

Belo Corp.**Consolidated Statements of Operations**

<i>In thousands, except per share amounts</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net Operating Revenues	\$ 140,617	\$ 170,823	\$ 418,923	\$ 534,619
Operating Costs and Expenses				
Station salaries, wages and employee benefits	47,002	56,523	145,211	175,851
Station programming and other operating costs	49,972	52,567	147,556	156,659
Corporate operating costs	7,743	5,954	21,891	21,662
Spin-off related costs	-	-	-	4,659
Depreciation	11,520	11,025	32,279	32,233
Impairment	242,144	-	242,144	-
Total operating costs and expenses	358,381	126,069	589,081	391,064
Earnings from operations	(217,764)	44,754	(170,158)	143,555
Other income and expense				
Interest expense	(15,654)	(21,188)	(45,566)	(65,427)
Other income (expense), net	(657)	543	12,907	1,616
Total other income and expense	(16,311)	(20,645)	(32,659)	(63,811)
Earnings from continuing operations before income taxes	(234,075)	24,109	(202,817)	79,744
Income taxes	(83,554)	9,672	(71,502)	49,808
Net earnings from continuing operations	(150,521)	14,437	(131,315)	29,936
Discontinued operations, net of tax	-	-	-	(4,499)
Net earnings	\$ (150,521)	\$ 14,437	\$ (131,315)	\$ 25,437
Net earnings per share - Basic⁽¹⁾				
Earnings per share from continuing operations	\$ (1.47)	\$ 0.14	\$ (1.28)	\$ 0.29
Loss per share from discontinued operations	-	-	-	(0.04)
Net earnings per share - Basic	\$ (1.47)	\$ 0.14	\$ (1.28)	\$ 0.25
Net earnings per share - Diluted⁽¹⁾				
Earnings per share from continuing operations	\$ (1.47)	\$ 0.14	\$ (1.28)	\$ 0.29
Loss per share from discontinued operations	-	-	-	(0.04)
Net earnings per share - Diluted	\$ (1.47)	\$ 0.14	\$ (1.28)	\$ 0.25
Cash dividends declared per share	\$ -	\$ 0.15	\$ 0.075	\$ 0.225

- (1) Effective January 1, 2009, the Company adopted Accounting Standards Codification (ASC) 260-10 (formerly Financial Accounting Standards Board Staff Position EITF 03-6-1) which requires the Company to consider unvested share-based payment awards in its calculation of net earnings per share (EPS). This change in the calculation of EPS is retroactive and is reflected in the EPS amounts shown for 2008.

Belo Corp.
Consolidated Condensed Balance Sheets

<i>In thousands</i>	September 30, 2009 <i>(unaudited)</i>	December 31, 2008 <i>(restated)</i>
Assets		
Current assets		
Cash and temporary cash investments	\$ 3,277	\$ 5,770
Accounts receivable, net	116,365	138,638
Other current assets	<u>35,090</u>	<u>22,276</u>
Total current assets	154,732	166,684
Property, plant and equipment, net	182,313	209,988
Intangible assets, net	1,149,272	1,391,416
Other assets	<u>73,569</u>	<u>81,091</u>
Total assets	<u>\$ 1,559,886</u>	<u>\$ 1,849,179</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 13,618	\$ 19,385
Accrued expenses	51,945	51,399
Other current liabilities	<u>20,599</u>	<u>39,027</u>
Total current liabilities	86,162	109,811
Long-term debt	1,042,470	1,092,765
Deferred income taxes	159,629	234,452
Other liabilities	220,224	225,248
Total shareholders' equity	<u>51,401</u>	<u>186,903</u>
Total liabilities and shareholders' equity	<u>\$ 1,559,886</u>	<u>\$ 1,849,179</u>

Belo Corp.
Non-GAAP to GAAP Reconciliations

Station EBITDA

<i>In thousands (unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Station EBITDA ⁽¹⁾	\$ 43,643	\$ 61,733	\$ 126,156	\$ 202,109
Corporate operating costs	7,743	5,954	21,891	21,662
Spin-off related costs	-	-	-	4,659
Depreciation	11,520	11,025	32,279	32,233
Impairment	242,144	-	242,144	-
Earnings from operations	\$ <u>(217,764)</u>	\$ <u>44,754</u>	\$ <u>(170,158)</u>	\$ <u>143,555</u>

Note 1: Belo's management uses Station EBITDA as the primary measure of profitability to evaluate operating performance and to allocate capital resources and bonuses to eligible operating company employees. Station EBITDA represents the Company's earnings from operations before interest expense, income taxes, depreciation, amortization, corporate expense and spin-off related operating costs. Other income (expense), net is not allocated to television station earnings from operations because it consists primarily of equity in earnings (losses) from investments in partnerships and joint ventures and other non-operating income (expense).

Total Operating Costs and Expenses Before Spin-Off Related Costs

In thousands (unaudited)

	Three months ended September 30, 2009			Three months ended September 30, 2008		
	Station	Corporate	Combined	Station	Corporate	Combined
Cash operating costs and expenses before spin-off related costs	\$ 96,974	\$ 7,743	\$ 104,717	\$ 109,090	\$ 5,954	\$ 115,044
Depreciation	10,637	883	11,520	9,607	1,418	11,025
Impairment charge	242,144	-	242,144	-	-	-
Total operating costs and expenses	\$ <u>349,755</u>	\$ <u>8,626</u>	\$ <u>358,381</u>	\$ <u>118,697</u>	\$ <u>7,372</u>	\$ <u>126,069</u>
	Nine months ended September 30, 2009			Nine months ended September 30, 2008		
	Station	Corporate	Combined	Station	Corporate	Combined
Cash operating costs and expenses before spin-off related costs	\$ 292,767	\$ 21,891	\$ 314,658	\$ 332,510	\$ 21,662	\$ 354,172
Depreciation	28,507	3,772	32,279	28,220	4,013	32,233
Spin-off related costs	-	-	-	-	4,659	4,659
Impairment charge	242,144	-	242,144	-	-	-
Total operating costs and expenses	\$ <u>563,418</u>	\$ <u>25,663</u>	\$ <u>589,081</u>	\$ <u>360,730</u>	\$ <u>30,334</u>	\$ <u>391,064</u>

Belo Corp.**Non-GAAP to GAAP Reconciliations***(continued)***Pro Forma Net Earnings From Continuing Operations***In thousands (unaudited)*

	<u>Three months ended September 30, 2009</u>		<u>Three months ended September 30, 2008</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Net earnings from continuing operations	\$ (150,521)	\$ (1.47)	\$ 14,437	\$ 0.14
Spin-off related operating and financing costs, net of tax	-		-	
Impairment charge, net of tax	<u>155,420</u>	1.51	<u>-</u>	
Pro forma net earnings from continuing operations	<u>\$ 4,899</u>	\$ 0.05	<u>\$ 14,437</u>	\$ 0.14
	<u>Nine months ended September 30, 2009</u>		<u>Nine months ended September 30, 2008</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Net earnings from continuing operations	\$ (131,315)	\$ (1.28)	\$ 29,936	\$ 0.29
Spin-off related operating and financing costs, net of tax	-		3,502	0.03
Gain from extinguishment of debt, net of tax	(9,131)	(0.09)	-	
Spin-off related tax charge	-		18,235	0.18
Impairment charge, net of tax	<u>155,420</u>	1.52	<u>-</u>	
Pro forma net earnings from continuing operations	<u>\$ 14,974</u>	\$ 0.15	<u>\$ 51,673</u>	\$ 0.51