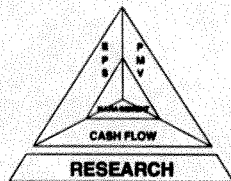


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GAMCO Investors, Inc.

April 2, 2012

Ms. Colleen B. Brown
President and Chief Executive Officer
Fisher Communications, Inc.
140 4th Avenue North, Suite 500
Seattle, WA 98109

Dear Colleen:

Congratulations!

As you examine alternatives for Fisher, let me suggest you revisit, study, analyze and implement the financial engineering executed by Wilson Wearn of Multimedia in 1985.

Then, besieged by suggestions by investment bankers and with a backdrop in acquisitions and mergers in the broadcast area, and a potential LBO of the company by a third party, Wilson did one simple thing. He had the shareholders buy the company through a leveraged restructuring.

We are still searching our archives for Multimedia's proxy at that time. We do have the Board of Directors from the 1989 annual report. Note that Bartlett was CEO in 1989.

Here's a simple example of how to accomplish the same goal for Fisher. Have the company create Newco and buy FSCI for \$40 per share. Distribute \$36 in cash and one share of stock in Newco for each share that is outstanding currently.

The marketplace will create a very liquid market for those that do not want to own "the leveraged stub" in Fisher.

More importantly, based on our projection of your cash flows, you would have a margin of safety in your debt coverage, reduce debt, and generate a 40% CAGR on the "stub" over the next five years.

Shareholders would enjoy a high return on invested capital.

We would like to discuss the highly attractive approach with you in more detail.

Sincerely,


Mario J. Gabelli

MJG/rp

Gabelli & Company, Inc.

Fisher Communications, Inc.
(FSCI-OTC)
Seattle, WA

Financial Data

FYE 12/31

Colleen B. Brown - Pres & CEO
Haran Nathu - CFO

Capitalization

(in millions, except per share data)

Balance Sheet as of

Shares Outstanding

Options

Fully Diluted Shares

Market Price

Equity Market Capitalization

Dec-11

9.0 Class A

3/2/12

0.0

9.0

31.34

04/02/12

282.1

311.8

81.1

25.64

Cash / sh

20.7

Net Debt

42

Less: Cash & Equivalents

Less: SafeCo Stock

and assets held for sale

Total Market Capitalization

Pro Forma for \$250 mil. of debt added and \$40/sh div (\$36 cash+\$4 stk)

Cash is less estimated tax payment of \$21.5 mil

to be paid in 1Q 2012.

At 12/31 cash was \$176.5 mil

and all 8.625% notes subsequently redeemed.

52 Week Trading Range

High

Low

32.48

21.90

Total Debt/EBITDA

EBITDA/Interest

Net Debt/TEV

Debt

8.63%

104.70

102.88

Callable 9/15/2010

9/15/11

101.4375

After 9/15/12

Par

Borrow \$250 mil @ 8% & pay \$40 per share (\$36 cash + \$4 stk)

Barry L. Lucas

LEVERAGED RECAP

Assumes \$40 per share purchase price (\$36/sh cash and \$4/sh stock in New Co from 1/1/12)

2011 2012PE 2013PE 2014PE 2015PE 2016PE

Revenue

EBITDA

% Margin

EPS

EBITDA Multiple

20.1 x

14.0 x

21.2 x

12.5 x

18.1 x

11.1 x

164.6

174.4

159.4

185.8

171.3

199.4

25.5

36.7

24.2

41.0

28.4

46.4

15.9%

21.0%

15.7%

22.1%

16.6%

21.1%

3.97

0.64

(0.25)

0.90

0.07

1.36

20.1 x

14.0 x

1.9%

12.7%

5.8%

13.9%

48.0%

5-year CAGR

2012PT-2016P

Total

890.2

176.8

890.2

275.8

275.8

275.8

275.8

275.8

275.8

275.8

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275.8

275.8

275.8

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275.8

275.8

275.8

Revenue

EBITDA

% Margin

EPS

EBITDA Multiple

20.1 x

14.0 x

21.2 x

12.5 x

18.1 x

11.1 x

164.6

174.4

159.4

185.8

171.3

199.4

25.5

36.7

24.2

41.0

28.4

46.4

15.9%

21.0%

15.7%

22.1%

16.6%

21.1%

3.97

0.64

(0.25)

0.90

0.07

1.36

20.1 x

14.0 x

1.9%

12.7%

5.8%

13.9%

48.0%

58.6

52.7

12.2

1.36

4.3%

0.1%

0.04

0.84

2.7%

2.7%

2.7%

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Gabelli & Company, Inc.

