

Belo Corp.
Consolidated Statements of Operations

<i>In thousands, except per share amounts (unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Net Operating Revenues	\$ 188,969	\$ 198,229	\$ 363,796	\$ 376,571
Operating Costs and Expenses				
Station salaries, wages and employee benefits	57,179	60,083	119,328	119,581
Station programming and other operating costs	50,154	55,865	104,092	108,231
Corporate operating costs	6,618	10,051	15,708	20,601
Spin-off related costs	410	-	4,659	-
Depreciation	10,324	11,032	21,208	21,640
Amortization	-	-	-	442
Total operating costs and expenses	<u>124,685</u>	<u>137,031</u>	<u>264,995</u>	<u>270,495</u>
Earnings from operations	64,284	61,198	98,801	106,076
Other income and expense				
Interest expense	(21,495)	(24,248)	(44,239)	(48,399)
Other income, net (2)	804	320	1,073	5,407
Total other income and expense	<u>(20,691)</u>	<u>(23,928)</u>	<u>(43,166)</u>	<u>(42,992)</u>
Earnings from continuing operations before income taxes	43,593	37,270	55,635	63,084
Income taxes	<u>17,214</u>	<u>13,106</u>	<u>40,136</u>	<u>23,144</u>
Net earnings from continuing operations	26,379	24,164	15,499	39,940
Discontinued operations, net of tax	-	12,257	(4,499)	11,933
Net earnings	<u>\$ 26,379</u>	<u>\$ 36,421</u>	<u>\$ 11,000</u>	<u>\$ 51,873</u>
Net earnings per share - Basic				
Earnings per share from continuing operations	\$ 0.26	\$ 0.24	\$ 0.15	\$ 0.39
Earnings (loss) per share from discontinued operations	-	0.12	(0.04)	0.12
Net earnings per share - Basic	<u>\$ 0.26</u>	<u>\$ 0.36</u>	<u>\$ 0.11</u>	<u>\$ 0.51</u>
Net earnings per share - Diluted				
Earnings per share from continuing operations	\$ 0.26	\$ 0.23	\$ 0.15	\$ 0.38
Earnings (loss) per share from discontinued operations	-	0.12	(0.04)	0.12
Net earnings per share - Diluted	<u>\$ 0.26</u>	<u>\$ 0.35</u>	<u>\$ 0.11</u>	<u>\$ 0.50</u>
Average shares outstanding				
Basic	102,202	102,222	102,235	102,246
Diluted	103,337	103,178	103,349	103,035
Cash dividends declared per share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.075</u>	<u>\$ 0.125</u>

Note 1: Certain prior period amounts have been reclassified to conform to current year presentation and to reflect discontinued operations

Note 2: Other income (expense), net consists primarily of equity earnings (losses) from partnerships and joint ventures and other miscellaneous income (expense). In 2007, other income (expense) includes \$4,000 related to an insurance settlement for losses suffered from Hurricane Katrina.

Belo Corp.
Consolidated Condensed Balance Sheets

<i>In thousands</i>	June 30, 2008 <i>(unaudited)</i>	December 31, 2007 <i>(unaudited)</i>
Assets		
Current assets		
Cash and temporary cash investments	\$ 6,362	\$ 11,190
Accounts receivable, net	164,345	181,700
Other current assets	23,479	24,789
Current assets of discontinued operations	-	126,710
Total current assets	<u>194,186</u>	<u>344,389</u>
Property, plant and equipment, net	229,507	226,040
Intangible assets, net	2,045,793	2,045,793
Other assets	62,342	51,650
Long-term assets of discontinued operations	-	511,188
Total assets	<u>\$ 2,531,828</u>	<u>\$ 3,179,060</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 19,031	\$ 31,153
Accrued expenses	50,887	65,575
Other current liabilities	37,013	46,667
Current liabilities of discontinued operations	-	106,055
Total current liabilities	<u>106,931</u>	<u>249,450</u>
Long-term debt	1,180,361	1,168,140
Deferred income taxes	430,597	425,652
Other liabilities	28,146	37,183
Long-term liabilities of discontinued operations	-	46,927
Total shareholders' equity	<u>785,793</u>	<u>1,251,708</u>
Total liabilities and shareholders' equity	<u>\$ 2,531,828</u>	<u>\$ 3,179,060</u>

Note: Certain prior period amounts have been reclassified to conform to current period presentation and to reflect discontinued operations. Certain immaterial refinements to the classification of assets or liabilities between continuing and discontinued operations have been made to the December 31, 2007 Consolidated Condensed Balance Sheet as presented in the Company's Form 10-Q for the quarterly period ended March 31, 2008, based on additional information and evaluation. The reclassification does not affect total assets or total liabilities and shareholders' equity as previously presented.

Belo Corp.
Non-GAAP to GAAP Reconciliations

Station EBITDA

<i>In thousands (unaudited)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Station EBITDA (1)	\$ 81,636	\$ 82,281	\$ 140,376	\$ 148,759
Corporate operating costs	6,618	10,051	15,708	20,601
Spin-off related costs	410	-	4,659	-
Depreciation	10,324	11,032	21,208	21,640
Amortization	-	-	-	442
Earnings from operations	<u>\$ 64,284</u>	<u>\$ 61,198</u>	<u>\$ 98,801</u>	<u>\$ 106,076</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).

Earnings From Continuing Operations Before Spin-Off Related Charges

In thousands (unaudited)

	Six Months ended June 30, 2008			Six Months ended June 30, 2007		
	<u>Earnings</u>	<u>EPS</u>	<u>Shares</u>	<u>Earnings</u>	<u>EPS</u>	<u>Shares</u>
Net earnings from continuing operations	\$ 15,499	\$ 0.15	103,349	\$ 39,940	\$ 0.38	103,035
Spin-off related operating and financing costs, net of tax	3,502	0.03	103,349	-	-	-
Spin-off related tax charge	18,235	0.18	103,349	-	-	-
Net earnings from continuing operations before spin-off related charges	<u>\$ 37,236</u>	<u>\$ 0.36</u>	103,349	<u>\$ 39,940</u>	<u>\$ 0.38</u>	103,035
	Three Months ended June 30, 2008			Three Months ended June 30, 2007		
	<u>Earnings</u>	<u>EPS</u>	<u>Shares</u>	<u>Earnings</u>	<u>EPS</u>	<u>Shares</u>
Net earnings from continuing operations	\$ 26,379	\$ 0.26	103,337	\$ 24,164	\$ 0.23	103,178
Spin-off related operating and financing costs, net of tax	351	0.00	103,337	-	-	-
Net earnings from continuing operations before spin-off related charges	<u>\$ 26,730</u>	<u>\$ 0.26</u>	103,337	<u>\$ 24,164</u>	<u>\$ 0.23</u>	103,178