	83	(163)
Deferred:		
Federal	(150)	(315)
State	(23)	(46)
Provision for income tax	$ 462	$(1,081)

The difference between the actual tax provision and the amounts obtained by applying the statutory U.S. federal income tax rate of 34% to income before income taxes and extraordinary items for the years ended December 31 is as follows (in thousands):

YEARS ENDED
DECEMBER 31,

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	1996	1997
Income before income taxes and extraordinary items..........	$1,021	$(4,628)
Tax provision computed at statutory rate....................	$ 347	$(1,574)
Increases (reductions) in taxes due to:		
State income taxes (net of federal tax benefit)...........	40	(138)
Investment in affiliate..................................	--	570
Other..	75	61
Actual tax provision.......................................	$ 462	$(1,081)

The tax effect of temporary differences between the tax basis of assets and liabilities and their corresponding amounts for financial statement reporting purposes at the tax rates expected to be in effect when such differences reverse are as follows (in thousands):

	1996	1997
Current deferred income tax asset:		
Allowance for doubtful accounts..........................	$ (83)	$ (97)
Accrued vacation payable.................................	(64)	(61)
Bonus payable..	(195)	--
Charitable contributions carryforward....................	--	(40)
Option Agreement...	--	(175)
Noncurrent deferred income tax liability:		
Book over tax basis of fixed assets......................	22	3
Book over tax basis of programming rights................	1,918	1,607
Net deferred income tax liability........................	$1,598	$1,237

(12) 401(K) PLAN

Substantially all employees are eligible to participate in a 401(k) Plan sponsored by the Company. The plan provides that the Company may match a specified percentage of an employee's contribution up to a defined limit at its discretion. The amount charged to expense by the Company for the years ended December 31, 1996 and 1997 was approximately $55,000 and $60,000, respectively.

(13) INVESTMENT IN AFFILIATE

In 1995, the Company entered into an agreement with another television station in St. Louis which provides that the Company make annual payments of $200,000 to the owners of the station (the Owners) for three years, in return for programming and other considerations over a three-year period. The agreement may be extended by the Owners for an additional two years. Under a separate agreement, the Company has agreed to make up to $3,500,000 in capital contributions to a limited liability company, owned by the Company and the Owners, formed to acquire television stations and invest in other communications opportunities, as approved by the Company. No such additional contributions had been made as December 31, 1997.

(14) RELATED PARTY TRANSACTIONS

During previous years, the Company advanced funds under a loan agreement to ISW, Inc. (ISW), a company which is partially owned by a shareholder of the Company. In 1996 and 1997, the Company advanced approximately $443,000 and $1,200,000, respectively, to ISW. This amount was included in a loan receivable balance and is fully reserved.

At December 31, 1996, the remaining balance of loans and interest

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receivable by the Company from ISW was approximately $3,251,000 with a corresponding allowance. Both amounts were written off and removed from the records in 1997.

During 1996 and 1997, the Company was charged approximately $139,000 in rent and parking charges by Koplar Properties, Inc., an entity owned by a shareholder of the Company.

(15) SALE OF COMPANY

On July 29, 1997, the shareholders of the Company (Shareholders) agreed to sell all of their shares of the Company's common and preferred stock to ACME Television Holdings, LLC (ACME) for $146,000,000. On September 30, 1997, pursuant to the stock purchase agreement between ACME and the Shareholders, ACME placed $143,000,000 into an escrow account and ACME and the Shareholders filed with the FCC a request to transfer the Company's broadcast license. The Company has also entered into a local marketing agreement with ACME under the terms of which ACME received the economic benefit of the Company's earnings, effective October 1, 1997. As a result, the consolidated statements of operations reflect the operating results of the Company through September 30, 1997, as well as any other non-operating results from October 1, 1997 through December 31, 1997. On

KOPLAR COMMUNICATIONS, INC.
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1997

March 13, 1998, ACME acquired all of the outstanding common and preferred stock of the Company and the local marketing agreement was terminated.

In connection with the ACME transaction, the Company recorded at December 31, 1997 approximately $5,900,000 in non-recurring bonus expense paid to a certain executive and other employees of the Company. This amount is included in other selling, general and administrative expense for the year ending December 31, 1997.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Channel 32, Incorporated:

We have audited the accompanying statements of operations and cash flows of Channel 32, Incorporated (a wholly owned subsidiary of Peregrine Communications, Ltd. effectively as of July 1, 1995) for the years ended June 30, 1995 (Predecessor) and 1996 (Successor). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of Channel 32 Incorporated's operations and its cash flows for the years ended June 30, 1995 (Predecessor) and 1996 (Successor) in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, effective July 1, 1995, Peregrine Communications, Ltd. acquired all of the outstanding stock of Channel 32, Incorporated in a business combination accounted for as a purchase. As a result of the acquisition, the financial information for periods after the acquisition is presented on a different cost basis than for periods before the acquisition and, therefore is not comparable.

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/s/ KPMG LLP

Los Angeles, California
November 13, 1997

CHANNEL 32 INCORPORATED

STATEMENTS OF OPERATIONS

	JUNE 30, 1995	JUNE 30, 1996	PERIOD FROM JULY 1, 1996 TO JUNE 17, 1997
	(PREDECESSOR)	(SUCCESSOR)	(SUCCESSOR) (UNAUDITED)
Broadcast revenues, net	$ 288,178	$ 2,728,857	$ 1,305,886
Operating expenses:			
Programming and production	622,688	3,273,608	1,303,808
Selling, general and administrative	273,422	1,462,360	1,060,497
Depreciation and amortization	234,498	541,878	346,469
Total operating expenses	1,130,608	5,277,846	2,710,774
Operating loss	(842,430)	(2,548,989)	(1,404,888)
Other income (expense):			
Interest expense	(200,112)	(3,252,202)	(2,221,688)
Interest income	--	44,821	--
Write-off of due from parent	--	(188,586)	--
Other expenses, net	--	(70,254)	(10,181)
Other expense, net	(200,112)	(3,466,221)	(2,231,869)
Loss before income taxes	(1,042,542)	(6,015,210)	(3,636,757)
Income taxes	--	--	--
Net Loss	$(1,042,542)	(6,015,210)	$(3,636,757)

See accompanying notes to financial statements.

CHANNEL 32 INCORPORATED

STATEMENTS OF CASH FLOWS

	JUNE 30, 1995	JUNE 30, 1996	PERIOD FROM JULY 1, 1996 TO JUNE 17, 1997
	(PREDECESSOR)	(SUCCESSOR)	(SUCCESSOR) (UNAUDITED)
Cash flows from operating activities:			
Net loss	$(1,042,542)	$(6,015,210)	$(3,636,757)
Adjustments to reconcile net loss to net cash:			
Depreciation and Amortization	288,083	951,377	1,322,513

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Changes in assets and liabilities:			
Increase in programming rights........	(122,500)	(401,559)	(380,400)
Increase in accounts receivable.......	(59,470)	(167,353)	23,242
Increase (decrease) in due from related party.............................	--	14,700	(692,301)
Increase in other assets.............	(5,000)	(82,646)	(357,606)
Increase (decrease) in due to related party.............................	--	63,887	(63,887)
Increase (decrease) in accounts payable...........................	252,704	(56,523)	651,014
Increase in accrued expenses..........	179,117	184,414	182,932
Increase in programming rights payable...........................	97,437	249,377	308,612
Net cash used in operating activities...................	(412,171)	(5,259,536)	(2,642,638)
Cash flows from investing activities:			
Acquisition of property and equipment.........................	(978,711)	(998,429)	(355,717)
Disposal of property and equipment....	--	236,910	--
Increase in broadcast licenses........	(243,785)	(315,000)	--
Net cash used in investing activities...................	(1,222,496)	(1,076,519)	(355,717)
Cash flows from financing activities:			
Proceeds from borrowings..............	1,793,519	8,038,056	3,110,138
Payment of borrowings.................	(159,417)	(1,793,519)	(2,635)
Payments of obligations under capital lease.............................	--	--	(10,217)
Proceeds from issuance of common stock.............................	1,600	100,108	--
Net cash provided by financing activities...................	1,635,702	6,344,645	3,097,286
Net increase in cash............	1,035	8,590	98,931
Cash, beginning of period..............	--	1,035	9,625
Cash, end of period....................	$ 1,035	$ 9,625	$ 108,556
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest.............................	51,845	732,582	370,095
Income taxes.........................	120	--	--
Non-cash transactions:			
Acquisition of property and equipment in exchange for capital lease obligations.......................	650,000	185,000	--

</TABLE>

See notes to financial statements

CHANNEL 32 INCORPORATED (NOTE 1)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1995 AND 1996
(INFORMATION RELATING TO THE PERIOD FROM
JULY 1, 1996 TO JUNE 17, 1997 IS UNAUDITED)

(1) DESCRIPTION OF BUSINESS AND FORMATION

Channel 32, Incorporated was incorporated under the laws of the state of Oregon on December 16, 1993. Channel 32, Incorporated (the Company) owns and operates KWBP-TV Channel 32, a television station (and The WB Network affiliate) in Portland, Oregon. The Company is a wholly owned subsidiary of Peregrine Communications, Ltd. (Peregrine) subsequent to Peregrine's acquisition of the Company effective July 1, 1995.

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(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Effective July 1, 1995, Peregrine acquired Channel 32, Incorporated, for approximately $350,000. The Company paid $315,000 of this amount on behalf of Peregrine. The acquisition was accounted for using the purchase method of accounting. The Company has applied push-down accounting reflecting the full acquisition cost and resulting equity in the accompanying financial statements subsequent to the acquisition date. As a result of the acquisition, the financial information for periods after the acquisition (Successor) is presented on a different cost basis than for the periods prior to the acquisition (Predecessor) and, therefore, is not comparable. The purchase price has been allocated to the tangible assets of the Company acquired and liabilities assumed based on their estimated fair market value at the acquisition date. The net liabilities assumed plus the purchase price totaled approximately $1,400,000 and was allocated to broadcast licenses.

The financial statements are presented as if the acquisition occurred on July 1, 1995, rather than the actual purchase dates which occurred between March and November 1995. The impact of recording the purchase as of July 1, 1995, instead of the actual acquisition dates, is not material to the accompanying financial statements.

LOCAL MARKETING AGREEMENT

Effective January 1, 1997, the operations of KWBP-TV were transferred to ACME Television of Oregon, LLC pursuant to a local marketing agreement. Accordingly, the Company's financial statements subsequent to December 31, 1996 only include the Company's net activity pursuant to such local marketing agreement.

REVENUE RECOGNITION

Revenue related to the sale of airtime related to advertising and contracted time is recognized at the time of broadcast. The Company receives such revenues net of commissions deducted by advertising agencies and national sales representatives.

CASH AND CASH EQUIVALENTS

For purposes of reporting the statements of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

PROGRAMMING RIGHTS

Programming rights represent costs incurred for the right to broadcast certain features and syndicated television programs. Programming rights are stated at the lower of amortized cost or estimated realizable value. The cost of such programming rights and the corresponding liability are recorded when the initial program becomes available for broadcast under the contract. Programming rights are amortized over the life of the contract on an accelerated basis related to the usage of the program. Programming rights expected to be amortized during the next fiscal year are classified as current in the balance sheets. The payments under these contracts that are due within one year and after one year are reflected in the balance sheets as current and noncurrent liabilities, respectively.

Commitments for programming rights that have been executed, but which have not been recorded in the accompanying financial statements, as the underlying programming is not available for broadcast, were approximately $0, $222,249 and $262,500 as of June 30, 1995, 1996 and March 31, 1997, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. The cost of maintenance is expensed.

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Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the respective assets. The principal lives used in determining depreciation and amortization rates of various assets are as follows:

Buildings	39 years
Broadcasting equipment	5 - 15 years
Furniture and fixtures	5 - 7 years
Vehicles	5 years
Equipment under capital leases	5 - 15 years

BARTER TRANSACTIONS

Revenue and expenses associated with barter agreements in which broadcast time is exchanged for programming rights are recorded at the average rate of the airtime exchanged. Barter transactions, which represent the exchange of adverting time for goods or services, are recorded at the estimated fair value of the products or services received. Barter revenue is recognized when advertisements are broadcast. Merchandise or services received from airtime trade sales are charged to expense or capitalized when used or received.

Revenues and expenses include approximately $1,267,600 of barter transaction for the year ended June 30, 1996. The Company did not record revenues and expenses associated with barter transactions for the year ended June 30, 1995. The Company does not believe the omission of such barter transactions for the year ended June 30, 1995 is material to the Financial Statements taken as a whole.

CARRYING VALUE OF LONG-LIVED ASSETS

The Company has adopted the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The carrying value of long-lived assets (tangible and intangible) is reviewed if the facts and circumstances suggest that they may be impaired. If this review indicates that an asset's carrying value will not be recoverable, as determined based on future expected undiscounted cash flows, the carrying value is reduced to fair market value.

INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (SFAS 109), Accounting for Income Taxes. Under SFAS No. 109 deferred income taxes are recognized for tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between financial statement carrying amounts and the tax basis of existing assets and liabilities.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of accounts receivable. The Company believes that concentrations of credit risk with respect to accounts receivable, which are unsecured, are limited due to the Company's ongoing relationship with its clients. The Company provides for its estimate of uncollectible accounts on a periodic basis. The Company has not experienced significant losses relating to accounts receivable. For periods ended June 30, 1994, 1995, 1996 and March 31, 1997 and 1996 no customer accounted for more than

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10% of revenues.

(3) INTANGIBLE ASSETS

Intangible assets are stated at cost, less accumulated amortization, and are comprised of broadcast licenses. Broadcast licenses are being amortized on a straight-line basis over

15 years. The amount of amortization related to broadcast licenses was approximately $0, $11,000, $97,567, and $93,000 for the periods ended June 30, 1994, 1995 and 1996 and June 17, 1997, respectively.

(4) STOCKHOLDERS' EQUITY

At June 30, 1995, the Company had 2,000 shares of authorized common stock with 1,000 shares issued to its four original stockholders and an option to purchase 818 shares representing 45% of the Company, with an exercise price of $452,000 held by Peregrine (Peregrine Option).

In November 1995, the stockholders approved an increase in the number of authorized shares to 4,000 shares of common stock. The Company sold 250 shares of common stock for $100,000 to Aspen TV, LLC and sold an option for $108 to purchase 51% of the outstanding common stock, or 791 shares, for an exercise price of $150,000. This option is automatically cancelled and the Company will be obligated to repurchase the stock sold to Aspen TV, LLC for the sale price plus interest upon the Company's timely repayment of its debt obligation to Aspen TV, LLC. The Peregrine Option was cancelled at this time.

(5) RELATED PARTY TRANSACTIONS

Due (to) from related party represent temporary advances in the form of expenses paid by or on behalf of the Company by Peregrine. The following is a summary of these amounts:

<TABLE>
<CAPTION>

	JUNE 30, 1995	JUNE 30, 1996	MARCH 31, 1997
<S>	<C>	<C>	<C>
Due from related party -- Peregrine	$14,700	$ --	$ --
Due from related party -- ACME Television of Oregon	--	--	692,301
Due to related party -- Peregrine	--	(63,887)	--
Total	$14,700	$(63,887)	$692,301

</TABLE>

Due from related party, ACME Television of Oregon, LLC relates to the balance due to the Company pursuant to the local marketing agreement effective January 1, 1997.

(6) INCOME TAXES

The Company did not record any tax benefit during the period from December 16, 1993 (inception) to June 30, 1994, the years ended June 30, 1995 and 1996 and the nine months ended March 31, 1996 and 1997.

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The provision for income taxes differs from the amount computed by applying the Federal statutory income tax rate of 34% to income before income taxes as shown below:

	1994	1995	1996
Computed "expected" income tax benefit.........	$(8,000)	$(355,000)	$(2,100,000)
Increase in valuation allowance................	8,000	355,000	2,100,000
Income tax expense (benefit).................	$ --	$ --	$ --

Deferred income tax assets and liabilities result from temporary differences. Temporary differences are differences in the recognition of income and expenses for income tax and financial reporting purposes that will result in taxable or deductible amounts in future years. At June 30, 1996 and March 31, 1997, the net deferred income tax assets, related primarily to net operating loss carryforwards, were approximately $1,158,000 and $6,177,000, respectively. In 1995, the Company experienced an ownership change as defined in Section 382 of the Internal Revenue Code. This change in ownership restricts the utilization of the Company's net operating loss (NOL) carryforwards to offset future taxable income. NOL carryforwards arising subsequent to the change of control are not subject to the limitation. The amount of NOL carryforwards subject to the limitation is approximately $1,000,000 with an annual limitation of $75,000. The carryforwards available at June 30, 1996 expire in 2011.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income and tax planning strategies in making this assessment. At June 30, 1995, 1996 and March 31, 1997, based on the level of historical taxable income and projections for future taxable losses over the periods in which the level of deferred tax assets are deductible, management believes that it is not more likely than not that the Company will not realize the benefits of these deductible differences.

(7) SALE

On June 17, 1997, ACME Television Holdings, LLC (ACME) acquired certain of the Company's assets, including the broadcast license of KWBP-TV and assumed certain liabilities, including all of the Company's programming commitments and the Company's equipment leases, in exchange for $18,675,000 in cash and $4,400,000 in ACME Parent membership interests.

In addition, pursuant to a local marketing agreement, ACME effectively operated the station and funded the losses from January 1, 1997 through June 17, 1997 (the acquisition date). Accordingly, there were no operating revenues or expenses incurred by the Company subsequent to January 1, 1997.

INSIDE BACK COVER

[ACME COMMUNICATIONS LOGO]

[LOGO'S OF SOME OF THE KIDS' WB PROGRAMMING AND PHOTOGRAPHS OF SEVERAL CARTOON CHARACTERS]

You may rely only on the information contained in this prospectus. We have not authorized anyone to provide information different from that contained in this prospectus. Neither the delivery of this prospectus nor the sale of common stock means that information contained in this prospectus is correct after the date of this prospectus. This prospectus is not an offer to sell or solicitation of an offer to buy these shares in any circumstances under which the offer or solicitation is unlawful.

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Dealer Prospectus Delivery Obligation:

Until   , 1999 (25 days after the date of this prospectus), all dealers that buy, sell or trade in these shares of common stock, whether or not participating in this offering, may be required to deliver a prospectus. Dealers are also obligated to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

[ACME Communications Logo]

ACME
Communications, Inc.

5,000,000 Shares

Common Stock
Deutsche Banc Alex. Brown
Merrill Lynch & Co.
Morgan Stanley Dean Witter
CIBC World Markets

Prospectus

, 1999

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

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Subject to Completion, Dated September 10, 1999

[ACME Communications Logo]

ACME Communications, Inc.

5,000,000 Shares

Common Stock

THIS IS AN INITIAL PUBLIC OFFERING OF COMMON STOCK OF ACME COMMUNICATIONS, INC. WE ANTICIPATE THAT THE INITIAL PUBLIC OFFERING PRICE WILL BE BETWEEN $19.00 AND $21.00 PER SHARE.

