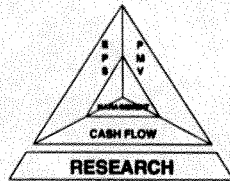


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GAMCO Investors, Inc.

April 2, 2012

Ms. Colleen B. Brown  
President and Chief Executive Officer  
Fisher Communications, Inc.  
140 4<sup>th</sup> 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

**Gabell & Company, Inc.**

Fisher Communications, Inc. Colleen B. Brown - Pres & CEO  
 (FSCI-OTC) Seattle, WA  
 Harlan Nath - CFO

Capitalization  
*(in millions, except per share data)*

Balance Sheet as of	Dec.11	Class A	20.7	Net Debt	210.7
Shares Outstanding	9.0	3/2/12		Cash/sh	(25.64)
Options	0.0				
Fully Diluted Shares	9.0				
Market Price	\$ 31.34	04/02/12			
Equity Market Capitalization	282.1				

Plus: Debt pro forma 311.8 4Q  
 Less: Cash & Equivalents 81.1  
 Less: Safeco Stock  
 and assets held for sale  
 Total Market Capitalization \$512.8  
 Pro Forma for \$250 mil. of debt added and \$40/sh div (\$3.6 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	NM	x
EBITDA/Interest	NM	%
Net Debt/TEV	NM	%
Debt	8.63%	\$ 104.70
		102.88

Callable 9/15/2010 102.87  
 " 9/15/11 101.4375  
 After 9/15/12 Par

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

**Financial Data**

FYE 12/31

Revenue	\$ 164.6	\$ 174.4	\$ 159.4	\$ 185.8	\$ 171.3	\$ 199.4
EBITDA	25.5	36.7	24.2	41.0	28.4	46.4
% Margin	15.5%	21.0%	15.2%	21.7%	16.6%	23.2%
EPS	\$ 3.97	\$ 0.64	\$ (0.25)	\$ 0.90	\$ 0.07	\$ 1.36
EBITDA Multiple	20.1 x	14.0 x	21.2 x	12.5 x	18.1 x	11.1 x

Excl. \$7.4 mil. price change in 2008 from rep firm change

Revenue	2011	2012P	2013P	2014P	2015P	2016P
Total	\$150.3	\$174.4	\$159.4	\$185.8	\$171.3	\$199.4
BCF	35.0	35.6	43.5	60.8	48.7	67.3

**Television**

Revenue	\$ 128.5	\$ 152.1	\$ 136.4	\$ 162.0	\$ 146.8	\$ 174.2
EBITDA	30.8	30.6	38.2	55.1	42.6	61.0
Multiple	8.0	8.0	8.0	8.0	8.0	8.0
Value	\$ 246.4	\$ 405.1	\$ 305.4	\$ 440.8	\$ 340.6	\$ 487.7

Revenue	\$ 21.7	\$ 22.4	\$ 23.0	\$ 23.7	\$ 24.4	\$ 25.2
EBITDA	4.2	4.9	5.3	5.7	6.1	6.3
Multiple	7.0	7.0	7.0	7.0	7.0	7.0
Value	\$ 29.5	\$ 34.4	\$ 37.1	\$ 39.9	\$ 42.8	\$ 44.1

Total Private Market Value \$276.0 \$439.6 \$342.5 \$480.6 \$383.4 \$531.8  
 Less: (Net Debt)/Cash After Dividend Payout (231.0) (229.1) (221.5) (221.2) (209.0) (209.0)

Plus: Net Option Payments 0.0 0.0 0.0 0.0 0.0 0.0  
 Plus: Safeco Shares (Mkt Value) \$45.0 \$213.3 \$113.4 \$259.1 \$162.2 \$322.8  
 Equity Private Market Value

Shares Outstanding	8.9	9.0	9.0	9.0	9.0	9.0
PMV per share	\$5	\$24	\$13	\$29	\$18	\$56
Current Dividend as PMV	-520.0%	-32.2%	-148.7%	-8.9%	-21.9%	12.6%

