

**Belo Corp.****Consolidated Statements of Operations**

<i>In thousands, except per share amounts</i>	Three months ended December 31,		Twelve months ended December 31,	
	2008 <i>(unaudited)</i>	2007 <i>(unaudited)</i>	2008 <i>(unaudited)</i>	2007 <i>(unaudited)</i>
<b>Net Operating Revenues</b>	\$ 198,851	\$ 217,976	\$ 733,470	\$ 776,956
<b>Operating Costs and Expenses</b>				
Station salaries, wages and employee benefits	55,405	61,593	231,256	240,362
Station programming and other operating costs	61,582	60,527	218,241	221,396
Corporate operating costs	10,573	11,464	32,235	40,466
Spin-off related costs	-	6,462	4,659	9,267
Depreciation	10,660	10,966	42,893	44,804
Amortization	-	-	-	442
Impairment charge	464,760	22,137	464,760	22,137
Total operating costs and expenses	<u>602,980</u>	<u>173,149</u>	<u>994,044</u>	<u>578,874</u>
Earnings (loss) from operations	(404,129)	44,827	(260,574)	198,082
<b>Other income and expense</b>				
Interest expense	(17,666)	(22,487)	(83,093)	(94,494)
Other income (expense), net	18,230	(328)	19,846	6,266
Total other income and expense	<u>564</u>	<u>(22,815)</u>	<u>(63,247)</u>	<u>(88,228)</u>
Earnings (loss) from continuing operations before income taxes	(403,565)	22,012	(323,821)	109,854
Income taxes	<u>(45,276)</u>	<u>16,209</u>	<u>4,532</u>	<u>49,157</u>
Net earnings (loss) from continuing operations	(358,289)	5,803	(328,353)	60,697
Discontinued operations, net of tax	<u>(497)</u>	<u>(339,247)</u>	<u>(4,996)</u>	<u>(323,510)</u>
<b>Net loss</b>	<u>\$ (358,786)</u>	<u>\$ (333,444)</u>	<u>\$ (333,349)</u>	<u>\$ (262,813)</u>
<b>Net earnings (loss) per share - Basic</b>				
Earnings (loss) per share from continuing operations	\$ (3.50)	\$ 0.06	\$ (3.21)	\$ 0.59
Loss per share from discontinued operations	<u>(0.01)</u>	<u>(3.32)</u>	<u>(0.05)</u>	<u>(3.16)</u>
Net loss per share - Basic	<u>\$ (3.51)</u>	<u>\$ (3.26)</u>	<u>\$ (3.26)</u>	<u>\$ (2.57)</u>
<b>Net earnings (loss) per share - Diluted</b>				
Earnings (loss) per share from continuing operations	\$ (3.50)	\$ 0.06	\$ (3.21)	\$ 0.59
Loss per share from discontinued operations	<u>(0.01)</u>	<u>(3.28)</u>	<u>(0.05)</u>	<u>(3.14)</u>
Net earnings (loss) per share - Diluted	<u>\$ (3.51)</u>	<u>\$ (3.23)</u>	<u>\$ (3.26)</u>	<u>\$ (2.55)</u>
<b>Average shares outstanding</b>				
Basic	102,204	102,262	102,219	102,245
Diluted <sup>(1)</sup>	102,204	103,367	102,219	103,128
<b>Cash dividends declared per share</b>	<u>\$ 0.075</u>	<u>\$ 0.125</u>	<u>\$ 0.30</u>	<u>\$ 0.50</u>

Note 1: Potential dilutive common shares were antidilutive as a result of the Company's net loss from continuing operations for the three months and twelve months ended December 31, 2008. As a result, basic and diluted average shares outstanding were the same for these periods.

**Belo Corp.**  
**Consolidated Condensed Balance Sheets**

<i>In thousands</i>	December 31,	
	2008	2007
	<i>(unaudited)</i>	
<b>Assets</b>		
Current assets		
Cash and temporary cash investments	\$ 5,770	\$ 11,190
Accounts receivable, net	138,638	181,700
Other current assets	22,276	24,789
Current assets of discontinued operations	-	126,710
Total current assets	<u>166,684</u>	<u>344,389</u>
Property, plant and equipment, net	209,988	226,040
Intangible assets, net	1,581,032	2,045,793
Other assets	81,092	51,650
Long-term assets of discontinued operations	-	511,188
Total assets	<u>\$ 2,038,796</u>	<u>\$ 3,179,060</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 19,385	\$ 31,153
Accrued expenses	51,399	65,575
Other current liabilities	39,027	46,667
Current liabilities of discontinued operations	-	106,055
Total current liabilities	<u>109,811</u>	<u>249,450</u>
Long-term debt	1,092,765	1,168,140
Deferred income taxes	311,053	425,652
Other liabilities	225,248	37,183
Long-term liabilities of discontinued operations	-	46,927
Total shareholders' equity	<u>299,919</u>	<u>1,251,708</u>
Total liabilities and shareholders' equity	<u>\$ 2,038,796</u>	<u>\$ 3,179,060</u>