THE INTERNATIONAL UNDERWRITERS ARE OFFERING 750,000 SHARES OUTSIDE THE UNITED STATES AND CANADA AND THE U.S. UNDERWRITERS ARE OFFERING 4,250,000 SHARES IN THE UNITED STATES AND CANADA.

WE HAVE APPLIED TO LIST OUR COMMON STOCK ON THE NASDAQ NATIONAL MARKET UNDER THE SYMBOL "ACME."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 9.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PER SHARE	TOTAL
PUBLIC OFFERING PRICE	$	$
UNDERWRITING DISCOUNTS AND COMMISSIONS	$	$
PROCEEDS, BEFORE EXPENSES, TO ACME	$	$

THE SELLING STOCKHOLDERS HAVE GRANTED THE UNDERWRITERS THE RIGHT TO PURCHASE UP TO AN ADDITIONAL 750,000 SHARES AT THE PUBLIC OFFERING PRICE WITHIN 30 DAYS FROM THE DATE OF THIS PROSPECTUS TO COVER OVER-ALLOTMENTS.

IN THIS PROSPECTUS, REFERENCES TO "DOLLARS" AND "$" ARE TO UNITED STATES DOLLARS.

Deutsche Bank
Merrill Lynch International
Morgan Stanley Dean Witter
CIBC World Markets

The date of this Prospectus is   , 1999.

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UNDERWRITING

We intend to offer our common stock outside of the United States and Canada through a number of underwriters. Deutsche Bank AG London, Merrill Lynch

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International, Morgan Stanley & Co. International Limited and CIBC World Markets Corp. are acting as international representatives of each of the international underwriters named below. Subject to the terms and conditions set forth in an international underwriting agreement among us and the international representatives on behalf of the international underwriters, we have agreed to sell to the international underwriters, and each of the international underwriters severally and not jointly has agreed to purchase from us, the number of shares of common stock set forth opposite its name below.

UNDERWRITER	NUMBER OF SHARES
Deutsche Bank AG London	
Merrill Lynch International	
Morgan Stanley & Co. International Limited	
CIBC World Markets Corp.	
Total	750,000

We intend to offer our common stock in the United States and Canada. Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and CIBC World Markets Corp. are acting as U.S. representatives for certain U.S. underwriters. Subject to the terms and conditions set forth in the underwriting agreement between us and the U.S. representatives on behalf of the U.S. underwriters, and concurrently with the sale of 750,000 shares of common stock to the international underwriters pursuant to the international underwriting agreement, we have agreed to sell to the U.S. underwriters, and each of the U.S. underwriters severally and not jointly has agreed to purchase from us, an aggregate of 4,250,000 shares of common stock. The public offering price per share of common stock and the underwriting discount per share of common stock are identical under the U.S. underwriting agreement and the international underwriting agreement.

Pursuant to an agreement between the U.S. and international underwriting syndicates relating to the two offerings, each of the U.S. underwriters named herein has agreed that, as a part of the distribution of the shares offered hereby and subject to certain exceptions, it will offer, sell or deliver the shares of our common stock, directly or indirectly, only in the U.S., including the states and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction, in Canada and to U.S. persons, which term means, for the purposes of this paragraph:

- any individual who is a resident of the United States; or

- any corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof and whose office most directly involved with the purchase is located in the United States.

Each of the international underwriters has agreed that, as a part of the distribution of the shares offered as a part of the international offering, and subject to certain exceptions, it will:

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- not, directly or indirectly, offer, sell or deliver shares of common stock in the United States or to any U.S. persons or to any person who it

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believes intends to reoffer, resell or deliver the shares in the United States or to any U.S. persons; and

- cause any dealer to whom it may sell such shares at any concession to agree to observe a similar restriction.

Pursuant to the agreement between the U.S. and international syndicates, sales may be made between the U.S. underwriters and the international underwriters of shares of common stock as mutually agreed. The price of any shares so sold shall be the initial public offering price, less an amount not greater than the selling concession.

In the U.S. underwriting agreement and the international underwriting agreement, the several U.S. underwriters and international underwriters, respectively, have agreed, subject to the terms and conditions set forth therein, to purchase all of the shares of common stock being sold pursuant to each such agreement if any of the shares of common stock being sold under the terms of such agreement are purchased. In a default by an underwriter, each underwriting agreement provides that, in certain circumstances, the purchase commitments of the nondefaulting underwriters may be increased or the agreements may be terminated. The closing with respect to the sale of shares of common stock to be purchased by the U.S. underwriters and the international underwriters are conditioned upon one another.

Pursuant to the agreement between the U.S. and international syndicates, each international underwriter has represented and agreed that (a) it has not offered or sold and, prior to the date six months after the closing date for the sale of our shares to the international underwriters, will not offer or sell any shares in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing, or disposing of investments, as principal or agent, for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (b) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to our shares in, from, or otherwise involving the United Kingdom; and (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the offering of our shares to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986, Investment Advertisements, Exemptions, Order 1996, or to any person to whom such document may lawfully be issued or passed on.

Buyers of the shares offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the initial public offering price.

We have agreed to indemnify the underwriters against certain liabilities, including certain liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The shares of common stock are being offered by the several underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to consummation of the reorganization, approval of certain legal matters by counsel for the Underwriters and certain other conditions. The underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part.

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COMMISSIONS AND DISCOUNTS

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The representatives have advised us that the underwriters propose initially to offer the shares of common stock to the public at the initial public offering price set forth on the cover page of this prospectus, and to certain dealers at such price less a concession not in excess of $ per share of common stock. The underwriters may allow, and such dealers may reallow, a discount not in excess of $ per share of common stock on sales to certain other dealers. After the initial public offering, the public offering price, concession and discount may change.

The following table shows the per share and total public offering price, underwriting discount to be paid by us to the underwriters and the proceeds before expenses to us. This information is presented assuming either no exercise or full exercise by the underwriters of the over-allotment option.

	PER SHARE	WITHOUT OPTION	WITH OPTION
Public offering price......................	$	$	$
Underwriting discount......................	$	$	$
Proceeds, before expenses, to ACME..........	$	$	$
Proceeds, before expenses, to the selling stockholders.............................	$	$	$

The expenses of the offering, exclusive of underwriting discounts, include the Securities and Exchange Commission registration fee, the National Association of Securities Dealers filing fee, the Nasdaq National Market listing fee, printing expenses, legal fees and expenses, accounting fees and expenses, road show expenses, Blue Sky fees and expenses, transfer agent and registrar fees and other miscellaneous fees. The expenses of the offering, exclusive of the underwriting discount, are estimated at $987,000 and are payable by us.

OVER-ALLOTMENT OPTION

The selling stockholders have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to an aggregate of 750,000 additional shares of our common stock at the public offering price set forth on the cover page of this prospectus, less the underwriting discount. The underwriters may exercise this option solely to cover over-allotments, if any, made on the sale of our common stock offered hereby. To the extent that the underwriters exercise this option, each underwriter will be obligated, subject to certain conditions, to purchase a number of additional shares of our common stock proportionate to such underwriter's initial amount reflected in the foregoing table.

RESERVED SHARES

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered hereby to be sold to some of our directors, officers, employees, business associates and related persons. The number of shares of our common stock available for sale to the general public will be reduced to the extent that those persons purchase the reserved shares. Any reserved shares that are not orally confirmed for purchase within one day of the pricing of the offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

LOCK-UP

We and our executive officers and directors and all existing stockholders have agreed, for a period of 180 days after the date of this prospectus, not to offer, sell, contract to sell, loan, pledge, grant any option to purchase, make

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any short sale or otherwise dispose of (a) any shares of our common stock, (b) any options or warrants to purchase any shares of our common stock or (c) any securities convertible into, exchangeable for or that represent the right to receive shares of our common stock. Certain gifts, transfers to trusts, and distributions to partners or shareholders of a stockholder are permitted where the transferee agrees to be similarly bound. Transfers may also be made where Deutsche Bank Securities Inc. on behalf of the underwriters consents in advance.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the representatives. The factors considered in determining the initial public offering price, in addition to prevailing market conditions, include:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;

- certain of our financial information;

- our history and our prospects;

- the industry in which we compete;

- an assessment of our management and its past and present operations;

- the prospects for, and timing of, our future revenue;

- the present state of our development; and

- the market values and various valuation measures of other companies engaged in activities similar to ours.

We cannot be sure that an active trading market will develop for our common stock or that our common stock will trade in the public market subsequent to the offering at or above the initial public offering price.

PRICE STABILIZATION, SHORT POSITIONS AND PENALTY BIDS

Until the distribution of our common stock is completed, rules of the Securities and Exchange Commission may limit the ability of the underwriters and certain selling group members to bid for and purchase our common stock. As an exception to these rules, the representatives are permitted to engage in transactions that stabilize the price of our common stock. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of our common stock.

If the underwriters create a short position in our common stock in connection with the offering, that is, if they sell more shares of our common stock than are set forth on the cover page of this prospectus, the representatives may reduce that short position by purchasing our common stock in the open market. The representatives may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

The representatives may also impose a penalty bid on underwriters and

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selling group members. This means that if the representatives purchase shares of our common stock in the

open market to reduce the underwriters' short position or to stabilize the price of our common stock, they may reclaim the amount of the selling concession from the underwriters and selling group members who sold those shares.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of our common stock to the extent that it discourages resales of our common stock.

Neither any of the underwriters nor we make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither any of the underwriters nor we make any representation that the representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

CERTAIN RELATIONSHIPS AND ARRANGEMENTS

Canadian Imperial Bank of Commerce, an affiliate of CIBC World Markets Corp., is a primary lender and the agent under our credit agreement. We pay CIBC a commitment fee on the unused portion of its commitment as a lender under our credit agreement; CIBC also receives a fee for its services as administrative agent. As a lender, CIBC may receive more than 10% of the net proceeds of this offering to repay debt under our credit agreement. Under the Conduct Rules of the National Association of Securities Dealers, Inc., special considerations apply where a member or person associated with a member participating in an offering is paid more than 10% of the net proceeds. Accordingly, this offering is being made pursuant to Rule 2710(c)(8) of the NASD's Conduct Rules, in conjunction with which Deutsche Bank Securities Inc., a representative, is acting as a qualified independent underwriter in pricing this offering, preparing this prospectus and conducting due diligence.

LEGAL MATTERS

O'Melveny & Myers LLP, Newport Beach, California will pass upon the validity of the shares of common stock offered by this prospectus. Irell & Manella LLP, Los Angeles, California will pass upon certain legal matters for the underwriters.

EXPERTS

The consolidated financial statements and schedules of our predecessor ACME Television Holdings, LLC as of December 31, 1998 and 1997, and for each of the years in the two-year period ended December 31, 1998, have been included herein and in the registration statement in reliance upon the reports of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Koplar Communications, Inc. for each of the years in the two-year period ended December 31, 1998, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of Channel 32, Incorporated for each of the years in the two-year period ended June 30, 1996, have been included herein and in the registration

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statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act of 1933 with respect to the common stock offered by this prospectus. As permitted by the rules and regulations of the SEC, this prospectus, which is part of the registration statement, omits certain information included in the registration statement and the exhibits, schedules and undertakings set forth in the registration statement. For further information pertaining to us and the common stock offered by this prospectus, reference is made to our registration statement and its exhibits and schedules. Statements contained in this prospectus concerning the contents of any contract or any other document referred to in the prospectus are not necessarily complete. In each instance, reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference.

We file reports and other information with the Securities and Exchange Commission. Such reports and other information, as well as a copy of the registration statement may be inspected without charge at the SEC's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's regional offices located at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of all or any part of the registration statement may be obtained from such offices upon the payment of the fees prescribed by the SEC. In addition, registration statements and certain other filings made with the SEC through its Electronic Data Gathering, Analysis and Retrieval system, including our registration statement and all exhibits and amendments to our registration statement, are publicly available through the SEC's Web site at http://www.sec.gov.

Upon approval of our common stock for listing on the Nasdaq National Market, such reports, proxy and information statements and other information may also be inspected at the office of Nasdaq Operations, 1735 K Street, N.W., Washington, D.C. 20006.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

You may rely only on the information contained in this prospectus. We have not authorized anyone to provide information different from that contained in this prospectus. Neither the delivery of this prospectus nor the sale of common stock means that information contained in this prospectus is correct after the date of this prospectus. This prospectus is not an offer to sell or solicitation of an offer to buy these shares in any circumstances under which the offer or solicitation is unlawful.

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There are restrictions on the offer and sale of the common stock in the United Kingdom. All applicable provisions of the Financial Services Act of 1986 and the Public Offers of Securities Regulations 1995 with regard to anything done by any person in relation to the common stock, in, from or otherwise involving the United Kingdom must be complied with. See "Underwriting."

[ACME Communications Logo]

ACME
Communications, Inc.

5,000,000 Shares

Common Stock
Deutsche Bank
Merrill Lynch International
Morgan Stanley Dean Witter
CIBC World Markets

Prospectus

, 1999

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered. All amounts are estimates except the SEC registration fee, the NASD filing fees and the Nasdaq National Market listing fee.

<TABLE>

<S>	<C>
SEC Registration fee	$ 33,569
NASD fee	12,575
Nasdaq National Market listing fee	1,000
Printing and engraving expenses	175,000
Legal fees and expenses	500,000
Accounting fees and expenses	150,000
Blue sky fees and expenses	5,000
Transfer agent fees	5,000
FCC fees	7,975
Miscellaneous fees and expenses	96,881
Total	$987,000

</TABLE>

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ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our certificate of incorporation and bylaws provide a right to indemnification to the fullest extent permitted by law for expenses, attorney's fees, damages, punitive damages, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by any person whether or not the indemnified liability arises or arose from any threatened, pending or completed proceeding by or in our right by reason of the fact that such person is or was serving as a director or officer at our request, as a director, officer, partner, venturer, proprietor, employee, agent, or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Our certificate of incorporation and bylaws provide for the advancement of expenses to an indemnified party upon receipt of an undertaking by the party to repay those amounts if it is finally determined that the indemnified party is not entitled to indemnification. In addition, we have entered into indemnification agreements with each of our directors and executive officers.

Our bylaws authorize us to take steps to ensure that all persons entitled to the indemnification are properly identified, indemnified, including, if the board of directors so determines, purchasing and maintaining insurance.

We have entered into indemnification agreements with each of our directors and officers. Pursuant to the indemnification agreements, we have agreed to indemnify each director or officer, to the maximum extent provided by applicable law, from claims, liabilities, damages, expenses, losses, costs, penalties or amounts paid in settlement incurred by each director or officer in or arising out of such person's capacity as our director, officer, employee and/or agent or any other corporation of which such person is a director or officer at our request. In addition, each director or officer is entitled to an advance of expenses to the maximum extent authorized or permitted by law.

To the extent that our board of directors or the stockholders may in the future wish to limit or repeal our ability to provide indemnification as set forth in the certificate of incorporation, such repeal or limitation may not be effective as to directors and officers who are parties to the indemnification agreements, because their rights to full protection would

be contractually assured by the indemnification agreements. We anticipate entering similar contracts, from time to time, with our future directors.

In addition, the Form of Underwriting Agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of us and our officers and directors, and by us of the underwriters, for certain liabilities arising under the Securities Act or otherwise.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

On June 17, 1997, we sold (a) to our initial investors, 6,467 membership units for an aggregate of $6.5 million and 14,700 convertible debentures for an aggregate of $14.7 million, (b) 4,400 membership units to Channel 32 Incorporated as partial consideration for the assets of KWBP and (c) 290 management capital units to Mr. Kellner, 160 management capital units to Mr. Gealy and 150 management capital units to Mr. Allen, (d) 40 management carry units to Mr. Kellner and 30 management carry units to each of Mr. Gealy and Mr. Allen in partial consideration for their services as founders of our company. We relied on Section 4(2) under the Securities Act for an exemption from registration under the Securities Act.

On September 30, 1997, we sold to our initial investors and additional investors 13,820.5 membership units for an aggregate of $13.8 million and 10,000 convertible debentures for an aggregate of $10.0 million. We relied on Section 4(2) under the Securities Act (with respect to the membership units) and Rule 144A under the Securities Act (with respect to the convertible debentures) for exemption from registration under the Securities Act.

In each of the June 1997 and September 1997 issuance of membership units (other than the units we sold to Channel 32 Incorporated) we paid CEA, Inc. a financing fee of $440,000 and $1.1 million.

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In January 1998, we issued 3,000 membership units to each of Michael Roberts and Steven Roberts as partial consideration for 49% of membership units of Roberts Broadcasting of Salt Lake City, LLC. We relied on Section 4(2) under the Securities Act for exemption from registration under the Securities Act.

In June 1998, we sold 2,500 membership units to the sellers of Second Generation of Florida, Ltd. in partial consideration for the assets of that entity. We relied on Section 4(2) under the Securities Act for exemption under the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) EXHIBITS

The following Exhibits are attached hereto and incorporated herein by reference.

<TABLE>
<CAPTION>

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
<C>	<S>
1.1*	Form of U.S. Underwriting Agreement.
1.2*	Form of International Underwriting Agreement.
2.1*	Form of Merger Agreement by and among ACME Television Holdings, LLC, ACME Subsidiary Holdings, LLC and ACME Communications, Inc.
3.1*	Form of Restated Certificate of Incorporation of ACME Communications, Inc., a Delaware corporation.
3.2*	Restated Bylaws of ACME Communications, Inc.
4.1(1)	Indenture, dated September 30, 1997, by and among ACME Intermediate Holdings, LLC and ACME Intermediate Finance, Inc., as Issuers, and Wilmington Trust Company.
4.2(1)	Indenture, dated September 30, 1997, by and among ACME Television, LLC and ACME Finance Corporation, as issuers, the Guarantors named therein, and Wilmington Trust Company.
4.3(4)	First Supplemental Indenture, dated February 11, 1998, by and among ACME Television, LLC and ACME Finance Corporation, the Guarantors named therein, and Wilmington Trust Company.
4.4(4)	Second Supplemental Indenture, dated March 13, 1998, by and among ACME Television, LLC and ACME Finance Corporation, the Guarantors named therein, and Wilmington Trust Company.
4.5(6)	Third Supplemental Indenture, dated August 21, 1998, by and among ACME Television, LLC and ACME Finance Corporation, as issuers, the Guarantors named therein, and Wilmington Trust Company.
4.6*	Form of Stock Certificate of ACME Communications, Inc.
5.1*	Opinion of O'Melveny & Myers LLP regarding the legality of the securities being registered.
10.1(9)	Asset Purchase Agreement, dated April 23, 1999, by and among Paxson Communications Corporation, Paxson Communications License Company, LLC, Paxson Communications of Green Bay-14, Inc., Paxson Communications of Dayton-26, Inc., Paxson Dayton License, Inc., Paxson Communications of Decatur-23, Inc., Paxson Decatur License, Inc., ACME Television of Ohio, LLC, ACME Television Licenses of Ohio, LLC, ACME Television of Wisconsin, LLC, ACME Television Licenses of Wisconsin, LLC, ACME Television of Illinois, LLC and ACME Television Licenses of Illinois, LLC for WDPX(TV), Springfield, Ohio, WPXG(TV), Suring, WI and WPXU(TV), Decatur, IL.
10.2(3)	Time Brokerage Agreement, dated April 23, 1999, by and among Paxson Communications License Company, LLC, Paxson Communications of Green Bay-14, Inc., and ACME Television of Wisconsin, LLC for Station WPXG-TV, Suring, Wisconsin.
10.3(3)	Time Brokerage Agreement, dated April 23, 1999, by and among Paxson Decatur License, Inc., Paxson Communications of Decatur-23, Inc., and ACME Television of Illinois, LLC for Station WPXU-TV, Decatur, Illinois.
10.4(3)	Time Brokerage Agreement, dated April 23, 1999, by and among

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	Paxson Dayton License, Inc., Paxson Communications of Dayton-26, Inc., and ACME Television of Ohio, LLC for Station WDPX-TV, Springfield, Ohio.
10.5(8)	Asset Purchase Agreement, dated February 19, 1999, by and between ACME Television of New Mexico, LLC and ACME Television Licenses of New Mexico, LLC and Ramar Communications II, Ltd., with respect to television station KWBQ-TV, Santa Fe, New Mexico.