Cap Ex	9.0	9.2	9.3	9.5	9.5	9.5
Free Cash Flow	37.0	4.8	(2.9)	7.6	0.3	12.2
Per share	\$ 4.11	\$ 0.53	\$ (0.32)	\$ 0.84	\$ 0.04	\$ 1.36
Yield	13.1%	1.7%	-1.0%	2.7%	0.1%	4.3%

**LEVERAGED RECAP**

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

Revenue	\$ 164.6	\$ 174.4	\$ 159.4	\$ 185.8	\$ 171.3	\$ 199.4
EBITDA	25.5	36.7	24.2	41.0	28.4	46.4
% Margin	15.5%	21.0%	15.2%	21.7%	16.6%	23.2%
EPS	\$ 3.97	\$ 0.64	\$ (0.25)	\$ 0.90	\$ 0.07	\$ 1.36
EBITDA Multiple	20.1 x	14.0 x	21.2 x	12.5 x	18.1 x	11.1 x

Revenue	2011	2012P	2013P	2014P	2015P	2016P
Total	\$150.3	\$174.4	\$159.4	\$185.8	\$171.3	\$199.4
BCF	35.0	35.6	43.5	60.8	48.7	67.3

Revenue	\$ 128.5	\$ 152.1	\$ 136.4	\$ 162.0	\$ 146.8	\$ 174.2
EBITDA	30.8	30.6	38.2	55.1	42.6	61.0
Multiple	8.0	8.0	8.0	8.0	8.0	8.0
Value	\$ 246.4	\$ 405.1	\$ 305.4	\$ 440.8	\$ 340.6	\$ 487.7

Revenue	\$ 21.7	\$ 22.4	\$ 23.0	\$ 23.7	\$ 24.4	\$ 25.2
EBITDA	4.2	4.9	5.3	5.7	6.1	6.3
Multiple	7.0	7.0	7.0	7.0	7.0	7.0
Value	\$ 29.5	\$ 34.4	\$ 37.1	\$ 39.9	\$ 42.8	\$ 44.1

Total Private Market Value \$276.0 \$439.6 \$342.5 \$480.6 \$383.4 \$531.8  
 Less: (Net Debt)/Cash After Dividend Payout (231.0) (229.1) (221.5) (221.2) (209.0) (209.0)

Plus: Net Option Payments 0.0 0.0 0.0 0.0 0.0 0.0  
 Plus: Safeco Shares (Mkt Value) \$45.0 \$213.3 \$113.4 \$259.1 \$162.2 \$322.8  
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Free Cash Flow	37.0	4.8	(2.9)	7.6	0.3	12.2
Per share	\$ 4.11	\$ 0.53	\$ (0.32)	\$ 0.84	\$ 0.04	\$ 1.36
Yield	13.1%	1.7%	-1.0%	2.7%	0.1%	4.3%

5-year CAGR	2012PT-2016P	Total
	1.9%	\$ 890.2
	12.7%	\$ 176.8

Offices and studios and towers generally leased for TV  
 Base and Portland U.L.C. partly use tower use  
 on leased land  
 Radio covers banking in Great Falls, MT

**Gabelli & Company, Inc.**

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

**Financial Data**

FYE 12/31

Capitalization

in millions, except per share data)

Balance Sheet as of

Shares Outstanding

Options

fully Diluted Shares

Market Price

Equity Market Capitalization

Plus: Debt per forma

Less: Cash & Equivalents

and assets held for sale

Total Market Capitalization

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

Total Debt/EBITDA

EBITDA/Interest

Net Debt/TEV

Debt

Callable 9/15/2010

After 9/15/11

After 9/15/12

Par

8.63% \$ 104.70 102.88

102.87

101.44

Par

Revenue

EBITDA

% Margin

EPS

EBITDA Multiple

in millions except share amounts)