**Belo Corp.**  
**Non-GAAP to GAAP Reconciliations**

**Pro Forma Consolidated EBITDA and Earnings from Operations**

*In thousands (unaudited)*

	Twelve months ended December 31, 2008					Twelve months ended December 31, 2007				
	As Reported	Gain from extinguishment of bonds	Spin-related costs	Non-cash Impairment charge	Pro Forma	As Reported	Gain from extinguishment of bonds	Spin-related costs	Non-cash Impairment charge	Pro Forma
Consolidated EBITDA <sup>(1)</sup>	\$ 266,925	\$ (16,407)	\$ 4,659	\$	\$ 255,177	\$ 271,731	\$ -	\$ 9,267	\$	\$ 280,998
Impairment charge	(464,760)			464,760	-	(22,137)			22,137	-
Depreciation and amortization	(42,893)				(42,893)	(45,246)				(45,246)
Other income (expense), net	(19,846)	16,407			(3,439)	(6,266)	-			(6,266)
Earnings (loss) from operations	\$ (260,574)	\$ -	\$ 4,659	\$ 464,760	\$ 208,845	\$ 198,082	\$ -	\$ 9,267	\$ 22,137	\$ 229,486
	Three months ended December 31, 2008					Three months ended December 31, 2007				
	As Reported	Gain from extinguishment of bonds	Spin-related costs	Non-cash Impairment charge	Pro Forma	As Reported	Gain from extinguishment of bonds	Spin-related costs	Non-cash Impairment charge	Pro Forma
Consolidated EBITDA <sup>(1)</sup>	\$ 89,521	\$ (16,407)	\$ -	\$	\$ 73,114	\$ 77,602	\$ -	\$ 6,462	\$	\$ 84,064
Impairment charge	(464,760)			464,760	-	(22,137)			22,137	-
Depreciation and amortization	(10,660)				(10,660)	(10,966)				(10,966)
Other income (expense), net	(18,230)	16,407			(1,823)	328	-			328
Earnings (loss) from operations	\$ (404,129)	\$ -	\$ -	\$ 464,760	\$ 60,631	\$ 44,827	\$ -	\$ 6,462	\$ 22,137	\$ 73,426

Note 1: The Company defines Consolidated EBITDA as net earnings before interest expense, income taxes, depreciation, amortization and impairment. Consolidated EBITDA is not a measure of financial performance under accounting principles generally accepted in the United States. Management uses Consolidated EBITDA in internal analyses as a supplemental measure of the financial performance of the Company to assist it with determining performance comparisons against its peer group of companies, as well as capital spending and other investing decisions. Consolidated EBITDA is also a common alternative measure of performance used by investors, financial analysts, and rating agencies to evaluate financial performance. Consolidated EBITDA should not be considered in isolation or as a substitute for net earnings, operating income, cash flows provided by operating activities or other income or cash flow data prepared in accordance with U.S. GAAP, and this non-GAAP measure may not be comparable to similarly titled measures of other companies.

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

	Twelve months ended December 31, 2008			Twelve months ended December 31, 2007		
	Earnings	EPS	Shares <sup>(1)</sup>	Earnings	EPS	Shares
Net earnings (loss) from continuing operations \$	(328,353)	\$ (3.21)	102,219	\$ 60,697	\$ 0.59	103,128
Spin-off related operating and financing costs, net of tax	3,861	\$ 0.04	103,835	8,011	\$ 0.08	103,128
Impairment charge, net of tax	396,362	\$ 3.88	102,219	22,137	\$ 0.21	103,128
Gain from extinguishment of debt, net of tax	(10,012)	\$ (0.10)	103,835	-	\$ -	103,128
Spin-off related tax charge	18,756	\$ 0.18	103,835	-	\$ -	103,128
Pro forma net earnings from continuing operations	<u>\$ 80,614</u>	\$ 0.78	103,835	<u>\$ 90,845</u>	\$ 0.88	103,128
	Three months ended December 31, 2008			Three months ended December 31, 2007		
	Earnings	EPS	Shares <sup>(1)</sup>	Earnings	EPS	Shares
Net earnings (loss) from continuing operations \$	(358,289)	\$ (3.50)	102,204	\$ 5,803	\$ 0.06	103,367
Spin-off related operating and financing costs, net of tax	-	\$ -	103,484	5,586	\$ 0.05	103,367
Impairment charge, net of tax	396,362	\$ 3.88	102,204	22,137	\$ 0.21	103,367
Gain from extinguishment of debt, net of tax	(10,012)	\$ (0.10)	103,484	-	\$ -	103,367
Spin-off related tax charge	521	\$ 0.01	103,484	-	\$ -	103,367
Pro forma net earnings from continuing operations	<u>\$ 28,582</u>	\$ 0.28	103,484	<u>\$ 33,526</u>	\$ 0.32	103,367

Note 1: Potential dilutive common shares were antidilutive as a result of the Company's net loss from continuing operations for the three months and twelve months ended December 31, 2008. As a result, basic weighted average shares were used in the calculations of net loss from continuing operations per share and the per share effect of the goodwill impairment for these periods. In the absence of the net loss from continuing operations, potential dilutive common shares were added to the weighted average common shares outstanding in the calculation of net earnings per share excluding goodwill impairment.