</TABLE>

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<CAPTION>

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.5(A)	Amendment to Asset Purchase Agreement, dated July 30, 1999, by and between ACME Television of New Mexico, LLC and ACME Television Licenses of New Mexico, LLC and Ramar Communications II, Ltd., with respect to television station KWBQ-TV, Santa Fe, New Mexico.
10.6(8)	Asset Purchase Agreement, dated February 19, 1999, by and between ACME Television of New Mexico, LLC and ACME Television Licenses of New Mexico, LLC and Ramar Communications II, Ltd., with respect to television station KASY-TV, Albuquerque, New Mexico.
10.7(7)	Purchase Agreement, dated October 30, 1998, by and between Roberts Broadcasting of New Mexico, LLC and ACME Television of New Mexico, LLC.
10.8(7)	Option Agreement, dated November 5, 1998, by and between Roberts Broadcasting of New Mexico, LLC and ACME Television of New Mexico, LLC.
10.9(1)	Asset Purchase Agreement, dated August 22, 1997, by and between ACME Television Licenses of New Mexico, LLC and Minority Broadcasters of Santa Fe, Inc.
10.10(1)	Management Agreement, dated August 22, 1997, by and between Minority Broadcasters of Santa Fe, Inc. and ACME Television of New Mexico, LLC.
10.11(1)	Membership Contribution Agreement, dated August 22, 1997, by and among ACME Television Holdings, LLC, Roberts Broadcasting of Salt Lake City, LLC, Michael V. Roberts and Steven C. Roberts.
10.12(8)	Membership Purchase Agreement, dated July 10, 1998, by and between Roberts Broadcasting of Salt Lake City, L.L.C., Michael V. Roberts and Steven C. Roberts and ACME Television Holdings, LLC for a majority interest in Roberts Broadcasting of Salt Lake City, L.L.C.
10.13(8)	Asset Exchange Agreement, dated April 20, 1998 by and among Paxson Salt Lake City License, Inc., Paxson Communications of Salt Lake City-30, Inc. and Roberts Broadcasting of Salt Lake City, L.L.C.
10.14(5)	Time Brokerage Agreement, dated April 20, 1998, for KUPX-TV, by and among Paxson Salt Lake City License, Inc., Paxson Communications of Salt Lake City-30, Inc. and ACME Television of Utah, LLC.
10.15(1)	Management Agreement, dated August 22, 1997, by and between Roberts Broadcasting of Salt Lake City, LLC and ACME Television of Utah, LLC.
10.16(4)	Asset Purchase Agreement, dated March 2, 1998, by and between ACME Television, LLC and Second Generation of Florida, Ltd.
10.17(4)	Time Brokerage Agreement, dated March 2, 1998, by and between ACME Television, LLC and Second Generation of Florida, Ltd.
10.18	Station Affiliation Agreement, dated March 15, 1998, by and between ACME Television Holdings, LLC and The WB Television Network Partners, L.P.
10.19(4)	Agreement, dated January 30, 1998, by and between ACME Television Licenses of Tennessee, LLC, Ruth Payne Carman (dba E&R Communications) and the Carman-Holly Partnership.
10.20(5)	Assignment Agreement, dated June 16, 1998, by and between ACME Television Licenses of Tennessee, LLC, Ruth Payne Carman (dba E&R Communications), Carman-Harrison, LLC and

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	Donald E. Holley.
10.21(1)	Stock Purchase Agreement, dated July 29, 1997, by and among ACME Television Holdings, LLC, Koplar Communications, Inc. and the shareholders named therein.
10.22(1)	Escrow Agreement, dated September 8, 1997, by and among ACME Television Holdings, LLC, ACME Television Licenses of Missouri, Inc., Koplar Communications, Inc. the shareholders of Koplar Communications, Inc. and NationsBank, N.A.

</TABLE>

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
<C>	<S>
10.23(1)	Time Brokerage Agreement for KPLR-TV, dated September 8, 1997, by and among ACME Television Licenses of Missouri, Inc., ACME Television Holdings, LLC, Koplar Communications Television, LLC and Koplar Communications, Inc.
10.24(1)	Station Affiliation Agreement, dated September 24, 1997, by and between ACME Holdings of St. Louis, LLC and The WB Television Network Partners, L.P.
10.25(3)	Management Agreement between Edward J. Koplar and ACME Television Licenses of Missouri, Inc.
10.26(1)	Escrow Agreement, dated May 28, 1997, by and among ACME Television Licenses of Tennessee, LLC, ACME Television of Tennessee, LLC, Crossville TV Limited Partnership, the Sellers names therein and NationsBank, N.A., as escrow agent.
10.27(3)	Station Affiliation Agreement, dated August 18, 1997, by and between ACME Holdings of Knoxville, LLC and The WB Television Network Partners, L.P.
10.28(3)	Station Affiliation Agreement, dated June 10, 1997, by and between ACME Holdings of Oregon, LLC and The WB Television Network Partners, L.P.
10.29**	Joint Sales Agreement by and between ACME Television Holdings, LLC and DP Media, Inc., dated April 23, 1999.
10.30**	Option Agreement, dated April 23, 1999, by and between ACME Television Holdings, LLC and DP Media, Inc.
10.31(1)	Programming Agreement, dated June 1, 1995, by and among Koplar Communications, Inc., Roberts Broadcasting Company, Michael V. Roberts and Steven C. Roberts.
10.32(5)	Master Lease Agreement, dated June 30, 1998, by and between General Electric Capital Corporation and ACME Television, LLC.
10.33(1)	Station Affiliation Commitment Letter dated August 21, 1997, to ACME Communications, Inc. from The WB Television Network.
10.34*	1999 Stock Incentive Plan.
10.35*	Employment Agreement, as amended, by and between ACME Communications, Inc. and Doug Gealy.
10.36*	Employment Agreement, as amended, by and between ACME Communications, Inc. and Tom Allen.
10.37*	Consulting Agreement, as amended, by and between ACME Communications, Inc. and Jamie Kellner.
10.38(1)	First Amended and Restated Credit Agreement, dated as of December 2, 1997, by and among ACME Television, LLC, the Lenders named therein and Canadian Imperial Bank of Commerce, New York Agency, as agent for the Lenders.
10.39(3)	Securities and Pledge Agreement, dated December 2, 1997, by and between ACME Subsidiary Holdings III, LLC and Canadian Imperial Bank of Commerce, as agent for the benefit of CIBC, Inc. and other financial institutions.
10.40**	Amendment No. 1 to First Amended and Restated Credit Agreement, dated June 30, 1998.
10.41**	Amendment No. 2 to First Amended and Restated Credit Agreement, dated June 30, 1998.
10.42**	Third Amendment to First Amended and Restated Credit Agreement, dated March 1, 1999.
10.43**	Fourth Amendment to First Amended and Restated Credit Agreement, dated April 23, 1999.
10.43A*	Fifth Amendment to First Amended and Restated Credit Agreement

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10.44(3)	Form of Guaranty by and among ACME subsidiaries, Canadian Imperial Bank of Commerce, as agent, and the Lenders under the First Amended and Restated Credit Agreement.

</TABLE>

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<CAPTION>

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
<C>	<S>
10.45(3)	Form of Security and Pledge Agreement by and among ACME subsidiaries, Canadian Imperial Bank of Commerce, as agent, and the Lenders under the First Amended and Restated Credit Agreement.
10.46*	Form of Registration Rights Agreement, by and among ACME Communications, Inc. and the parties on the signature pages thereto.
10.47(1)	Note Purchase Agreement, dated September 24, 1997, by and among ACME Intermediate Holdings, LLC, ACME Intermediate Finance, Inc. and CIBC Wood Gundy Securities Corp., as Initial Purchaser.
10.48(2)	Note Purchase Agreement, dated September 24, 1997, by and among ACME Television, LLC, ACME Finance Corporation, CIBC Wood Gundy Securities Corp. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.
10.49(1)	Securities Pledge Agreement, dated September 30, 1997, by and between ACME Intermediate Holdings, LLC and ACME Intermediate Finance, Inc., as Pledgers, and Wilmington Trust Company, as Trustee.
10.50(3)	Limited Liability Company Agreement of ACME Television Holdings, LLC.
10.51(3)	First Amendment to Limited Liability Company Agreement of ACME Television Holdings, LLC.
10.52*	Employment Agreement by and between ACME Communications, Inc. and Ed Danduran.
10.53**	Amended and Restated Investment and Loan Agreement, dated as of June 17, 1999, by and among ACME Television Holdings, LLC and Jamie Kellner, Douglas Gealy, Thomas Allen, CEA Capital Partners USA, L.P. CEA ACME, Inc., Alta Communications VI, L.P., Alta Subordinated Debt Partners III, L.P., Alta-Comm S by S, LLC, Alta ACME, Inc., BancBoston Ventures, Inc., CEA Inc. and Alta Inc.
10.54**	Form of Convertible Debenture of ACME Television Holdings, LLC. Due June 30, 2008.
10.55(8)	Agreement of Lease, dated May 16, 1986, by and between CBS, Inc. and Koplar Communications Inc.
10.56(8)	Amendment to Agreement of Lease, dated September 2, 1986, by and between Viacom Broadcasting of Missouri Inc. and Koplar Communications Inc.
10.57(1)	Amended and Restated Lease Agreement, dated July 1, 1986, by and between KKSN, Inc. and Channel 32 Incorporated.
10.58(8)	Tower Lease Agreement, dated August 22, 1997, by and between Roberts Broadcasting Company of Utah, Inc. and Roberts Broadcasting Company of Salt Lake City, LLC.
10.59(3)	Amendment to Tower Lease Agreement, dated December 9, 1997, by and between Roberts Broadcasting Company of Utah, Inc. and Roberts Broadcasting Company of Salt Lake City LLC.
10.60**	Lease Agreement, dated January 1, 1997, by and between Mr. Tom Winter and VCY/America, Inc.
10.61**	Assignment and Assumption of Lease and Estoppel Certificate, dated October 6, 1997.
10.62**	Assignment and Assumption of Lease, dated April 23, 1999.
10.63(7)	Tower Lease Agreement, dated December 30, 1998, by and between Roberts Broadcasting Company of New Mexico, LLC and ACME Television of New Mexico, LLC.
10.64	Tower License Agreement, dated May 21, 1992, by and between Caloosa Television Corporation and Southwest Florida Telecommunications, Inc.
10.65*	Station Affiliation Agreement by and between ACME Television of Utah and The WB Television Network.
10.66*	Station Affiliation Agreement by and between ACME Television of New Mexico and The WB Television Network.

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.67*	Station Affiliation Agreement by and between ACME Television of Wisconsin and The WB Television Network.
10.68*	Station Affiliation Agreement by and between ACME Television of Illinois and The WB Television Network.
10.69*	Station Affiliation Agreement by and between ACME Television of Ohio and The WB Television Network.
10.70	[Intentionally left blank]
10.71**	Bridge Loan Agreement, dated April 23, 1999, by and among ACME Television Holdings, LLC, Alta Communications VI, L.P., Alta Comm S by S, LLC, Alta Subordinated Debt Partners III, L.P., BancBoston Investments Inc., CEA Capital Partners USA, L.P., CEA Capital Partners USA CI, L.P., TCW Shared Opportunity Fund III, L.P., Shared Opportunity Fund IIB, LLC and TCW Leveraged Income Trust II, L.P.
10.72*	Interim Voting Agreement.
10.73*	Long-Term Voting Agreement.
10.74(1)	Management Agreement, dated February 6, 1997, by and between Newco of Oregon, Inc. and Channel 32, Incorporated.
10.75(1)	Amendment, dated June 17, 1997, to Management Agreement by and between ACME Television Holdings of Oregon, LLC and Channel 32, Incorporated.
21.0	Subsidiaries of Registrant.
23.1	Consent of KPMG LLP regarding ACME Television Holdings, LLC
23.2	Consent of KPMG LLP regarding Koplar Communications, Inc. and Subsidiary.
23.3	Consent of KPMG LLP regarding Channel 32 Incorporated.
23.4*	Consent of O'Melveny & Myers LLP (included in Exhibit 5.1).
24.1**	Power of Attorney (included in signature page hereto).
27.1	Financial Data Schedule.

</TABLE>

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* To be filed by amendment.

** Previously filed.

(1) Incorporated by reference to the Registration Statement for ACME Intermediate Holdings, LLC on Form S-4, File No. 333-4027, filed on November 14, 1997.

(2) Incorporated by reference to the Registration Statement for ACME Television, LLC on Form S-4, File No. 333-40281, filed on November 14, 1997.

(3) Incorporated by reference to the Registration Statement for ACME Television, LLC on Form S-4/A, File No. 333-40281, filed on January 16, 1998.

(4) Incorporated by reference to ACME Intermediate Holdings LLC's Quarterly Report on Form 10-Q for the period ending March 31, 1998.

(5) Incorporated by reference to ACME Intermediate Holdings LLC's Quarterly Report on Form 10-Q for the period ending June 30, 1998.

(6) Incorporated by reference to ACME Intermediate Holdings LLC's Quarterly Report on Form 10-Q for the period ending September 30, 1998.

(7) Incorporated by reference to ACME Intermediate Holdings LLC's Annual Report on Form 10-K for the For the year ended December 31, 1998.

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(8) Incorporated by reference to ACME Television Holdings LLC's Quarterly Report on Form 10-Q for the period ending March 31, 1999.

(9) Incorporated by reference to ACME Intermediate Holdings LLC's Report on Form 8-K filed May 7, 1999.

(b) FINANCIAL STATEMENT SCHEDULES

Schedule I -- Condensed Financial Information

Schedule II -- Valuation and Qualifying Accounts

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Company pursuant to the provisions referenced in Item 14 of this Registration Statement or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act, and is, therefore, unenforceable. If a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer, or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Company hereby undertakes that:

(1) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Company pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The Company hereby undertakes to provide to the underwriters at the Closing, as specified in the Underwriting Agreement, certificates in such denomination and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this amendment to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Ana, State of California, on September 10, 1999.

ACME COMMUNICATIONS, INC.

/s/ THOMAS ALLEN

Thomas Allen
Executive Vice President
Chief Financial Officer

Pursuant to the requirements of the Securities Act, this amendment to Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

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<TABLE>
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NAME	TITLE	DATE
* Jamie Kellner	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	September 10, 1999
* Douglas Gealy	President and Chief Operating Officer and Director	September 10, 1999
/s/ THOMAS ALLEN Thomas Allen	Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer) and Director	September 10, 1999
* James Collis	Director	September 10, 1999
* Thomas Embrescia	Director	September 10, 1999
* Brian McNeill	Director	September 10, 1999
* Michael Roberts	Director	September 10, 1999
* Darryl Schall	Director	September 10, 1999

*By /s/ THOMAS ALLEN

Thomas Allen
Attorney-in-fact

</TABLE>

SCHEDULE I

ACME TELEVISION HOLDINGS, LLC

(PARENT COMPANY)

CONDENSED FINANCIAL INFORMATION
BALANCE SHEETS

<TABLE>
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	AS OF DECEMBER 31, 1997	AS OF DECEMBER 31, 1998
	(IN THOUSANDS)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 4	$ 48
Due from affiliates	7	--

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Total current assets	11	48
Notes Receivable and accrued interest	211	231
Investment in subsidiaries	40,806	28,456
Prepaid financing costs	1,081	959
Total assets	$42,109	$ 29,694
LIABILITIES AND MEMBERS' CAPITAL		
Current Liabilities:		
Other current liabilities	--	2
Total current liabilities	--	2
Accrued interest payable	1,047	3,523
Convertible debentures	24,756	24,756
Total liabilities	$25,803	$ 28,281
Members' capital	23,785	30,832
Accumulated deficit	(7,479)	(29,419)
Total members' capital	16,306	1,413
Total liabilities and members' capital	$42,109	$ 29,694

</TABLE>

See accompanying notes to the condensed financial statements.

ACME TELEVISION HOLDINGS, LLC

(PARENT COMPANY)

CONDENSED FINANCIAL INFORMATION
STATEMENT OF OPERATIONS

<TABLE>
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	FOR THE YEAR ENDED DECEMBER 31,	
	1997	1998
	(IN THOUSANDS)	
<S>	<C>	<C>
Net Revenues	$ --	$ --
Other Income (Expenses)	4	(13)
Interest income	--	20
Interest expense	(1,096)	(2,575)
Net other expenses	(1,092)	(2,568)
Equity in the net loss of subsidiaries	(6,397)	(19,372)
Net Loss	$(7,479)	$(21,940)

</TABLE>

See accompanying notes to the condensed financial statements.

ACME TELEVISION HOLDINGS, LLC

(PARENT COMPANY)

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CONDENSED FINANCIAL INFORMATION
STATEMENT OF STOCKHOLDERS' EQUITY
(IN THOUSANDS)

	MEMBERS' CAPITAL	ACCUMULATED DEFICIT	TOTAL MEMBERS' CAPITAL
Balance at December 31, 1996	$ --	$ --	$ --
Issuance of Units, net	23,785	--	23,785
Net Loss	--	(7,479)	(7,479)
Balance at December 31, 1997	23,785	(7,479)	16,306
Issuance of Units, net	7,047		7,047
Net Loss	--	(21,940)	(21,940)
Balance at December 31, 1998	$30,832	$(29,419)	$ 1,413

See accompanying notes to the condensed financial statements.