Revenue

BCF

Ratio

Total Private Market Value

Less: (Net Debt)/Cash After Dividend Payout

Plus: Net Option Payments

Equity Private Market Value

Shares Outstanding

PMV per share

Current Dividend as PMV

Cap Ex

Free Cash Flow

Per share

Yield

(\$0.3) Net Debt

\$ 10.55 Cash /sh

2007 2008 2009 2010 2011 2012E 2013E 2014E 2015E 2016E

\$ 162.3 \$ 137.1 \$ 109.6 \$ 175.7 \$ 164.6 \$ 174.4 \$ 159.4 \$ 185.8 \$ 171.3 \$ 199.4

25.3 18.8 9.3 40.1 25.5 36.7 24.2 41.0 28.4 46.4

15.6% 13.7% 8.5% 22.8% 15.2% 21.0% 15.2% 22.1% 16.6% 23.7%

\$3.65 \$ 14.30 \$ (1.19) \$ 1.14 \$ 3.97 \$ 2.01 \$ 1.21 \$ 2.38 \$ 1.53 \$ 2.78

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

\$147.8 \$160.7 \$120.0 \$161.3 \$150.3 \$174.4 \$139.4 \$183.8 \$171.3 \$199.4

31.6 33.4 14.1 42.2 35.0 35.6 43.5 60.8 48.7 67.3

107.5 \$ 124.0 \$ 97.2 \$ 136.4 \$ 128.5 \$ 152.1 \$ 136.4 \$ 162.0 \$ 146.8 \$ 174.2

29.7 35.6 10.9 37.7 30.8 30.6 38.2 55.1 42.6 61.0

11.0 8.0 8.0 8.0 8.0 8.0 8.0 8.0 8.0 8.0

326.2 \$ 355.6 \$ 87.1 \$ 301.8 \$ 246.4 \$ 405.1 \$ 305.4 \$ 440.8 \$ 340.6 \$ 487.7

40.3 \$ 36.7 \$ 22.8 \$ 24.9 \$ 21.7 \$ 22.4 \$ 23.0 \$ 23.7 \$ 24.4 \$ 25.2

2.0 (2.1) 3.2 4.5 4.2 4.9 5.3 5.7 6.1 6.3

12.0 8.0 8.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0

23.4 \$ 25.0 \$ 25.9 \$ 31.5 \$ 29.5 \$ 34.4 \$ 37.1 \$ 39.9 \$ 42.8 \$ 44.1

\$492.5 \$493.3 \$225.4 \$441.2 \$276.0 \$342.5 \$480.6 \$318.4 \$318.8

(143.5) (63.5) (69.0) (48.5) 93.2 110.4 120.7 141.5 155.0 180.1

(1.5) 0.0 (1.7) (1.6) (3.2) (5.9) (4.4) (7.4)

204.2 \$552.5 \$429.8 \$391.0 \$369.2 \$549.9 \$463.2 \$622.2 \$538.4 \$711.8

8.8 8.8 8.8 8.8 8.8 8.8 8.8 8.8 8.8 8.8

\$62 \$49 \$44 \$41 \$62 \$52 \$79 \$60 \$80 \$80

50.2% 36.0% -76.0% 29.6% 25.0% 49.6% 40.2% 55.5% 46.6% 61.7%

9.3 10.3 11.6 10.0 9.0 9.2 9.3 9.5 9.5 9.5

125.9 (8.3) 14.6 37.0 17.2 10.3 10.5 20.9 13.5 25.1

\$ 1.65 \$ 4.18 \$ 1.16 \$ 2.36 \$ 1.52 \$ 2.83

5.3% 13.8% 6.2% 3.7% 7.6% 4.9% 9.1%

58.6

91.6

13.0%

#

1.9%

\$ 890.2

12.7%

\$ 176.8

5.8%

\$ 890.2

13.0%

\$ 275.8