Financial Data

Fisher Communications, Inc. Colleen B. Brown - Pres & CEO
FSC-OTC Hassan Natha - CFO

Capitalization
in millions, except per share data)

Balance Sheet as of	Dec.11
Shares Outstanding	8.8 Class A 3/2/12
Options	0.0
Fully Diluted Shares	8.8
Market Price	\$ 31.12 04/02/12
Equity Market Capitalization	275.3

Plus: Debt per forma	61.8	4Q	(93.3) Net Debt
Less: Cash & Equivalents	155.1		Cash / sh
Less: Safe Stock			\$ 10.55
and assets held for sale			
Total Market Capitalization	\$182.0		

Cash is less estimated tax payment of \$21.5 mil
to be paid in 1Q 2012.
At 12/31 cash was \$176.5 mil
and all 8.625% notes subsequently redeemed.

52 Week Trading Range	High \$ 32.48	Low \$ 21.90
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Total Debt/EBITDA	NM	x
EBITDA/Interest	NM	
Net Debt/TEV	NM	%

Debt	8.63%	\$ 104.70	102.88
Callable 9/15/2010		102.87	
9/15/11		101.44	
After 9/15/12		Par	

Barry L. Lucas

	2007	2008E	2009	2010	2011	2012E	2013P	2014P	2015P	2016P	5-year CAGR	2017P-2016 Total
Revenue	\$ 162.3	\$ 137.1	\$ 109.6	\$ 175.7	\$ 164.6	\$ 174.4	\$ 159.4	\$ 185.8	\$ 171.3	\$ 199.4	1.9%	\$ 890.2
EBITDA	25.3	18.8	9.3	40.1	25.5	36.7	24.2	41.0	28.4	46.4	12.7%	\$ 176.8
% Margin	15.6%	13.7%	8.5%	22.8%	15.5%	21.0%	15.2%	22.1%	16.6%	23.2%		
EPS	\$3.65	\$ 14.30	\$ (1.19)	\$ 1.14	\$ 3.97	\$ 2.01	\$ 1.21	\$ 2.38	\$ 1.53	\$ 2.78		
EBITDA Multiple	7.2 x	9.7 x	19.6 x	4.5 x	7.1 x	5.0 x	7.5 x	4.4 x	6.4 x	3.9 x		
Est. 47% mid price change in 2008 from up flow change												
Q millions except share amounts												
Revenue	\$ 107.5	\$ 124.0	\$ 97.2	\$ 136.4	\$ 128.5	\$ 152.1	\$ 136.4	\$ 162.0	\$ 146.8	\$ 174.2		
EBITDA	29.7	35.6	10.9	37.7	30.8	50.6	38.2	55.1	42.6	61.0		
Multiple	11.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0		
Value	326.2	\$ 355.6	\$ 87.1	\$ 301.4	\$ 246.4	\$ 405.1	\$ 305.4	\$ 440.8	\$ 340.6	\$ 487.7		
Revenue	40.3	\$ 36.7	\$ 22.8	\$ 24.9	\$ 21.7	\$ 22.4	\$ 23.0	\$ 23.7	\$ 24.4	\$ 25.2		
EBITDA	2.0	(2.1)	3.2	4.5	4.2	4.9	5.3	5.7	6.1	6.3		
Multiple	12.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0		
Value	23.4	\$ 25.0	\$ 25.9	\$ 31.5	\$ 29.5	\$ 34.4	\$ 37.1	\$ 39.9	\$ 42.8	\$ 44.1		
Ratio												
Total Private Market Value	\$492.5	\$493.3	\$225.4	\$441.2	\$276.0	\$439.6	\$342.5	\$480.6	\$383.4	\$531.8		
Less: (Net Debt)/Cash After Dividend Payout	(143.5)	(63.5)	(69.0)	(48.5)	93.2	110.4	120.7	141.5	155.0	180.1		
Plus: Net Option Payments	(1.5)	0.0	0.0	(1.7)	(1.6)	(4.6)	(3.2)	(5.9)	(4.4)	(7.4)		
Equity Private Market Value	\$552.5	\$429.8	\$156.4	\$391.0	\$369.2	\$549.9	\$463.2	\$622.2	\$538.4	\$711.8		
Shares Outstanding	8.8	8.8	8.8	8.8	8.0	8.0	8.0	8.0	8.0	8.0		
PMV per share	\$62	\$49	\$18	\$44	\$41	\$62	\$52	\$79	\$60	\$80		
Current Dividend to PMV	50.2%	36.0%	-76.0%	29.6%	25.0%	49.6%	40.2%	55.5%	46.6%	61.7%		
Cap Ex	9.3	10.3	11.6	10.0	9.0	9.2	9.3	9.5	9.5	9.5		58.6
Free Cash Flow	125.9	(8.3)	(8.3)	14.6	37.0	17.2	10.3	20.9	13.5	25.1		91.6
Per share	\$ 1.65	\$ 4.18	\$ 1.94	\$ 1.65	\$ 4.18	\$ 1.94	\$ 1.16	\$ 2.36	\$ 1.52	\$ 2.83		
Yield	5.3%	13.4%	6.2%	5.3%	13.4%	6.2%	3.7%	7.6%	4.9%	9.1%		

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