ACME TELEVISION HOLDINGS, LLC

(PARENT COMPANY)

CONDENSED FINANCIAL INFORMATION
STATEMENT OF CASH FLOWS

	FOR THE YEAR ENDED DECEMBER 31,	
	1997	1998
	(IN THOUSANDS)	
Cash flows from operating activities:		
Net loss	$ (7,479)	$(21,940)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of debt issuance costs	34	122
Equity in net loss of subsidiary	6,397	19,372
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables, net	(211)	(20)
(Increase) decrease in prepaid expenses	--	25
(Increase) decrease in due from affiliates	(7)	7
(Increase) other assets	--	--
Increase in other current liabilities	--	2
Increase in accrued expenses	1,047	2,476
Net cash provided by (used in) operating activity	(219)	44
Cash flows from investing activities:		
Purchase of station interests	(18,675)	--
Investments in and advances to subsidiaries	(24,128)	--
Net cash used in investing activities	(42,803)	--
Cash flows from financing activities:		
Issuance of units	19,385	--
Debt issuance costs	(1,115)	--
Issuance of convertible debt	24,756	--
Net cash provided by financing activities	43,026	--

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Net increase (decrease) in cash	4	44
Cash at beginning of period	--	4
Cash at end of period	$ 4	$ 48
Supplemental disclosures of cash flow information:		
Non-cash transactions:		
Issuance of units as purchase consideration	4,400	7,047
Contribution of station interest to subsidiary	18,675	--

</TABLE>

See accompanying notes to the condensed financial statements.

ACME TELEVISION HOLDINGS, LLC
(PARENT COMPANY)

NOTES TO CONDENSED FINANCIAL INFORMATION

(1) BASIS OF PRESENTATION

Pursuant to the rules and regulations of the Securities and Exchange Commission, the Condensed Financial Statements of ACME Television Holdings, LLC, does not include all of the information and notes normally included with financial statements prepared in accordance with generally accepted accounting principles. It is therefore suggested that these Condensed Financial Statements be read in conjunction with the Consolidated Financial Statements and Notes thereto included at Item 8 of this filing.

(2) CASH DIVIDENDS

There have been no cash dividends declared by the Company.

(3) LONG-TERM DEBT

There are no cash interest payments due on the Company's convertible debt until June 30, 2008. There are no cash interest payments due on ACME Intermediate Holdings, LLC's Senior Secured Discount Notes until March 31, 2003. There are no cash interest payments due on ACME Television, LLC's Senior Discount Notes until March 31, 2001.

(4) SUBSEQUENT EVENT -- REORGANIZATION

First, ACME Communications will issue common stock in exchange for all of the convertible debentures of ACME Television Holdings, LLC. The convertible debentures will be converted pursuant to their original conversion terms and as such, there will not be a gain or loss related to this transaction.

Second, ACME Communications will exchange shares of its common stock for (a) membership units representing approximately 6% of ACME Intermediate and (b) all of the convertible debentures and preferred convertible membership units of ACME Subsidiary Holdings IV, LLC. These transaction will be treated as acquisitions of minority interests. The fair value of the stock issued to acquire the minority interests will be allocated to the net assets acquired.

Third, a subsidiary of ACME Communications will merge into ACME Television Holdings, LLC. In this merger, ACME Television Holdings, LLC's membership units will be exchanged for shares of common stock of ACME Communications. This transaction will be treated as a reorganization at historical cost.

Fourth, ACME Subsidiary Holdings, LLC, a wholly-owned subsidiary of ACME Television Holdings, LLC, will be merged into ACME Communications, which will be the surviving corporation. This transaction will be treated as a reorganization

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at historical cost.

Lastly, ACME Subsidiary Holdings IV, LLC will be merged into ACME Communications, which will be the surviving corporation. After this merger, ACME Communications will own directly or indirectly 100% of the membership units of each of ACME Television Holdings, LLC and of ACME Intermediate. This transaction will be treated as a reorganization at historical cost.

SCHEDULE II.

ACME TELEVISION HOLDINGS, LLC AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND DECEMBER 31, 1997

ALLOWANCE FOR DOUBTFUL ACCOUNTS	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO EXPENSE	ADDITIONS ACQUIRED IN PURCHASE TRANSACTIONS(1)	DEDUCTIONS	BALANCE AT END OF PERIOD
Year ended December 31, 1997...........	--	--	51,000	--	51,000
Year ended December 31, 1998...........	51,000	223,776	280,224	--	555,000
Three months ended June 30, 1999.......	555,000	141,000	--	--	696,000

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(1) Additions relating to purchase transactions.

Other schedules have been omitted because they are not applicable or not required or because the information is included elsewhere in the consolidated financial statements or the related notes.

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
1.1*	Form of U.S. Underwriting Agreement.
1.2*	Form of International Underwriting Agreement.
2.1*	Form of Merger Agreement by and among ACME Television Holdings, LLC, ACME Subsidiary Holdings, LLC and ACME Communications, Inc.
3.1*	Form of Restated Certificate of Incorporation of ACME Communications, Inc., a Delaware corporation.
3.2*	Restated Bylaws of ACME Communications, Inc.
4.1(1)	Indenture, dated September 30, 1997, by and among ACME Intermediate Holdings, LLC and ACME Intermediate Finance, Inc., as Issuers, and Wilmington Trust Company.
4.2(1)	Indenture, dated September 30, 1997, by and among ACME Television, LLC and ACME Finance Corporation, as issuers, the Guarantors named therein, and Wilmington Trust Company.
4.3(4)	First Supplemental Indenture, dated February 11, 1998, by and among ACME Television, LLC and ACME Finance Corporation, the Guarantors named therein, and Wilmington Trust Company.

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4.4(4)	Second Supplemental Indenture, dated March 13, 1998, by and among ACME Television, LLC and ACME Finance Corporation, the Guarantors named therein, and Wilmington Trust Company.
4.5(6)	Third Supplemental Indenture, dated August 21, 1998, by and among ACME Television, LLC and ACME Finance Corporation, as issuers, the Guarantors named therein, and Wilmington Trust Company.
4.6*	Form of Stock Certificate of ACME Communications, Inc.
5.1*	Opinion of O'Melveny & Myers LLP regarding the legality of the securities being registered.
10.1(9)	Asset Purchase Agreement, dated April 23, 1999, by and among Paxson Communications Corporation, Paxson Communications License Company, LLC, Paxson Communications of Green Bay-14, Inc., Paxson Communications of Dayton-26, Inc., Paxson Dayton License, Inc., Paxson Communications of Decatur-23, Inc., Paxson Decatur License, Inc., ACME Television of Ohio, LLC, ACME Television Licenses of Ohio, LLC, ACME Television of Wisconsin, LLC, ACME Television Licenses of Wisconsin, LLC, ACME Television of Illinois, LLC and ACME Television Licenses of Illinois, LLC for WDPX(TV), Springfield, Ohio, WPXG(TV), Suring, WI and WPXU(TV), Decatur, IL.
10.2(3)	Time Brokerage Agreement, dated April 23, 1999, by and among Paxson Communications License Company, LLC, Paxson Communications of Green Bay-14, Inc., and ACME Television of Wisconsin, LLC for Station WPXG-TV, Suring, Wisconsin.
10.3(3)	Time Brokerage Agreement, dated April 23, 1999, by and among Paxson Decatur License, Inc., Paxson Communications of Decatur-23, Inc., and ACME Television of Illinois, LLC for Station WPXU-TV, Decatur, Illinois.
10.4(3)	Time Brokerage Agreement, dated April 23, 1999, by and among Paxson Dayton License, Inc., Paxson Communications of Dayton-26, Inc., and ACME Television of Ohio, LLC for Station WDPX-TV, Springfield, Ohio.
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10.7(7)	Purchase Agreement, dated October 30, 1998, by and between Roberts Broadcasting of New Mexico, LLC and ACME Television of New Mexico, LLC.
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10.12(8)	Membership Purchase Agreement, dated July 10, 1998, by and between Roberts Broadcasting of Salt Lake City, L.L.C., Michael V. Roberts and Steven C. Roberts and ACME Television

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	Holdings, LLC for a majority interest in Roberts Broadcasting of Salt Lake City, L.L.C.
10.13(8)	Asset Exchange Agreement, dated April 20, 1998 by and among Paxson Salt Lake City License, Inc., Paxson Communications of Salt Lake City-30, Inc. and Roberts Broadcasting of Salt Lake City, L.L.C.
10.14(5)	Time Brokerage Agreement, dated April 20, 1998, for KUPX-TV, by and among Paxson Salt Lake City License, Inc., Paxson Communications of Salt Lake City-30, Inc. and ACME Television of Utah, LLC.
10.15(1)	Management Agreement, dated August 22, 1997, by and between Roberts Broadcasting of Salt Lake City, LLC and ACME Television of Utah, LLC.
10.16(4)	Asset Purchase Agreement, dated March 2, 1998, by and between ACME Television, LLC and Second Generation of Florida, Ltd.
10.17(4)	Time Brokerage Agreement, dated March 2, 1998, by and between ACME Television, LLC and Second Generation of Florida, Ltd.
10.18	Station Affiliation Agreement, dated March 15, 1998, by and between ACME Television Holdings, LLC and The WB Television Network Partners, L.P.
10.19(4)	Agreement, dated January 30, 1998, by and between ACME Television Licenses of Tennessee, LLC, Ruth Payne Carman (dba E&R Communications) and the Carman-Holly Partnership.
10.20(5)	Assignment Agreement, dated June 16, 1998, by and between ACME Television Licenses of Tennessee, LLC, Ruth Payne Carman (dba E&R Communications), Carman-Harrison, LLC and Donald E. Holley.
10.21(1)	Stock Purchase Agreement, dated July 29, 1997, by and among ACME Television Holdings, LLC, Koplar Communications, Inc. and the shareholders named therein.
10.22(1)	Escrow Agreement, dated September 8, 1997, by and among ACME Television Holdings, LLC, ACME Television Licenses of Missouri, Inc., Koplar Communications, Inc. the shareholders of Koplar Communications, Inc. and NationsBank, N.A.
10.23(1)	Time Brokerage Agreement for KPLR-TV, dated September 8, 1997, by and among ACME Television Licenses of Missouri, Inc., ACME Television Holdings, LLC, Koplar Communications Television, LLC and Koplar Communications, Inc.
10.24(1)	Station Affiliation Agreement, dated September 24, 1997, by and between ACME Holdings of St. Louis, LLC and The WB Television Network Partners, L.P.
10.25(3)	Management Agreement between Edward J. Koplar and ACME Television Licenses of Missouri, Inc.

</TABLE>

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
<C>	<S>
10.26(1)	Escrow Agreement, dated May 28, 1997, by and among ACME Television Licenses of Tennessee, LLC, ACME Television of Tennessee, LLC, Crossville TV Limited Partnership, the Sellers names therein and NationsBank, N.A., as escrow agent.
10.27(3)	Station Affiliation Agreement, dated August 18, 1997, by and between ACME Holdings of Knoxville, LLC and The WB Television Network Partners, L.P.
10.28(3)	Station Affiliation Agreement, dated June 10, 1997, by and between ACME Holdings of Oregon, LLC and The WB Television Network Partners, L.P.
10.29**	Joint Sales Agreement by and between ACME Television Holdings, LLC and DP Media, Inc., dated April 23, 1999.
10.30**	Option Agreement, dated April 23, 1999, by and between ACME Television Holdings, LLC and DP Media, Inc.
10.31(1)	Programming Agreement, dated June 1, 1995, by and among Koplar Communications, Inc., Roberts Broadcasting Company, Michael V. Roberts and Steven C. Roberts.
10.32(5)	Master Lease Agreement, dated June 30, 1998, by and between General Electric Capital Corporation and ACME Television, LLC.
10.33(1)	Station Affiliation Commitment Letter dated August 21, 1997,

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	to ACME Communications, Inc. from The WB Television Network.
10.34*	1999 Stock Incentive Plan.
10.35*	Employment Agreement, as amended, by and between ACME Communications, Inc. and Doug Gealy.
10.36*	Employment Agreement, as amended, by and between ACME Communications, Inc. and Tom Allen.
10.37*	Consulting Agreement, as amended, by and between ACME Communications, Inc. and Jamie Kellner.
10.38(1)	First Amended and Restated Credit Agreement, dated as of December 2, 1997, by and among ACME Television, LLC, the Lenders named therein and Canadian Imperial Bank of Commerce, New York Agency, as agent for the Lenders.
10.39(3)	Securities and Pledge Agreement, dated December 2, 1997, by and between ACME Subsidiary Holdings III, LLC and Canadian Imperial Bank of Commerce, as agent for the benefit of CIBC, Inc. and other financial institutions.
10.40**	Amendment No. 1 to First Amended and Restated Credit Agreement, dated June 30, 1998.
10.41**	Amendment No. 2 to First Amended and Restated Credit Agreement, dated June 30, 1998.
10.42**	Third Amendment to First Amended and Restated Credit Agreement, dated March 1, 1999.
10.43**	Fourth Amendment to First Amended and Restated Credit Agreement, dated April 23, 1999.
10.43A*	Fifth Amendment to First Amended and Restated Credit Agreement
10.44(3)	Form of Guaranty by and among ACME subsidiaries, Canadian Imperial Bank of Commerce, as agent, and the Lenders under the First Amended and Restated Credit Agreement.
10.45(3)	Form of Security and Pledge Agreement by and among ACME subsidiaries, Canadian Imperial Bank of Commerce, as agent, and the Lenders under the First Amended and Restated Credit Agreement.
10.46*	Form of Registration Rights Agreement, by and among ACME Communications, Inc. and the parties on the signature pages thereto.
10.47(1)	Note Purchase Agreement, dated September 24, 1997, by and among ACME Intermediate Holdings, LLC, ACME Intermediate Finance, Inc. and CIBC Wood Gundy Securities Corp., as Initial Purchaser.
10.48(2)	Note Purchase Agreement, dated September 24, 1997, by and among ACME Television, LLC, ACME Finance Corporation, CIBC Wood Gundy Securities Corp. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
<C>	<S>
10.49(1)	Securities Pledge Agreement, dated September 30, 1997, by and between ACME Intermediate Holdings, LLC and ACME Intermediate Finance, Inc., as Pledgers, and Wilmington Trust Company, as Trustee.
10.50(3)	Limited Liability Company Agreement of ACME Television Holdings, LLC.
10.51(3)	First Amendment to Limited Liability Company Agreement of ACME Television Holdings, LLC.
10.52*	Employment Agreement by and between ACME Communications, Inc. and Ed Danduran.
10.53**	Amended and Restated Investment and Loan Agreement, dated as of June 17, 1999, by and among ACME Television Holdings, LLC and Jamie Kellner, Douglas Gealy, Thomas Allen, CEA Capital Partners USA, L.P. CEA ACME, Inc., Alta Communications VI, L.P., Alta Subordinated Debt Partners III, L.P., Alta-Comm S by S, LLC, Alta ACME, Inc., BancBoston Ventures, Inc., CEA Inc. and Alta Inc.
10.54**	Form of Convertible Debenture of ACME Television Holdings, LLC. Due June 30, 2008.
10.55(8)	Agreement of Lease, dated May 16, 1986, by and between CBS, Inc. and Koplar Communications Inc.
10.56(8)	Amendment to Agreement of Lease, dated September 2, 1986, by and between Viacom Broadcasting of Missouri Inc. and Koplar

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	Communications Inc.
10.57(1)	Amended and Restated Lease Agreement, dated July 1, 1986, by and between KKSN, Inc. and Channel 32 Incorporated.
10.58(8)	Tower Lease Agreement, dated August 22, 1997, by and between Roberts Broadcasting Company of Utah, Inc. and Roberts Broadcasting Company of Salt Lake City, LLC.
10.59(3)	Amendment to Tower Lease Agreement, dated December 9, 1997, by and between Roberts Broadcasting Company of Utah, Inc. and Roberts Broadcasting Company of Salt Lake City LLC.
10.60**	Lease Agreement, dated January 1, 1997, by and between Mr. Tom Winter and VCY/America, Inc.
10.61**	Assignment and Assumption of Lease and Estoppel Certificate, dated October 6, 1997.
10.62**	Assignment and Assumption of Lease, dated April 23, 1999.
10.63(7)	Tower Lease Agreement, dated December 30, 1998, by and between Roberts Broadcasting Company of New Mexico, LLC and ACME Television of New Mexico, LLC.
10.64	Tower License Agreement, dated May 21, 1992, by and between Caloosa Television Corporation and Southwest Florida Telecommunications, Inc.
10.65*	Station Affiliation Agreement by and between ACME Television of Utah and The WB Television Network.
10.66*	Station Affiliation Agreement by and between ACME Television of New Mexico and The WB Television Network.
10.67*	Station Affiliation Agreement by and between ACME Television of Wisconsin and The WB Television Network.
10.68*	Station Affiliation Agreement by and between ACME Television of Illinois and The WB Television Network.
10.69*	Station Affiliation Agreement by and between ACME Television of Ohio and The WB Television Network.
10.70	[Intentionally left blank]
10.71**	Bridge Loan Agreement, dated April 23, 1999, by and among ACME Television Holdings, LLC, Alta Communications VI, L.P., Alta Comm S by S, LLC, Alta Subordinated Debt Partners III, L.P., BancBoston Investments Inc., CEA Capital Partners USA, L.P., CEA Capital Partners USA CI, L.P., TCW Shared Opportunity Fund III, L.P., Shared Opportunity Fund IIB, LLC and TCW Leveraged Income Trust II, L.P.
10.72*	Interim Voting Agreement.

</TABLE>

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
<C>	<S>
10.73*	Long-Term Voting Agreement.
10.74(1)	Management Agreement, dated February 6, 1997, by and between Newco of Oregon, Inc. and Channel 32, Incorporated.
10.75(1)	Amendment, dated June 17, 1997, to Management Agreement by and between ACME Television Holdings of Oregon, LLC and Channel 32, Incorporated.
21.0	Subsidiaries of Registrant.
23.1	Consent of KPMG LLP regarding ACME Television Holdings, LLC
23.2	Consent of KPMG LLP regarding Koplar Communications, Inc. and Subsidiary.
23.3	Consent of KPMG LLP regarding Channel 32 Incorporated.
23.4*	Consent of O'Melveny & Myers LLP (included in Exhibit 5.1).
24.1**	Power of Attorney (included in signature page hereto).
27.1	Financial Data Schedule.

</TABLE>

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* To be filed by amendment.

** Previously filed.

(1) Incorporated by reference to the Registration Statement for ACME

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Intermediate Holdings, LLC on Form S-4, File No. 333-4027, filed on November 14, 1997.

(2) Incorporated by reference to the Registration Statement for ACME Television, LLC on Form S-4, File No. 333-40281, filed on November 14, 1997.

(3) Incorporated by reference to the Registration Statement for ACME Television, LLC on Form S-4/A, File No. 333-40281, filed on January 16, 1998.

(4) Incorporated by reference to ACME Intermediate Holdings LLC's Quarterly Report on Form 10-Q for the period ending March 31, 1998.

(5) Incorporated by reference to ACME Intermediate Holdings LLC's Quarterly Report on Form 10-Q for the period ending June 30, 1998.

(6) Incorporated by reference to ACME Intermediate Holdings LLC's Quarterly Report on Form 10-Q for the period ending September 30, 1998.

(7) Incorporated by reference to ACME Intermediate Holdings LLC's Annual Report on Form 10-K for the For the year ended December 31, 1998.

(8) Incorporated by reference to ACME Television Holdings LLC's Quarterly Report on Form 10-Q for the period ending March 31, 1999.

(9) Incorporated by reference to ACME Intermediate Holdings LLC's Report on Form 8-K filed May 7, 1999.

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EXHIBIT 10.5A

EXECUTION COPY

AMENDMENT

This Amendment (the "Amendment"), made as of the 30th day of July, 1999, is between Ramar Communications II, Ltd., a Texas limited partnership ("Seller"), ACME Television of New Mexico, LLC, a Delaware limited liability company ("ATNM"), ACME Television Licenses of New Mexico, LLC, a Delaware limited liability company ("ATLNM") (ATNM and ATLNM shall be collectively referred to herein as "Buyer"), and, for purposes of Section 5 below, ACME Television Holdings, LLC.

Seller and Buyer have entered into an Asset Purchase Agreement dated as of February 19, 1999 relating to the purchase and sale of Station KASY-TV, Albuquerque, New Mexico (the "Purchase Agreement").

The Purchase Agreement provides that the Closing of the transaction is required to take place no later than ten (10) days after the conditions in Articles 11 and 12 of the Purchase Agreement have been fulfilled. All such conditions shall have been fulfilled (or shall be able to be fulfilled) prior to August 3, 1999; therefore, and the Closing should occur on or before August 13, 1999. Buyer desires to delay Closing until October 31, 1999. Seller is willing to delay Closing under the terms and conditions set forth in this Amendment.

Accordingly, Seller and Buyer have agreed to enter into this Amendment to the Purchase Agreement.

1. Defined Terms. Unless otherwise defined, capitalized terms used herein shall have the same meanings as set forth in the Purchase Agreement.

2. Closing. Section 1.1 of the Purchase Agreement shall be replaced in its entirety with the following provision:

1.1 CLOSING. Except as otherwise mutually agreed upon by Seller and Buyer, and subject to the satisfaction or waiver of the conditions specified in Articles 11 and 12 of this Agreement (except as otherwise expressly provided herein) the closing of this transaction (the "Closing") shall take place on October 31, 1999, unless Buyer, subject to Sections 2.2(c), 10.5(b) and 19.2 hereof, elects to postpone the Closing to a date prior to

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February 1, 2000. The Closing shall be held at 10:00 a.m. in the offices of Leventhal, Senter & Lerman P.L.L.C., 2000 K Street, N.W., Suite 600, Washington, D.C., or at such place as the parties may otherwise agree.

3. Purchase Price. Section 2.1 of the Purchase Agreement shall be replaced in its entirety with the following provision:

2.1 PURCHASE PRICE. The total consideration to be paid by Buyer for the Station Assets (the "Purchase Price") shall be Twenty-Five Million Three Hundred Ninety Thousand Dollars ($25,390,000), subject to upward adjustment pursuant to Section 11.8 hereof, plus: (a) any Additional Purchase Price payable to Seller pursuant to Section 2.2(c) hereof, and (b) subject to Section 10.5(b) hereof, any amount paid by Ramar to Lee pursuant to Section 4 ("Lee Purchase Option") of that certain December 12, 1994 Equipment Lease between Lee and Ramar Communications, Inc., Ramar's predecessor in interest (the portion of the Purchase Price related to the Lee Purchase Option shall be referred to herein as the "Lee Purchase Option Cost").

4. Payment of Purchase Price. Section 2.2 of the Purchase Agreement shall be replaced in its entirety with the following provision:

2.2 PAYMENT OF PURCHASE PRICE. The Purchase Price will be payable as follows:

(a)(1) No later than March 1, 1999, Buyer shall deposit the amount of Five Hundred Thousand Dollars ($500,000) (the "Escrow Deposit") with Escrow Agent to be held pursuant to the terms and conditions of the Escrow Agreement (in the form of Exhibit A), together with all interest earned thereon; provided, however, that this Agreement shall terminate without any further liability or obligation on the part of any party hereto if the Escrow Agreement is not executed by the parties thereto by close of business on March 1, 1999 or Buyer does not deposit the Escrow Deposit with Escrow Agent by close of business, March 1, 1999. At the Closing, the Escrow Deposit shall be paid by Escrow Agent to Seller, and all interest earned thereon shall be paid by Escrow Agent to Buyer.

2. Except as otherwise provided in Section 11.8 hereof, Four Hundred Thousand Dollars ($400,000) shall be paid to Seller upon the termination of the KWBQ-TV LMA defined in Section 11.8 hereof.

(3) Buyer will pay Seller Nine Hundred and Ninety Thousand Dollars

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($990,000) on or before August 10, 1999.

(b) The payment schedule of the remaining Twenty-Three Million Five Hundred Thousand Dollars ($23,500,000) plus the Lee Purchase Option Cost (if any), subject to upward adjustment pursuant to Section 11.8 hereof, will depend on whether the Closing occurs after December 31, 1999 (the "Year 2000 Closing Scenario"), or the Closing occurs prior to January 1, 2000 (the "1999 Closing Scenario"), as follows:

(1) Under the Year 2000 Closing Scenario, the entire Twenty Three Million Five Hundred Thousand Dollars ($23,500,000) plus the Lee Purchase Option Cost (if any), subject to upward adjustment pursuant to Section 11.8 hereof, will be paid to Seller at Closing.

(2) Under the 1999 Closing Scenario, on the Closing Date, Seller shall assign to Buyer and Buyer shall assume, all of Seller's rights and obligations under the Lee TBA and Buyer shall (i) deposit the amount of One Million Seven Hundred Thousand Dollars ($1,700,000) (the "TBA Escrow Deposit") with TBA Escrow Agent to be held pursuant to the terms and conditions of the TBA Escrow Agreement (substantially in the form of Exhibit D), together with all interest earned thereon, and (ii) pay Twenty-One Million Eight Hundred Thousand Dollars ($21,800,000) to Seller by wire transfer of immediately available federal funds to a bank or other financial institution designated by Seller at least two (2) business days prior to the Closing Date. The sole purpose of the TBA Escrow Agreement is to satisfy Buyer's obligation to pay the One Million Seven Hundred Thousand Dollars ($1,700,000) liquidated damages, or, if the Lee TBA is terminated during the Renewal Term thereof, as defined therein, such higher or lower amount of liquidated damages required to be paid to Lee under the Lee TBA (the "Lee TBA Liquidated Damages") as assignee of the Lee TBA or pursuant to Section 10.5 hereof and Buyer and Seller agree to give Escrow Agent joint instructions to effectuate this purpose, as well as to direct Escrow Agent that any funds which are remaining in such account after the payment of the Lee TBA Liquidated Damages and the termination of the Lee TBA shall be released to Seller (with interest thereon paid to Buyer). Any Lee TBA Liquidated Damages owing to Lee in excess of $1,700,000 shall be paid to Lee by Buyer when due.

(3) Notwithstanding anything to the contrary in this section, the parties agree to amend this section as necessary to reflect any

subsequent agreement they may mutually reach with each other and Lee which relates to the Lee TBA Liquidated Damages.

(c) If the Closing does not occur on or before October 31, 1999, Buyer shall owe Seller an additional purchase price (the "Additional

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Purchase Price"), payable at Closing and calculated at the rate of ten percent (10%) per annum, retroactive to August 13, 1999 on the Purchase Price (less the Nine Hundred and Ninety Thousand Dollar Payment referenced in Subsection 2.2(a)(3) of Section 2 hereof) until such date as the Closing occurs. If the Closing occurs on or before October 31, 1999, or if the Closing does not occur, Seller shall not be entitled to any Additional Purchase Price.

5. Covenants with Respect to Agreements with Lee. Section 10.5(b) of the Purchase Agreement shall be replaced in its entirety with the following provision:

(b) On August 13, 1999, Seller shall provide notice to Lee of its intention to terminate the Lee TBA pursuant to Section 4.3 thereof; provided however, that notwithstanding anything to the contrary contained herein, if this Agreement is terminated at any time after July 30, 1999 for any reason other than Seller's material uncured breach hereof or Seller's voluntary election pursuant to Section 17.1(a)(iv) hereof, Buyer shall be responsible for paying the full amount of the Lee TBA Liquidated Damages. Buyer agrees to fulfill this obligation by making the TBA Escrow Deposit within five (5) days of such termination of this Agreement, and, in addition, by paying directly to Lee when due any Lee TBA Liquidated Damages in excess of $1,700,000. If this Agreement is terminated solely because of Seller's material uncured breach hereof or Seller's voluntary election pursuant to Section 17.1(a)(iv) hereof, Seller shall be responsible for paying the full amount of the Lee TBA Liquidated Damages. Seller agrees, however, that in the event (i) this Agreement is terminated solely because of a change in the law which renders the KWBQ-TV LMA incapable of effectuation, and (ii) Seller, within two years of such termination, consummates the sale of the Station to a third party buyer for a purchase price in excess of Twenty-Five Million, Six Hundred Fifty Thousand Dollars ($25,650,000), then in that event Seller will reimburse Buyer out of such excess for Lee TBA Liquidated Damages incurred by Buyer up to a maximum of $1,700,000. Ten (10) business days in advance of Closing or no later than December 31, 1999, whichever is earlier, Buyer shall notify Seller in writing as to whether or not Buyer

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wishes Seller to exercise the Lee Purchase Option. If Buyer notifies Seller hereunder that Buyer does not wish the Lee Purchase Option to be exercised, Buyer shall not be liable for the Lee Purchase Option Cost.

Notwithstanding anything to the contrary herein, if Closing does not

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occur on or before December 31, 1999, for any reason other than Seller's material uncured breach hereof, Buyer shall be responsible for paying the full amount of the Lee TBA Liquidated Damages. If the Closing does not occur by December 31, 1999 for any reason other than Seller's material uncured breach hereof, Buyer, in order to secure its obligation under this subsection, shall deposit the TBA Escrow Deposit on January 5, 2000 with TBA Escrow Agent to be held pursuant to the TBA Escrow Agreement, together with all interest earned thereon. ACME Television Holdings, LLC hereby unconditionally guarantees Buyer's obligation to deposit the TBA Escrow Deposit with TBA Escrow Agent pursuant to this subsection.

6. Conditions Precedent to Buyer's Obligation to Close. The preamble to Article 11 of the Purchase Agreement shall be replaced in its entirety with the following provision:

Subject to Section 19.2 hereof, the obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date, of each of the following conditions.

7. Termination Rights.

The following provision shall be added at the end of Section 17.1(a):

(v) This Agreement may be terminated by either Seller or Buyer, upon written notice to the other party, if the Closing shall not have been consummated on or before January 31, 2000, provided, that if the FCC Consent shall not have become a Final Order by January 31, 2000, then this subparagraph (v) shall be null and void and of no effect whatsoever.

8. Remedies. The following clause shall be added at the beginning of Section 19.1 of the Purchase Agreement:

"Notwithstanding anything to the contrary herein,"

Section 19.2 of the Purchase Agreement shall be replaced in its entirety with the following provision:

19.2. FAILURE OF CONSUMMATION. Notwithstanding anything to the contrary herein, if the transactions contemplated by this Agreement are not consummated for any reason other than Seller's material uncured breach of its obligations under this Agreement, Seller shall be entitled to, in addition to Buyer's fulfillment of Buyer's obligation to deposit the TBA Escrow Deposit in order to pay the Lee TBA Liquidated Damages pursuant to Section 10.5(b) hereof: (i) retain or, if not yet received, to receive,

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the Nine Hundred and Ninety Thousand Dollar ($990,000) payment under Section 2.2(a)(3) of this Agreement, and (ii) payment of Five Hundred Thousand Dollars ($500,000), with the aggregate One Million Four Hundred and Ninety Thousand Dollars ($1,490,000) constituting liquidated damages in full settlement of any damages of any nature or kind that Seller may suffer or allege to suffer as the result thereof. It is understood and agreed that the amount of liquidated damages represents Buyer's and Seller's reasonable estimate of actual damages and does not constitute a penalty. Recovery of liquidated damages under this Section 19.2 and the fulfillment of Buyer's obligation to pay the Lee TBA Liquidated Damages pursuant to Section 10(b)(5) hereof shall be the sole and exclusive remedy of Seller against Buyer for failure to consummate this Agreement and shall be applicable regardless of the actual amount of damages sustained. In addition, Seller shall be entitled to obtain from Buyer court costs and reasonable attorneys' fees incurred by Seller in successfully enforcing its rights hereunder, plus interest at the Prime Rate on the amount of any judgment obtained against Buyer from the date of default until the date of payment of the judgment. As a condition to obtaining liquidated damages, Seller shall not be required to have tendered the Station Assets but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all material respects.

9. Amendment to Escrow Agreement. Buyer and Seller agree to enter into an amendment to the Escrow Agreement dated as of March 1, 1999 by and between Seller, ATNM And First Union National Bank. The amendment will provide that if the Closing does not occur because of Buyer's material uncured breach, the parties shall direct the Escrow Agent to pay the Escrow Deposit to Seller, and all interest thereon to Buyer.

10. Execution of LMA. On the date hereof, Seller and ATNM agree to enter into a Local Marketing Agreement which is based on Exhibit B (the "KWBQ LMA") to

that certain Asset Purchase Agreement dated as of February 19, 1999 between Seller and Buyer relating to the purchase and sale of Station KWBQ-TV, Santa Fe, New Mexico (the "KWBQ-TV Purchase Agreement").

11. Effect of Amendment. Except as specifically modified by this Amendment, all of the terms and conditions of the Purchase Agreement continue in full force and effect and are hereby ratified and affirmed. To the extent that any provision of this Amendment is inconsistent with or conflicts with the provisions of the Purchase Agreement, the KWBQ-TV Purchase Agreement or the Escrow Agreement dated as of March 1, 1999 by and among Seller, ATNM and First Union National Bank, or any exhibits to any of the foregoing documents, the provisions of this Amendment shall control and such agreements shall be modified accordingly.

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12. Counterparts. This Amendment may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

[signatures on following page]

RAMAR COMMUNICATIONS II, LTD.

By: GP Ramar, LLC, its General Partner
By: Ramar Communications, Inc., Sole Member

By: /s/ Brad Moran

Brad Moran, President

ACME TELEVISION LICENSES OF NEW MEXICO, LLC

By: /s/ Douglas E. Gealy

Douglas E. Gealy, President

ACME TELEVISION OF NEW MEXICO, LLC

By: /s/ Douglas E. Gealy

Douglas E. Gealy, President

ACME TELEVISION HOLDINGS, LLC
(as Guarantor of the obligations set forth in Section 5 of this Amendment):

By: /s/ Douglas E. Gealy

Douglas E. Gealy

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EXHIBIT 10.18

STATION AFFILIATION AGREEMENT

Dated as of March 15, 1998

ACME Television Holdings, LLC
10829 Olive Boulevard, Suite 202
St. Louis, MO 63141

Attention: Doug Gealy

The following shall comprise the agreement between The WB Television Network Partners, L.P. dba The WB Television Network ("WB," "we," or "us"), and ACME Television Holdings, LLC ("Affiliate" or "you") for the affiliation of your television station WTVK ("Station") with WB for carriage of WB programming. The Federal Communications Commission ("FCC") has issued a broadcast license ("License") to you to operate Station in Fort Myers, Florida, the community in which Station is licensed by the FCC ("Community of License"). All references in this Agreement to "WB program(s)" and "WB programming" and any variations thereof shall mean the programming made available by WB under this Agreement.

1. WB Programming: WB will make available to Affiliate WB programs for free over-the-air broadcast and broadcast by any other means by Station in the Community of License during the term of this Agreement. During such term, except as otherwise provided herein, WB grants Affiliate the exclusive right to have Station broadcast the WB programming in the Community of License only as scheduled by WB over free over-the-air television and by such other technological means as are available to Affiliate for broadcast in the Community of License so long as Station broadcasts the WB programming for over-the-air television. Notwithstanding the foregoing, until such time that WB offers exclusivity against the signal of WGN to

its affiliates, WB may allow the signal of WGN to be imported into the Community of License. WB shall have the sole discretion to select, schedule, substitute and/or withdraw WB programming or any portion(s) thereof. WB shall also have the right to authorize any television broadcasting station, regardless of the community in which it is licensed by the FCC, to broadcast any presentation of a subject we deem

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to be of immediate national significance including, but not limited to, a Presidential address. Except as provided herein, during the term of this Agreement Affiliate shall be the sole affiliate of WB for transmission for exhibition on television of WB programming in the Community of License.

2. Program Carriage:

(a) We agree to make available for broadcast by Station WB programming for the hours programmed by WB at the times and dates scheduled by WB throughout the term of this Agreement. You acknowledge that the times and roll-out dates set forth in this Agreement are approximate only and you agree to have Station broadcast WB programs irrespective of whether WB meets, fails to meet or otherwise varies from the anticipated program schedule set forth herein; provided, however, that WB hereby agrees not to accelerate such anticipated program schedule. To the extent WB makes available such WB programming for broadcast, this Agreement both obligates us to make available such WB programs to Station and obligates Station to broadcast such WB programs over-the-air pursuant to the terms of this Agreement.

(b) Subject to the exceptions set forth in subparagraph 2(e) and the right of preemption set forth in subparagraph 2(f), Station shall broadcast WB programs on the dates and at the times scheduled by WB. Station shall broadcast WB programs in their entirety,

including but not limited to WB commercial announcements, WB identifications, program promotional material, and credit announcements contained in such programs, without interruption or deletion or addition of any kind, except for the commercial announcements that Station is allowed to add pursuant to Paragraph 5. Notwithstanding the foregoing, you may substitute other WB promotional announcements in lieu of program promotional material that is inaccurate as it pertains to Station's schedule. No commercial announcement, promotional announcement or public service announcement will be broadcast by Station during any interval within a WB program, which interval is designated by WB as being for the sole purpose of making a station identification announcement.

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(c) The Scheduled Program Times of WB programming and the anticipated roll-out dates of that programming are set forth as follows (the specified times apply for the Eastern and Pacific Time Zones; the Mountain and Central Time Zones are one hour earlier for Prime Time and Latenight programming only, except as otherwise agreed by us):

Prime Time: 7:00 p.m. - 10:00 p.m. Sunday; 8:00 p.m. - 10:00 p.m. Monday through Saturday. Two nights, to be designated by us, during the 1994/1995 broadcast year (one night in January 1995 with the second night commencing during the third quarter of 1995); one additional night commencing during the 1995/1996 broadcast year; and one additional night during each broadcast year thereafter until seven nights of programming are made available.

Children's: 7:00 a.m. - 8:00 a.m.; 7:30 a.m. - 8:30 a.m.; or 8:00 a.m. - 9:00 a.m. (at WB's election) Monday through Friday; 3:00 p.m. - 5:00 p.m. Monday through Friday; 8:00 a.m. - 12:00 noon Saturday; Weekday mornings (one hour) and Saturday mornings (three hours) commencing September 1995; One additional Saturday hour commencing September 1996; Monday through Friday afternoons (two hours) commencing September 1997. It is anticipated that the additional Children's programming will commence in approximately the second week of September.

Latenight: 11:00 p.m. - 12:00 midnight Monday through Friday, commencing not earlier than 1997 and subject to the approval of the WB Affiliate's Council (as defined in Paragraph 13 below).

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(d) Notwithstanding the roll-out schedule for Children's afternoon programming in subparagraph (c) above, WB's supply of Children's afternoon programming shall be subject to the expiration of the current agreements between WB affiliates and suppliers of Children's afternoon programming. Station agrees not to extend or renew any agreement it may have with such suppliers for such programming during the term of this Agreement if such renewal or extension would interfere with the broadcast of the WB Children's afternoon programming.

(e) You confirm that as of the date of this Agreement you have no commitments, except those listed in Schedule 1 hereto, which would impede Station's broadcasting all WB programming made available during the term of this

Agreement. If any WB programming is not broadcast by you ' because of any such commitment expressly described in Schedule 1 (but excluding extensions by exercise of options by Affiliate [but not by the programming licensor] or otherwise), then such programming shall be broadcast in a time period upon which you and we shall mutually agree and which shall be of quality and rating value comparable to that of the Scheduled Program Times. These programs will not be considered preempted for purposes of subparagraph 2(f).

(f) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall be construed to prevent or hinder Affiliate from (i) rejecting or refusing any WB program which Affiliate reasonably believes to be unsatisfactory or unsuitable or contrary to the public interest or (ii) substituting a program which, in Affiliate's opinion, is of greater local or national importance. In such an event, you shall provide us with advance written notice of any such rejection, refusal or substitution, no later than 14 days prior to the air date of such programming, except where the nature of the substitute program makes such notice impracticable (e.g., coverage of breaking news or other unscheduled events) or the programming has not been made available to you by such date, in which cases you agree to give us as much advance notice as the circumstances permit.

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Such notice shall include a statement of the reasons you believe that the rejected WB programming is unsatisfactory or unsuitable or contrary to the public interest, and/or that a substituted program is of greater local or national importance. In view of the limited amount of WB programming to be supplied pursuant to this Agreement (at least until such time as the full WB programming schedule has been rolled out) you acknowledge that you do not foresee any need to substitute programming of greater local or national

importance for WB programming, except in those circumstances requiring live coverage of fast-breaking news events or very infrequent special events.

To the extent you substitute another program for a WB program as permitted under subparagraph 2(f)(ii), then you will broadcast such omitted program and the commercial announcements contained therein (or any replacement programming provided by WB and the commercial announcements contained therein) during a time period upon which you and we shall promptly and mutually agree and which shall be of quality and rating value comparable to that of the preempted program's Scheduled Program Time. In the event that the parties do not promptly agree upon such a time period after reasonable consultation in good faith and after taking into account the practical alternatives under the circumstances, then, without limiting any other rights of WB under this Agreement or otherwise, we shall have the right to license the broadcast rights to the applicable omitted programming (or replacement programming) to another television station located in the Community of License.

In addition, if three or more episodes of a program series are preempted by you as permitted hereunder in any thirteen-week period, for any reasons other than force majeure as provided in Paragraph 6, we shall have the right, upon 60 days prior written notice, to terminate your right to broadcast that program series and to withdraw all future episodes of that series. Such thirteen-week periods shall be measured consecutively from the first broadcast date of the program series in question. If we subsequently place such a series on

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another station in the Community of License, we reserve the right not to offer you the broadcast rights to that series for subsequent broadcast seasons.

In addition to all other remedies, to the extent one or more episodes of a program series is preempted by you in violation of (i.e., other than as permitted under) this Paragraph 2, we shall have the right, upon 30 days prior written notice, to terminate your right to broadcast the remainder of the program series and withdraw all future episodes of that series from you.

(g) Nothing in this Agreement shall be construed to prevent or hinder WB from (i) substituting one or more WB programs for previously scheduled WB programs, in which event WB will make the substituted programs available to Station pursuant to the provisions of Paragraph 1 and Paragraph 3; (ii) cancelling one or more WB programs; or (iii) postponing any scheduled roll-out dates of WB programming. Further, nothing in this Agreement shall be construed to obligate WB (x) to provide a minimum or specific number of WB programs; (y) to commence providing WB programming on any particular date; or (z) to expand the amount of WB programming pursuant to a specified timetable.

3. Delivery: WB agrees to make available the WB programming for satellite transmission. WB shall incur no costs regarding the satellite downlink and broadcast by Station; Station shall incur no up-link costs with regard to the delivery of the WB programming.

4. Promotion:

(a) We will provide you with on-air promotional announcements ("WB Promos") for WB programming, which WB Promos are intended for broadcast during Station's broadcast of non-WB programming. You agree to provide an on-air promotional schedule consistent with our recommendations. You shall maintain complete and accurate records of all WB Promos that are broadcast. Upon request by WB for those records, you shall provide copies of

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all such records to WB within two weeks of such request.

(b) You shall budget Station's advertising availabilities in such a manner as to enable Station to broadcast additional WB Promos during periods in which Station is deemed a "Subperformer." Station shall be deemed to be a "Subperformer" from the time its "sweeps rating" is below the average prime time rating for all WB affiliated broadcast stations until such time as Station's sweeps rating is no longer below the average prime time rating for all WB affiliated broadcast stations. The Station's sweeps rating means the Station's average A.C. Nielsen rating for the most recently completed sweeps period for adults 18-49 for all prime time hours programmed by WB. For such time as Station remains a Subperformer, Station shall: (i) broadcast, during each one-half hour of all periods of each day that Station is broadcasting non-WB programming, at least one (1) 30-second Promo (or Promos aggregating 30 seconds, to the extent we so elect) for Station's local, syndicated or WB programming; and (ii) broadcast during all periods when Station is broadcasting non-WB programming WB Promos for not less than:

Prime Time Hours Programmed by WB

2 hours - 20% of 100%
4 hours - 25% "
6 hours - 30% "
8 hours - 35% "
10 hours - 40% "
12 hours* - 45% "

(* 12 or more hours)

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(the "Applicable Percentage") of the total, aggregate gross ratings points ("GRPs") for all the promotional announcements broadcast by Station ("Aggregate Promotional GRPs") within the periods in which non-WB programming is being broadcast. The specific WB Promos broadcast by Station and the number of broadcasts of each WB Promo may be specified by WB and the broadcast of the WB Promos shall be made so that the Aggregate Promotional GRPs allocated to WB Promos are distributed fairly and reasonably across the periods when non-WB programming is being broadcast. For such time as Station's sweeps rating ranks Station within the bottom 50% (ranked highest to lowest) of those WB affiliated broadcast stations that are Subperformers, then the Applicable Percentage for Station shall be not less than 55% of 100% of the Aggregate Promotional GRPs. The WB Promos broadcast during each half-hour of non-WB programming, as required by this subparagraph 4(b), may be counted toward Station's Applicable Percentage. Station shall continue to air WB Promos under this schedule until Station is no longer a Subperformer, as defined above.

(c) In addition to providing WB Promos, we shall make available for your use, at reasonable cost, such other promotional and sales materials as we and you may mutually consider appropriate. You shall not delete any copyright, trademark, logo or other notice, or any credit included in any such materials relating to WB, and you shall not exhibit, display, distribute or otherwise use any trademark, logo or other material or item delivered pursuant to this Paragraph 4 or otherwise, except as instructed by us at the time.

(d) Commencing on the first date that WB programming is aired by Station and for the remaining term of this Agreement, Station shall identify itself as a WB affiliate, both on and off-the-air. Prior to the

"Launch Date" (as defined in subparagraph 9(b)), Station shall

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identify itself as a WB affiliate only after WB gives Affiliate permission to do so and only in a manner reasonably directed by WB. Prior to the Launch Date, Affiliate shall not, without the express written permission of WB, make any disclosures to the press or business community or issue any press announcements about Station's affiliation with WB.

5. Commercial Announcements:

(a) With respect to WB programming, the parties to this Agreement shall be entitled to insert the following number of commercial announcements (Station's allotment includes station breaks but excludes 5-second prime time station identification breaks at the beginning of each hour):

(1) Prime Time (as defined in subparagraph 2(c)) hour (pro-rated for half-hour programs):

You shall have the right to insert six 30-second commercial announcements. WB shall have the right to insert eighteen 30-second commercial announcements.

(2) Children's:

Weekday half-hour:

You shall have the right to insert six 30-second commercial announcements (or other material constituting "commercial matter" under the FCC's regulations). WB shall have the right to insert six 30-second commercial announcements.

Weekend half-hour:

You shall have the right to insert five 30-second commercial announcements (or other material constituting "commercial matter" under the FCC's regulations). WB shall have the right to insert five 30-second commercial announcements and one 15-second commercial.

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(3) Latenight (as defined in subparagraph 2(c)):

You will receive half the total number of commercial announcements as specified by WB or less as mutually agreed to.

(b) If the amount of commercial advertising, commercial matter or other non-program time included in WB programming is reduced for any reason (including but not limited to the adoption or modification of statutes or regulations or any other governmental action), then we shall be entitled to reduce the number of commercial announcements available to you to the extent necessary to provide WB and Affiliate with the same proportionate amount of commercial time (inclusive of station breaks with respect to Affiliate) that each party is entitled to under this Agreement.

(c) Your broadcast over Station of the commercial announcements included by us in WB programming is of the essence to this Agreement, and nothing contained in this Agreement (other than in subparagraph 2(f)) shall limit our rights or remedies relating to your failure to so broadcast said commercial announcements. You shall maintain complete and accurate records of all commercial announcements broadcast as provided herein. Within two weeks following each request by us

therefor, you will submit copies of all such records to WB.

6. Force Majeure: WB shall not be liable for failure to make available any programming or any portion(s) thereof, and Station shall not be liable for failure to broadcast any such programming or any portion(s) thereof, by reason of any act of God, equipment failure, action or claims by any third person, labor dispute, law, governmental regulation or order, or other cause beyond either party's reasonable control ("force majeure event"). If due to any force majeure event, we substantially fail to make available all of the programming to be delivered to Affiliate under the terms of this Agreement, or you substantially fail to broadcast such programming as scheduled by WB for four consecutive weeks, or for six weeks in the aggregate during any

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12-month period, then the "non-failing" party may terminate this Agreement upon thirty 30 days prior written notice to the "failing" party so long as such notice is given at any time prior to the "non-failing" party's receipt of actual notice that the force majeure event(s) has ended; provided further, however, that notwithstanding the above provisions, you shall not have any right to so terminate this Agreement, upon a force majeure event or otherwise, if we: (i) fail to make available a minimum or specific number of WB programs; (ii) fail to commence making available WB programming on any particular date; (iii) fail to expand the amount of WB programming pursuant to a specified timetable; (iv) substitute one or more WB programs for previously scheduled WB programs; (v) cancel one or more WB programs; or (vi) postpone the roll-out of any WB programming.

7. Assignment or Transfer of Affiliate Agreement and/or Station License:

(a) Assignment or Transfer of Affiliation Agreement: This Agreement shall not be assigned by Licensee without

the prior written consent of WB. Any purported assignment by Licensee without such consent shall be null and void, shall not be enforceable against WB, and shall not relieve Licensee of all its obligations hereunder.

(b) Assignment or Transfer of Station License: If any application is made to the Federal Communications Commission (FCC) concerning a purported, attempted or actual transfer of control or assignment of the Station license, you shall notify us immediately in writing of the filing of such application. Unless the transfer of control or assignment is one provided for by Section 73.3540 (f) of the FCC's current rules and regulations (a "short form" assignment or transfer of control that does not involve a material assignment or transfer of control), we shall have the right to terminate this Agreement upon twenty (20) days' advance notice to you, at any time after the filing of such application. If WB does not terminate this Agreement on or before twenty days before the effective date of such transfer, this Agreement shall be deemed to have been fully assigned to the transferee or assignee of Station's license and such transferee or assignee will assume and perform all of the obligations and duties contained in this

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Agreement without limitation of any kind, as of the effective date of transfer. In addition, if Licensee fails, prior to the effective date of the transfer, to procure in a written form satisfactory to WB the agreement of the assignee or transferee to assume and perform this Agreement in its entirety without limitation of any kind, or fails to immediately notify WB of the application to transfer control or assign the Station license, then Licensee shall remain fully responsible for the full performance of all provisions of the Agreement during the full term of the Agreement as set forth in Paragraph 9, and in the event of non-

performance, Licensee shall be considered in material breach of this Agreement and WB shall have all rights and remedies available for such breach, including but not limited to specific performance and damages.

8. Unauthorized Copying: You shall not, and shall not cause or authorize others to record, copy or duplicate any programming or other material we furnish pursuant to this Agreement, in whole or in part, and you shall take all reasonable precautions to prevent any such recording, copying or duplication. Notwithstanding the foregoing, if Station is located in the Mountain Time Zone you may pre-record WB programming for later broadcast at the times scheduled by us. You shall erase all such pre-recorded programming promptly after its scheduled broadcast. Notwithstanding the above provisions, Station may make a non-broadcast quality recording of its entire broadcast day for archival, file and reference purposes and uses only, which copy shall be kept in Station's possession at all times.

9. Term:

(a) The term of this Agreement shall commence on March 15, 1998 (the "Launch Date") and shall continue for 60 months thereafter (the "initial period") . The term of this Agreement may be extended for additional successive periods of two years each, by us, in our sole discretion, giving written notice of such extension to you at least 120 days prior to the expiration of the then-current period; provided, however, that

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if, within 30 days of your receipt of the notice of extension, you, in your sole discretion, give us written notice that you reject such extension, then the extension notice shall not be effective and this Agreement shall terminate upon expiration of the then-current period.

(b) The "Launch Date" shall be defined as the date on which WB makes WB programming available to Affiliate for broadcast by Station on a regularly scheduled basis.

(c) Each "Contract Year" hereunder shall be an annual period during the term of this Agreement. The First Contract Year is the annual period beginning with the start date of the term of license; the Second Contract Year is the annual period commencing one year after the start date of the term of license, etc.

(d) WB shall, within its sole discretion and without liability, have the right to terminate this Agreement so long as we (i) provide sixty days prior written notice to you and (ii) are either: (A) ceasing operation as a television network; or (B) substantially restructuring the ownership of the television network.

(e) Notwithstanding anything to the contrary contained in this Agreement, upon the termination or expiration of the term of this Agreement, all of your rights to broadcast or otherwise use any WB program or any trademark, logo or other material or item hereunder shall immediately cease and neither you nor Station shall have any further rights whatsoever with respect to any such program, trademark, logo, material or item.

10. Applicable Law: The obligations of you and WB under this Agreement are subject to all applicable federal, state, and local laws, rules and regulations (including, but not limited to, the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC) and this Agreement and all matters or issues collateral thereto shall be governed by the laws of the State of California without regard to California's conflict of law rules. The

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California State Courts and the U.S. District Courts located in California shall have jurisdiction over the interpretation of this Agreement or with regard to any dispute arising under this Agreement. The venue for any such action concerning this Agreement shall be in the County of Los Angeles, California.

11. Station Acquisition by WB: During the term of this Agreement, WB agrees that neither we nor Time Warner Inc. nor any of its subsidiary companies will acquire, as defined by the attribution rules of the FCC, a television broadcast station licensed in the Community of License.

12. Change in Operations: In the event that Station's transmitter location, power, frequency, programming format or hours of operation are materially changed at any time during the term of this Agreement so that Station is of materially less value to us as a broadcaster of WB programming than at the date of this Agreement, then we shall have the right to terminate this Agreement upon 30 days prior written notice. You shall notify WB immediately in writing if application is made to the FCC to modify in a material manner the transmitter location, power or frequency of Station or if Affiliate plans to modify in a material manner the hours of operation of Station. If you fail to notify us as required herein, then we shall have the right to terminate this Agreement by giving you 30 days prior written notice.

At any time during the term if Station is off the air, or operating at less than fifty percent (50%) of its licensed power, for a period of 12 hours or longer, Station must immediately notify WB. WB may terminate this agreement upon thirty (30) days prior written notice in the event that Station is off the air for a period exceeding seven (7) days or if is operating at less than fifty percent (50%) of its full licensed power for a period exceeding seven (7) days. Affiliate will install a satellite antenna

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and receiver of sufficient quality, in the exclusive judgment of WB, to receive a network quality signal from WB. Affiliate shall also use switches, microwaves and all other transmission equipment necessary to telecast a network quality picture. If, in the exclusive judgment of WB, the picture or sound quality of Station's transmission is insufficient, WB will provide Station with notice of the deficiency, and Station shall have thirty (30) days to cure. In the event that Station should fail to cure then WB may cancel this agreement upon thirty (30) days written notice.

13. WB Affiliates Council: You, with the other affiliates of WB, shall form a WB Affiliates Council (the "Council"), which shall be comprised of representatives from five different affiliates of WB.

14. Non-Liability of Council Members: To the extent the Council and its members are acting in their capacity as such, then the Council and each member so acting shall not have any obligation or legal or other liability whatsoever to you in connection with this Agreement, including without limitation, with respect to the Council's or such member's approval or non-approval of any matter, exercise or non-exercise of any right or taking of or failing to take any other action in connection therewith.

15. Warranties and Indemnities:

(a) WB agrees to indemnify, defend and hold Affiliate harmless against and from all claims, damages, liabilities, costs and expenses arising out of the use by Station under this Agreement of any WB program or other material furnished by WB under this Agreement, provided that Affiliate promptly notifies WB of any claim or litigation to which this indemnity shall apply, and provided further that Affiliate cooperates fully with WB in the defense or settlement of such

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claim or litigation. Affiliate agrees to indemnify, defend and hold WB harmless against and from all claims, damages, liabilities, costs and expenses with respect to Affiliate's operation of the Station or any material furnished, added or deleted to or from WB programming by Affiliate. This indemnity shall not apply to litigation expenses, including attorneys' fees, that the indemnified party elects to incur on its own behalf. Except as otherwise provided in this Agreement, neither Affiliate nor WB shall have any rights against the other for claims by third persons, or for the failure to operate facilities or to furnish WB programs if such failure is the result of a force majeure event as defined in Paragraph 6. Furthermore, notwithstanding any other provisions of this Agreement, Affiliate shall not have any rights against WB for claims by third parties or Affiliate arising out of any actions or omissions of WB permitted under subparagraph 2(g).

(b) You agree to maintain for Station such licenses, including performing rights licenses as now are or hereafter may be in general use by television broadcasting stations and are necessary for you to broadcast the television programs which we furnish to you hereunder. We will clear all music in the repertory of SESAC, ASCAP and BMI used in our programs, thereby licensing the broadcasting of such music in such programs over Station. You will be responsible for all music license requirements (and all other permissions) for any commercial or other material inserted by you within or adjacent to WB programs in accordance with this Agreement.

(c) You warrant that the License is in good standing and you agree to comply with all relevant statutes and FCC rules and requirements so as to maintain the License in good standing. In the event you are found to have

materially violated any laws or FCC rules or requirements (after the exhaustion of all appeals so long as Station retains the License during the pendency of such appeal), the effect of which is that Station is of materially less value to

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us as a broadcaster of WB programming than as of the date of this Agreement, then we shall have the right to terminate this Agreement upon 30 days prior written notice. You shall notify us immediately of any action by the FCC imposing any forfeitures or other sanction(s) on Station or you including but not limited to short-term renewals, revocation or denial of renewal.

(d) You warrant that all information delivered by you to us in connection with this Agreement shall be true and correct in all material respects.

(e) You warrant that execution of this Agreement and performance of its obligations will not violate or result in a default under (i) any material agreement or instrument to which you are party or (ii) any statute, ordinance, governmental rule or regulation in any material respect, or order, judgment, injunction, decree or ruling of any court or administrative agency applicable to you, which default would materially interfere with the performance of your obligations hereunder.

(f) You warrant that you are not a party to any legal action or other proceeding before any court or administrative agency which could prohibit the performance of your obligations under this Agreement.

16. Retransmission Consent: If any law, governmental regulation or other action permits you to elect to require any cable television system or other multichannel video program distributor to obtain your consent to such system's

or distributor's retransmission of Station's broadcast of either Station's signal as a whole or any WB programming included therein, then Affiliate and WB agree to negotiate in good faith regarding whether such consent is to be given (including without limitation, whether you shall or shall not, in lieu of requiring consent, elect to require any cable system to comply with any "must carry" rules, regulations or laws) and, if so, the terms under which such consent is to be given (including without limitation, the amount and type of compensation, if any, to be paid by the system or

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distributor for such consent and whether any of that compensation shall be shared between you and us).

17. Network Non-Duplication Protection: During the term of this Agreement, Affiliate shall be entitled to network non-duplication protection, as provided by Sections 76.92 through 76.97 of the FCC's rules, against the presentation of any WB program by a cable system during the period commencing one day before and ending fourteen (14) days after receipt of such WB program by Station. The geographic zone of network non-duplication protection shall be the Designated Market Area ("DMA") (as defined by Nielsen) in which your Station is located or any lesser zone mandated by Sections 76.92 and 73.658(m) of the FCC's rules as those rules exist as of the date of this Agreement. Network non-duplication protection shall extend only to WB programs that Station is carrying in accordance with the terms of this Agreement and such protection shall be subject to the terms and provisions of subparagraph 2(f). You are under no obligation to exercise in whole or in part the network non-duplication rights granted herein. Notwithstanding anything to the contrary in this paragraph, no non-duplication protection is provided against the signal of WGN until such time that WB offers exclusivity against the signal of WGN to its affiliates.

18. Affiliation Ratings Payments. Affiliate agrees to pay to WB an annual payment, based on the Station's television

market ratings, for WB prime time programming, commencing with the initial broadcast by Station of such programming, all as defined and set forth in the "Annual Ratings Payment" Exhibit attached hereto. These payments are intended to compensate WB for the WB programming and are in no way intended to, nor do they, confer on WB any ownership or other equity interest in Station.

19. Notices and Reports:

(a) In addition to any other reports or forms requested herein, you will provide to us in writing, in the manner reasonably requested by WB, such reports covering WB programs broadcast

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by Station as we may request from time to time. To the extent we provide you forms for such purpose, you shall provide such reports on these forms.

(b) All notices, reports or forms required or permitted hereunder to be in writing shall be deemed given when personally delivered (including, without limitation, by overnight courier or other messenger or upon confirmed receipt of facsimile copy) or on the date of mailing postage prepaid, addressed as specified below, or addressed to such other address as such party may hereafter specify in a written notice. Notice to Affiliate shall be to the address set forth for Affiliate on page 1 of this Agreement. Notice to WB shall be to: The WB Television Network, 4000 Warner Boulevard, Burbank, California, 91522, Attention: General Counsel.

20. Miscellaneous:

(a) Nothing contained in this Agreement shall create any partnership, association, joint venture, fiduciary or agency relationship between the parties hereto.

(b) Nothing contained in this Agreement nor the conduct of any officer, director, agent or employee of either WB or Affiliate shall be deemed to create or to constitute ownership by WB, in whole or in part, of Affiliate, Station or the License or in any way constitute a derogation of the rights, duties and responsibilities imposed upon Affiliate. Nothing in this Agreement shall be deemed to delegate to WB, directly or indirectly, any right to control the operations of Station.

(c) You shall at all times permit us, in connection with WB programming, without charge, to place on, maintain and use at Station's premises, at our expense, such equipment as WB shall reasonably require. Station shall operate such equipment for us, to the extent we reasonably request, and no fee shall be charged by Station therefor.

(d) No waiver of any failure of any condition or of the breach of

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any obligation hereunder shall be deemed to be a waiver of any preceding or succeeding failure of the same or any other condition, or a waiver of any preceding or succeeding breach of the same or any other obligation.

(e) Each and all of the rights and remedies of WB and Affiliate under this Agreement shall be cumulative, and the exercise of one or more of said rights or remedies shall not preclude the exercise of any other right or remedy under this Agreement, at law or in equity. Notwithstanding anything to the contrary contained in this Agreement, in no event shall either party hereto be entitled to recover any lost profits or consequential damages because of a breach or failure by the other party, and except as expressly provided in this Agreement to the contrary, neither WB nor Affiliate shall have any right against the other

with respect to claims by any third person or other third entity.

(f) Paragraph headings are included in this Agreement for convenience only and shall not be used to interpret this Agreement or any of the provisions hereof, nor shall they be given any legal or other effect.

(g) This Agreement, including all Exhibits attached hereto, constitutes the entire understanding between WB and Affiliate concerning the subject matter hereof and shall not be amended, modified, changed, renewed, extended or discharged except by an instrument in writing signed by the parties or as otherwise expressly provided herein. No inducement, representations or warranties except as specifically set forth herein have been made by either party to this Agreement to the other. This Agreement replaces any and all prior and contemporaneous agreements, whether oral or written, pertaining to the subject matter hereof.

(h) This Agreement may be executed in counterparts, with the Agreement being effective when each party hereto has executed

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a copy and delivered that copy to the other party hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

THE WB TELEVISION NETWORK PARTNERS L.P. dba THE WB TELEVISION NETWORK ("WB")

ACME TELEVISION HOLDINGS, LLC ("Affiliate")

By: /s/ John Maatta

Title: Authorized Agent

Date:

By: /s/ Douglas Gealy

Title: President & CEO

Date: 3/19/98

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ANNUAL RATINGS PAYMENT EXHIBIT

As part of the consideration to WB for the WB programming, Licensee agrees to make annual payments to WB based on Station's television market ratings (the "TMR Payments") for adults 18-49 for the prime time broadcast periods of WB programming commencing with the initial broadcast by Station of WB programming. Such payments shall partially compensate WB for the WB programming by calculating the value and/or profitability added to Station as a result of its affiliation with WB and pay to WB 25% of such added value and/or profitability. Such payments are not intended to, nor do they, confer in WB any ownership interest in Station. All defined terms used herein shall have the same meaning as set forth in the Agreement unless otherwise defined herein. The TMR Payments shall be calculated and paid as follows:

A. Calculation of TMR Payment Amount: At the end of each successive Contract Year commencing on the Launch Date, the "Average Rating" for each such Contract Year shall be determined by taking the average of Station's television ratings (adults 18-49) for the prior November, February, and May sweeps periods of such Contract Year as reported on the Nielsen Station Index ("NSI"), as processed, refined, re-formatted or re-configured by that application commonly known as the "SNAP System," but only with respect to those prime time hours programmed by WB under the Agreement. Based on the Station's Average Rating for each Contract Year and the number of hours programmed by WB in that Year, Station shall owe WB the amount (the "TMR Amount") set forth in the table attached hereto as the Annual Ratings Payment Exhibit-Table. For example, in the particular case of Station, if the adults 18-49 rating for WB programmed hours is ___ for a particular Contract Year, and WB is programming 11

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hours per week during such Year, then the TMR payment that will be due and owing for such Year is $___________. In the event that the TMR Payment for any particular Contract Year has increased or decreased from the prior year's TMR Payment disproportionately in comparison to the increase or decrease over such period in the profitability of Station's WB furnished prime time programming (after giving effect to any increase in the number of WB prime time programming hours between the two periods), then either WB or Station may request that the Station's financial results and operational information be audited and reviewed by WB. Promptly after such audit and review, WB and Station shall meet to discuss such financial results and operational information of Station and in good faith seek to adjust the then currently due TMR Payment to reflect the intent of these Payments as set forth in the introductory paragraph to this Exhibit.

B. TMR Payment: The TMR Amount for each Contract Year shall be payable by Licensee to WB within 15 days following WB's delivery to Licensee of an invoice for the TMR Amount, which invoice shall be delivered by WB not earlier than the release by NSI or any successor ratings index of the ratings for the fourth and final sweeps period of such Contract Year.

C. No NSI Ratings: In the event there are no NSI ratings available, then Licensee and WB shall use those standard television market ratings which are generally available and used by national and/or regional advertisers for purposes of calculating advertising payments to television stations.

D. Continuing Obligation. Licensee's obligation to make the above TMR Payments on the basis set forth herein shall survive any termination of this Agreement by WB,

any sale or transfer of any Station assets and/or any

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ownership interest in the Station and shall remain binding on any successor Station owner, which successor remains an affiliate and is approved by WB in its discretion as otherwise set forth in the Agreement.

E. Calculation Of Baseline (IF APPLICABLE): It is recognized that Station is a start-up, and that ratings data is not available to track Station's historical performance during three previous ratings periods. The parties have agreed that notwithstanding anything to the contrary set forth above, the Baseline for the calculation of the TMR payments will be calculated as follows: During the __________ 199__ and ___________199__ and _____________ 199__ sweeps periods the average ratings (Adults 18-49) for the nights that are not programmed by WB will set the baseline number for the computation of the TMR payment. The difference between the baseline and the average rating for WB programmed nights during the February, May and November sweeps period will determine the amount that is due to WB, during the first year and during all subsequent years. The calculation of ratings under this paragraph shall be as reported on the Nielsen Station Index ("NSI") as processed, refined, reformatted, or reconfigured by that application commonly known as the "SNAP System".

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EXHIBIT 10.64

TOWER LICENSE AGREEMENT
AND
CONSENT TO ASSIGNMENT

AGREEMENT, dated 21 day of May, 1992 by and between CALOOSA TELEVISION CORPORATION, a Florida corporation, owner and operator of WEVU-V ("Licensor"), and Southwest Florida Telecommunications, Inc. authorized to do business in the State of Florida, d/b/a WNPL-TV CH 46 ("Licensee").

1. Subject to all contingencies contained within paragraph 8 of this Agreement, LICENSOR hereby grants LICENSEE a license to maintain a TV antenna at the 1,000 ft. level plus LICENSEE'S STL dish at 390 [FOUR?] level on, LICENSOR'S tower located and constructed in the Southeast 1/4 Section 32, Township 46 South, Range 27 East, Lee County, Florida, together with transmission lines to antenna feed point on the tower, under the terms and conditions hereinafter set forth.

2. If at any time during the term hereof, or any renewal hereof, LICENSEE'S antennas cause any negative effect on the radiation pattern of LICENSOR'S television station (WEVU Channel 26) or any broadcast station or other station licensed by the FCC (whose License agreement predates this License Agreement) having its antenna on LICENSOR'S proposed tower, immediate remedial action will be taken by LICENSEE at LICENSEE'S expense, and LICENSEE will, if necessary in the opinion of LICENSOR, and independent consulting engineer, discontinue its broadcasts from its antennas until such remedial action is completed to LICENSOR'S satisfaction.

3. LICENSOR licenses LICENSEE for the term of this Agreement to use a location to be agreed on by LICENSOR containing approximately 625 square feet at or near LICENSOR'S tower location. The WNPL-TV area shall be housed in a building constructed by LICENSOR and shall be used by LICENSEE only for the maintenance of its transmitters and other equipment in accordance with the provisions hereinafter set forth, and such use shall not interfere with LICENSOR'S use of its premises and facilities or interfere with the use of the premises and facilities by other LICENSEES of LICENSOR. Nor shall WEVU interfere with the normal operation of the WNPL facility.

4. LICENSEE shall be solely responsible for all costs and expenses of placing and maintaining LICENSEE'S transmitters upon the area designated by LICENSOR, including, but not limited to the cost of all licenses and permits, the cost of all electrical connections and any other costs associated with LICENSEE'S use of transmitter area designated by LICENSOR. LICENSEE shall also be responsible for all costs and expense associated with the installation of LICENSEE'S cable and LICENSEE'S antennas. All plans, specifications and connections of LICENSEE'S transmitter structure, installation of transmitter, installation of cable and

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installation of antennas shall be presented to LICENSOR and approved by LICENSOR before commencement of any work before contract is signed. In connection with all installation, maintenance and other actions of any nature by LICENSEE, pursuant to Clause 4 and pursuant to

other clauses of this Agreement, LICENSEE shall indemnify and hold LICENSOR harmless from any and all loss, damage, cost and expense, including but not limited to court costs and reasonable attorneys fees. In connection with any initial installation work by LICENSEE relative to the transmitter site and antenna or in connection with any future repair or maintenance of LICENSEE'S facilities, LICENSOR shall have the right before signing to approve the contractor or company performing said work and shall also have the right to insist upon proof of adequate insurance protecting LICENSOR'S interests. Upon completion of the structure to house LICENSEE'S transmitter, LICENSEE shall be responsible for maintaining and repairing the WNPL-TV area during the term of the Agreement or any renewal thereof.

5. During the term of this license, LICENSEE shall at no time allow any mechanic's lien to be placed against the real property upon which the tower and transmitter facilities are located. It shall be a default under this License Agreement if any such claim of lien shall arise and remain as a lien against the property for more than five days.

6. During the first three (3) years of this Agreement, Licensee will pay Licensor $8,333.33 per month for a total of $100,000.00 per year. In addition to the $8,333.33, Licensee will pay Licensor all applicable sales and use taxes for the privileges licensed under this Agreement. For the remaining seven (7) years of this Agreement, Licensee shall pay Licensor the monthly amount as set forth using the formula contained within paragraph 7 of this Agreement. In addition, Licensee shall be required to pay to Licensor one (1) month's worth of fees ($8,333.33) in advance as a security deposit. The monthly fee referenced in this paragraph and paragraph 7 shall be payable on or before the first day of each month. The first monthly payment shall be due on or before June 1, 1992. Additionally, the security deposit will be due and payable on or before June 1, 1992. In addition to the monthly license fee, use, real estate, personal property or other taxes or assessments which were assessed or due by reason of this agreement or Licensee's use of the antenna site hereunder, Licensee will be billed a portion of the real estate and property taxes attributed to their proportionate share of the total tower taxes.

In addition to the Monthly Licensee Fee, LICENSEE shall pay LICENSOR if, and when due, any sales, use, real estate, personal property or other taxes or assessment which are assessed or due by reason of this Agreement or LICENSEE'S use of the Antenna Site hereunder. LICENSEE will be billed a portion of the real estate and property taxes attributed to their proportionate share of the total tower taxes.

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7. The license fee for each twelve (12) month period subsequent to the third twelve (12) month period (years four through ten and all option terms) occurring during the term of this license or any renewal thereof shall be computed by multiplying the license fee for the immediately preceding year of this license by a fraction, the numerator of which shall e the Consumer Price Index for All Urban Consumers, U.S. City Average (1967 = 100) All Items, Bureau of Labor Statistics of the United States Department of Labor, for the second month prior to the respective license anniversary date and which denominator shall be said Consumer Price Index for All Urban consumers, U.S. City Average (1967 = 100) All Items, for the second month prior to the commencement date of this license, provided that in no event shall such annual license fee be less than the annual license fee for the immediately prior year. The LICENSEE agrees that the license fee provided for herein shall in no event increase at the rate of less than 6% percent (maximum 10%) per year or the increase reflected by the computation

above for the Cost of Living Increase, whichever amount shall be greater. (Should this specific Consumer Price Index become unavailable, a reasonable substitute, as prepared by the United States Department of Labor, shall be used). The LICENSOR shall notify the LICENSEE of the adjusted annual license fee in writing when such fee adjustment occurs. The LICENSEE agrees to pay the adjusted license fee (together with any applicable taxes as set forth in paragraph 6), in monthly installments on the first day of each and every month for the following 12-month period.

8. The term of this Agreement will commence on June 1, 1992, and terminate on May 31, 2002, unless renewed by mutual agreement by the parties as set forth herein. However, Licensee has the right to cancel this Agreement at any time but only for the purpose of constructing its own tower. Licensee shall not have the right to cancel this Agreement for any purpose except for constructing its own tower. It is expressly understood and agreed between the parties that Licensee does not have the right to cancel this Agreement during the first two (2) year. Should licensee cancel the Agreement as permitted in this paragraph at any time after the termination of the second year, then Licensor shall be entitled to twelve (12) month's license payment after receiving notice of the cancellation. It is the express intention of the parties that Licensor shall receive a minimum of three (3) years license payments. Should Licensee not provide notice of cancellation as provided herein, then this agreement shall continue in its entirety.

9. LICENSEE'S engineering and technical personnel shall have the right to enter or leave LICENSEE'S transmitter site (by way of access points designated by LICENSOR) at all times for maintenance of the LICENSEE'S transmitter. LICENSEE'S

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engineering and technical personnel shall, with the prior consent of LICENSOR, have access to the TV power at all reasonable times for the purpose of maintaining and operating the LICENSEE'S antennas. LICENSEE agrees not to impair or impede, during the installation of its antenna and transmission lines or at any other time, the maintenance or operation of any other broadcast station or other station licensed by the FCC, having its antenna located on LICENSOR'S tower without first obtaining written approval from the owner of the station and LICENSOR.

10. LICENSEE shall not do anything in the licensed area or elsewhere on LICENSOR'S promises, nor shall it bring or keep anything therein which will conflict with any laws, including but not limited to federal laws governing the Federal Communication Commission, ordinances or rules of federal, state or municipal governments, or violate any regulations of the police or fire departments, Board of Fire Underwriters, Board of health, or other public authorities. LICENSEE will continuously carry, and furnish LICENSOR with a certificate of insurance evidencing Comprehensive Liability Insurance in a Combined Single Limit of $2,000,000.00 and such insurance will name LICENSOR as an additional insured. Such insurance limits shall be re-adjusted as agreed upon by both parties at each contract renewal. LICENSOR shall not be responsible for any insurance coverage on LICENSEE'S equipment or insurance coverage in regard to business interruption of LICENSEE and shall not be responsible for damage to any of LICENSEE'S equipment, or the interruption of LICENSEE'S business. The LICENSEE agrees to indemnify, defend and hold harmless LICENSOR from any such liability.

11. If LICENSEE'S antenna, or transmission lines or other related tower equipment is maintained, changed altered, replaced, moved, relocated or modified in any way, without the prior written approval of LICENSOR, evidenced by the consent in writing of WEVU-TV's Chief

Engineer, or a person duly designated by him, which will not be reasonably withheld, the same shall e deemed a failure to comply with a term, covenant or condition of this Agreement to be performed by LICENSEE and LICENSOR shall have the right to terminate this Agreement as provided elsewhere within this license Agreement. LICENSEE covenants and agrees that it will cause all of its equipment and facilities referred to in this Agreement to be operated at all times in conformity with the then existing rules and regulations of the FCC and any federal, state or local governmental agency having jurisdiction in the premises.

12. LICENSEE covenants and agrees that at no time will the operation of its equipment and facilities referred to in this Agreement cause any objectionable interference to LICENSOR'S television station (WEVU Channel 26) or to any other

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broadcast station (whose License Agreement predates this License Agreement) having its antenna on LICENSOR'S tower. If, in LICENSOR'S sole opinion, and the opinion of an independent consulting engineer, LICENSEE'S operations cause any objectionable interference to LICENSOR'S television station or to any other broadcast station or other station licensed by the FCC (whose License Agreement predates this License Agreement) having its antennas on LICENSOR'S tower, LICENSOR may require that LICENSEE immediately cease operations until such interference is eliminated to LICENSOR'S satisfaction.

13. LICENSOR shall not be required to furnish any electric power to LICENSEE for the operations of LICENSEE'S transmitting equipment and facilities in the licensed area LICENSEE shall make its own arrangements with the public utility company serving the area to furnish such electric power as LICENSEE may require. LICENSEE shall be responsible for payment of all LICENSEE'S utilities used in connection with LICENSEE'S area. LICENSEE'S electrical transmission lines shall be routed and placed in locations designated by LICENSOR.

14. LICENSOR and LICENSEE hereby covenant and agree that if LICENSEE fails to comply with any of the terms and conditions of this Agreement, LICENSOR may terminate this Agreements, as follows:

a. With thirty (30) days written notice to LICENSEE in the event of a failure by LICENSEE to pay money owed pursuant to this Agreement; or

b. With thirty (30) days written notice to LICENSEE in the event of any other breach of this Agreement by LICENSEE which, in the sole and exclusive opinion of LICENSOR, does not jeopardize or interfere with the broadcast operations of any other broadcast station or other station licensed by the FCC which has a License Agreement with LICENSOR which predates this Agreement, which station has its antenna on LICENSOR'S tower; or

c. With twelve (12) hours notice delivered to LICENSEE either in person, telephonically, by telegraph or by telefax, or other means of rapid written communication, in the event of a breach of this Agreement by LICENSEE which in the opinion of LICENSOR and independent consulting engineer, jeopardizes or interferes with the broadcast operations referred to in (b) above. In the event of (a), (b) or (c) above, LICENSOR shall be entitled to evict LICENSEE form the premises hereby licensed and repossess same, through legal process or otherwise, without prejudice to any other right which the LICENSOR may have against the

LICENSEE in law, or equity, for damages, arrearages in license fees, future license fees, or for any breach of any other of the terms of this Agreement.

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In addition to the above, LICENSOR may terminate this Agreement, without cause, with twelve (12) months written notice to LICENSEE.

15. Upon the expiration or earlier termination of the Agreement without default of LICENSEE, provided all license fees have been paid, LICENSEE will promptly remove from LICENSOR'S TV tower, and the LICENSEE'S transmitter area provided herein, all of its equipment and other property of any kind whatsoever. In the event that upon such expiration or termination, LICENSEE does not remove all of its equipment and other property, then LICENSOR may remove the same from LICENSOR'S TV tower and the WNPL-TV area provided herein and LICENSOR shall, after thirty (30) days written notice to LICENSEE, be entitled to sell said equipment at public auction. From the proceeds of the sale of equipment by LICENSOR, LICENSOR shall be entitled to deduct LICENSOR'S expenses in connection with the removal, storage and sale of said equipment and property, and thereafter remit any remaining balance to LICENSEE. In connection with all actions taken by LICENSOR in regard to LICENSEE'S equipment or other property provided for in Clauses 14 and 15 of this Agreement, or elsewhere in this Agreement, LICENSEE shall indemnify and hold LICENSOR harmless from any and all loss, damage, cost and expense, including but not limited to court costs and reasonable attorneys fees.

16. Paragraph Missing

17. In addition to any other events of default as elsewhere provided in this License Agreement, the following shall also constitute a default under this Agreement:

a. Abandonment of LICENSEE'S facilities;

b. Failure to pay any license fee or other amount due to LICENSOR after (10) days written notice;

c. Any assignment by LICENSEE for the benefit of creditors;

d. The filing of a voluntary or involuntary petition in bankruptcy by or against LICENSEE.

e. Damage to equipment located upon LICENSOR'S tower or structural damage to LICENSOR'S tower resulting form the actions or inactions of LICENSEE.

18. In the event LICENSEE shall default under the terms of this License Agreement, after appropriate notice of default and termination as elsewhere provided in this Agreement, LICENSOR, in addition to any other remedies which LICENSOR may have at law or in equity, shall have the following remedies against LICENSEE at LICENSOR'S option;

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a. Terminate the license Agreement and collect form LICENSEE all reasonable costs and expenses attendant to recovery of the tower space and transmitter area.

b. Re-lease the premises for the benefit of LICENSEE.

In the event that LICENSOR shall re-lease the premises for the benefit of LICENSEE, LICENSOR shall be entitled to apply any rents or license fees received form any such sublicensee in the following order:

(1) Payment of any reasonable legal fees incurred by LICENSOR in the re-leasing of the premises;

(2) payment of the reasonable cost of storing any personal property left upon the license premises by the LICENSEE;

(3) Payment of the reasonable cost of advertising the license premises for lease to a sublicensee;

(4) Payment of the reasonable cost of repairs or modifications to the license premises necessary to the re-letting of the premises; and

(5) Payment of monthly license fees due under the License Agreement.

If LICENSOR shall re-lease the premises for the benefit of LICENSEE, LICENSOR shall e entitled to bring suite for amounts due and owing under this license from time to time during the term of the license, or at LICENSOR'S option, LICENSOR may defer collection efforts until the expiration of the term of the license and thereafter sue for the entire amount of any deficiency owing hereunder.

19. In the event it shall become necessary for LICENSOR to bring legal action against LICENSEE for the purpose of enforcing this Agreement, or collecting license fees and other damages accruing under this Agreement, LICENSEE shall be responsible for the payment of LICENSOR'S reasonable attorney's fees including any attorneys' fees incurred in any appellate proceedings and Court costs.

20. Paragraph 20 has been deleted.

21. Neither this Agreement nor any interest herein nor any light hereunder shall be assignable or in any manner transferable by LICENSEE, in whole or in part, except that LICENSEE shall have the right to assign this Agreement to any assignees of the WNPL-TV CH. 46 license after authorization and approval by the Federal Communications Commission, but no such assignment shall be valid nor

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shall LICENSEE be released from any of its obligations hereunder unless such assignment be set forth in a written Agreement executed by both LICENSEE and such assignee, wherein such assignee shall assume all of LICENSEE'S obligations under this Agreement and shall agree to be bound by all of the terms and conditions thereof, and an executed counterpart of such assignment is delivered to LICENSOR within five (5) days after its execution. LICENSOR shall have the right to reasonably review and approve the portions of said assignment which directly or indirectly affect LICENSOR.

22. LICENSOR has the right to assign this agreement. Furthermore, upon transfer of LICENSOR'S interest in LICENSOR'S tower to third party, LICENSOR shall be entirely freed and released of liability thereafter accruing in connection with all of its covenants and obligations under this Agreement and LICENSEE shall look to LICENSOR'S successor in interest for any performance under this Agreement.

23. In case the LICENSOR'S tower is destroyed or damaged through no fault of the LICENSEE so as to render the tower unusable by LICENSEE, during the term of this license, no license fee shall accrue from the date of destruction of damage until the tower is again ready for use, pursuant to written notice tendered by LICENSOR to LICENSEE. Notwithstanding the foregoing, in the event of destruction of LICENSOR'S tower to the extent of fifty percent (50%) or more of said tower's value at a point in time ten years or more after the commencement date of this lease, LICENSOR shall be entitled to terminate this Agreement by giving LICENSEE notice of LICENSOR'S intention to terminate within thirty (30) days after the date of said destruction.

24. If the whole or any part of the lands upon which Licensor's tower is erected, or upon which any of LICENSOR'S or any LICENSEE'S transmitter equipment is erected, shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then, and in that event, LICENSOR at LICENSOR'S option may terminate this License Agreement upon the date upon which title is acquired by the condemning authority, whichever shall be earlier, and LICENSEE shall have no claim against LICENSOR for the value of any unexpired term of said License Agreement, nor a claim to any part of an award in such proceeding and license fees paid or to be paid under this License Agreement shall be adjusted to the date of such termination. Nothing herein contained shall be deemed to affect or be in derogation of any right or rights of the LICENSEE against the condemning authority to claim and recover damages, or for the taking of its fixtures and equipment resulting from any such condemnation of acquisition.

25. LICENSEE agrees that this License Agreement shall at all times be subject and subordinate to the lien of any mortgage (which term shall include all security instruments) that may be placed on the demised premises by the

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LICENSOR, and LICENSEE agrees, upon demand and without cost, to execute such instruments as may be required to effectuate such subordination. LICENSEE'S refusal to execute any such subordination shall be deemed a default under this License Agreement.

26. Unless otherwise provided within this Agreement, any notice, request, consent or communication under this Agreement shall be effective only if it is in writing and shall be deemed sufficiently given only if mailed postage prepaid be certified return receipt mail, addressed in the case of LICENSOR, as follows: Larry Landaker, Caloosa Television Corporation, and in the case of LICENSEE as follows: William Darling - Southwest Florida Telecommunications, Inc. or to such other address as the intended recipient may have theretofore specified in written notice to the sender.

27. Except as otherwise expressly provided, the provisions of this Agreement shall apply to and inure to the benefit of, and be binding upon the successors and assigns of both parties. This Agreement shall be construed under the laws of Florida and this Agreement shall not be recorded within the Public Records of any county of the State of Florida. In the event any litigation shall

arise under this Agreement, the parties agree that proper venue shall be in the appropriate court within Lee County, Florida. The parties agree that time shall be of the essence in this Agreement.

28. This Agreement sets forth the entire understanding of the parties and supersedes any and all prior Agreements, arrangements and understandings relating to the subject matter hereof.

29. LICENSEE shall pay all personal property tax attributable to LICENSEE'S property and license rights with respect hereto. LICENSEE shall also pay to LICENSOR any increases in LICENSOR'S real property taxes or insurance rates arising or resulting from this Agreement. LICENSEE shall bear (and, reimburse LICENSOR for) all expenses, damages and costs arising as a result of LICENSEE'S utilization of the rights herein granted, but not including LICENSOR'S costs (if any) associated with the negotiation of this Agreement.

30. In the event it may be necessary for LICENSOR, LICENSEE, or other licensees to reduce power of interrupt service during maintenance and installation work on LICENSOR'S tower, LICENSEE will cooperate with LICENSOR in regard to said reduction of power or interruption of service. LICENSEE covenants and agrees to cooperate with LICENSOR in the aforementioned situations and in all other situations which directly or indirectly may affect LICENSEE'S performance hereunder.

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31. Upon the expiration of the initial term of this License Agreement, provided LICENSEE is not in default under his Agreement, and this Agreement has not been terminated for any reason, LICENSEE shall be entitled to renew this License Agreement for an additional period of ten (10) years with the annual license fee amount for the initial year of the renewal being computed by increasing the annual license fee for the final year of the initial term of this license by the formula stated heretofore in Paragraph 7. All other terms and provisions of this License Agreement shall remain unchanged during said renewal period.

Provided Licensee exercises the first renewal option as stated heretofore and faithfully performs this License Agreement, during said first renewal term, and this Agreement has not been terminated for any reason, LICENSEE shall be entitled to a renewal for an additional ten (10) year period with the rental being computed by increasing the annual rental for the final year of the first renewal term by the formula stated heretofore in Paragraph 7. All other terms and provisions of the License Agreement shall remain unchanged during said second renewal period.

All renewal options at stated herein shall be subject to all provisions and reservations included within this License Agreement. The exercise of any renewal option under this Agreement shall not be deemed to create any additional renewal options, it being the intention of the parties that this Agreement shall only provide for an initial term of ten (10) years with two renewal options of ten (10) years each.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year indicated below.

CALOOSA TELEVISION CORPORATION		SOUTHWEST FLORIDA TELECOMMUNICATIONS	
By:	/s/ Larry Landaker	By:	/s/ William Darling
Title:	President; General Manager	Title:	President and CEO

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LICENSOR'S CONSENT TO ASSIGNMENT
AND CERTIFICATE AS TO LICENSEE'S COMPLIANCE

WHEREAS, pursuant to a Tower License Agreement dated May 21, 1992 by and between Caloosa Television Corporation, subsequently assigned to Super Towers, Inc. ("Licensor"), and Southwest Florida Telecommunications, Inc., subsequently assigned to Second Generation of Florida, Ltd. ("Licensee"), (such license as assigned, being hereinafter referred to as the "License"), Licensee currently licenses space on the tower and 625 square feet of an associated building located at 21990 Carter Road, Estero, Florida (the "Premises"); and

WHEREAS, the above-described License is used in the operation of Licensee's main studio for WTVK-TV, Naples, Florida (the "Station"); and

WHEREAS, pursuant to an Asset Purchase Agreement, dated March 2, 1998, by and among Licensee and ACME Television, LLC, ACME Television of Florida, LLC ("Assignee") will acquire by assignment from an affiliate substantially all of the physical assets used in connection with the operation of the Station ("Agreement"); and

WHEREAS, Assignee desires to have Licensee provide Assignee with a certificate of the Licensor of the Licensed Premises consenting to assignment of the License from Licensee to Assignee and certifying as to the status of the above referenced License.

NOW THEREFORE:

1. Licensor hereby consents to assignment of the License from Licensee to Assignee pursuant to the provisions of the Assignment and Assumption of License attached hereto as Exhibit A.

2. Licensor hereby certifies that (i) the License is in full force and effect, and is valid, binding and enforceable in accordance with its terms; (ii) all accrued and currently payable rents and other payments required by the License have been paid; (iii) the amount of security deposit held by Licensor is 0; (iv) the currently monthly aggregate amount of monthly rent, monthly common area charges, taxes paid in monthly installments, and all other monthly fees or charges (the "Monthly Payment") is $11,151.88; (v) the Monthly Payment has been paid through April 1998; and, to Licensor's knowledge, (vi) Licensee has been in peaceable possession since the date on which it acquired an interest in the license; (vii) Licensee and the respective Licensors have com plied with all

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respective covenants and provisions of the License; (ix) no party has asserted any defense, set off or counterclaim thereunder; (x) no waiver, indulgence, or postponement of any obligations thereunder has been granted by any party, (xi) no notice of default or termination has been given or received, no event of default has occurred, and no condition exists and no event has occurred that, with the giving of notice, the lapse of time, or the happening of any future event would become a default or permit early termination under any such License; (xii) neither Licensee nor any other party has violated any term or condition under the license in any material respect; (xiii) the validity or enforceability of the License will in no

way be affected by the sale of the Station's assets by Licensee; (xiv) the business activities of Licensee on the premises comply with all local zoning laws and ordinances; and (xv) there are no third party claims or actions relating to Licensee's use of the premises or which would impair Assignee's continuing use thereof.

IN WITNESS THEREOF, Licensor has caused this instrument to be duly executed on this, the 23rd day of June, 1998.

SUPER TOWERS, INC.

By: /s/ Timothy G. Sheehan

Title: President

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EXHIBIT 21.0

ACME COMMUNICATIONS, INC

SUBSIDIARIES

<TABLE>
<CAPTION>

SUBSIDIARY	ORGANIZED UNDER LAWS OF
<S>	<C>
ACME Intermediate Holdings, LLC	Delaware
ACME Subsidiary Holdings, LLC	Delaware
ACME Subsidiary Holdings II, LLC	Delaware
ACME Subsidiary Holdings III, LLC	Delaware
ACME Subsidiary Holdings IV, LLC	Delaware
ACME Intermediate Finance, Inc.	Delaware
ACME Finance Corporation	Delaware
ACME Television, LLC	Delaware
ACME Television Holdings, LLC	Delaware
ACME Television of New Mexico, LLC	Delaware
ACME Television Licenses of New Mexico, LLC	Delaware
ACME Television of Oregon, LLC	Delaware
ACME Television Licenses of Oregon, LLC	Delaware
ACME Television of Tennessee, LLC	Delaware
ACME Television Licenses of Tennessee, LLC	Delaware
ACME Television of Utah, LLC	Delaware
ACME Television Licenses of Utah, LLC	Delaware
Roberts Broadcasting of Salt Lake City, LLC	Delaware
ACME Television Holdings of Missouri, Inc.	Missouri
ACME Television of Missouri, Inc.	Missouri
ACME Television Licenses of Missouri, LLC	Missouri
ACME Television of Florida, LLC	Delaware
ACME Television Licenses of Florida, LLC	Delaware
ACME Television of Ohio, LLC	Delaware
ACME Television Licenses of Ohio, LLC	Delaware
ACME Television of Wisconsin, LLC	Delaware
ACME Television Licenses of Wisconsin, LLC	Delaware
ACME Television of Illinois, LLC	Delaware
ACME Television Licenses of Illinois, LLC	Delaware
ACME Television of Michigan, LLC	Delaware

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EXHIBIT 23.1

The Board of Advisors

ACME Television Holdings, LLC:

The audits referred to in our report dated July 28, 1999, included the related financial statement schedules as of December 31, 1998, and for each of the years in the two-year period ended December 31, 1998, included in the registration statement. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We consent to the use of our reports included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Los Angeles, California

September 8, 1999

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EXHIBIT 23.2

The Board of Directors
Koplar Communications, Inc.:

We consent to the use of our reports included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

St. Louis, Missouri

September 8, 1999

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EXHIBIT 23.3

The Board of Directors
Channel 32, Incorporated:

We consent to the use of our reports included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Los Angeles, California

September 8, 1999

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