

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

<i>In thousands, except per share amounts</i>	Three months ended June 30,		Six months ended June 30,	
	2009 <i>(unaudited)</i>	2008 <i>(unaudited)</i>	2009 <i>(unaudited)</i>	2008 <i>(unaudited)</i>
<b>Net Operating Revenues</b>	\$ 144,770	\$ 188,969	\$ 278,306	\$ 363,796
<b>Operating Costs and Expenses</b>				
Station salaries, wages and employee benefits	45,536	57,179	98,209	119,328
Station programming and other operating costs	49,219	50,154	97,584	104,092
Corporate operating costs	5,199	6,618	14,148	15,708
Spin-off related costs	-	410	-	4,659
Depreciation	9,967	10,324	20,759	21,208
Total operating costs and expenses	109,921	124,685	230,700	264,995
Earnings from operations	34,849	64,284	47,606	98,801
<b>Other income and expense</b>				
Interest expense	(15,332)	(21,495)	(29,912)	(44,239)
Other income (expense), net	(2,805)	804	13,564	1,073
Total other income and expense	(18,137)	(20,691)	(16,348)	(43,166)
Earnings from continuing operations before income taxes	16,712	43,593	31,258	55,635
Income taxes	6,417	17,214	12,052	40,136
Net earnings from continuing operations	10,295	26,379	19,206	15,499
Discontinued operations, net of tax	-	-	-	(4,499)
<b>Net earnings</b>	\$ <u>10,295</u>	\$ <u>26,379</u>	\$ <u>19,206</u>	\$ <u>11,000</u>
<b>Net earnings per share - Basic<sup>(1)</sup></b>				
Earnings per share from continuing operations	\$ 0.10	\$ 0.25	\$ 0.18	\$ 0.15
Loss per share from discontinued operations	-	-	-	(0.04)
Net earnings per share - Basic	\$ <u>0.10</u>	\$ <u>0.25</u>	\$ <u>0.18</u>	\$ <u>0.11</u>
<b>Net earnings per share - Diluted<sup>(1)</sup></b>				
Earnings per share from continuing operations	\$ 0.10	\$ 0.25	\$ 0.18	\$ 0.15
Loss per share from discontinued operations	-	-	-	(0.04)
Net earnings per share - Diluted	\$ <u>0.10</u>	\$ <u>0.25</u>	\$ <u>0.18</u>	\$ <u>0.11</u>
<b>Cash dividends declared per share</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>0.075</u>	\$ <u>0.075</u>

(1) Effective January 1, 2009, the calculation for net earnings per share (EPS) changed according to Generally Accepted Accounting Principles. This retroactive change is reflected in the EPS amounts shown for 2008.

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

<i>In thousands</i>	June 30, 2009 <i>(unaudited)</i>	December 31, 2008 <i>(restated)</i>
<b>Assets</b>		
Current assets		
Cash and temporary cash investments	\$ 4,077	\$ 5,770
Accounts receivable, net	116,540	138,638
Other current assets	20,288	22,276
Total current assets	<u>140,905</u>	<u>166,684</u>
Property, plant and equipment, net	193,842	209,988
Intangible assets, net	1,391,416	1,391,416
Other assets	<u>76,614</u>	<u>81,091</u>
Total assets	<u>\$ 1,802,777</u>	<u>\$ 1,849,179</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 15,584	\$ 19,385
Accrued expenses	37,063	51,399
Other current liabilities	13,406	39,027
Total current liabilities	<u>66,053</u>	<u>109,811</u>
Long-term debt	1,069,436	1,092,765
Deferred income taxes	243,603	234,452
Other liabilities	222,315	225,248
Total shareholders' equity	<u>201,370</u>	<u>186,903</u>
Total liabilities and shareholders' equity	<u>\$ 1,802,777</u>	<u>\$ 1,849,179</u>

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

**Station EBITDA**

<i>In thousands (unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Station EBITDA <sup>(1)</sup>	\$ 50,015	\$ 81,636	\$ 82,513	\$ 140,376
Corporate operating costs	5,199	6,618	14,148	15,708
Spin-off related costs	-	410	-	4,659
Depreciation	9,967	10,324	20,759	21,208
Earnings from operations	<u>\$ 34,849</u>	<u>\$ 64,284</u>	<u>\$ 47,606</u>	<u>\$ 98,801</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 and Pension Expense**

*In thousands (unaudited)*

	Three months ended June 30, 2009			Three months ended June 30, 2008		
	Station	Corporate	Combined	Station	Corporate	Combined
Cash operating costs and expenses before spin-off related costs and pension expense	\$ 95,084	\$ 5,858	\$ 100,942	\$ 107,991	\$ 7,880	\$ 115,871
Depreciation	8,827	1,140	9,967	9,015	1,309	10,324
Spin-off related costs	-	-	-	-	410	410
Pension expense (credit)	(329)	(659)	(988)	(658)	(1,262)	(1,920)
Total operating costs and expenses	<u>\$ 103,582</u>	<u>\$ 6,339</u>	<u>\$ 109,921</u>	<u>\$ 116,348</u>	<u>\$ 8,337</u>	<u>\$ 124,685</u>

  

	Six months ended June 30, 2009			Six months ended June 30, 2008		
	Station	Corporate	Combined	Station	Corporate	Combined
Cash operating costs and expenses before spin-off related costs and pension expense	\$ 195,788	\$ 14,141	\$ 209,929	\$ 224,735	\$ 17,729	\$ 242,464
Depreciation	17,870	2,889	20,759	18,613	2,595	21,208
Spin-off related costs	-	-	-	-	4,659	4,659
Pension expense (credit)	4	8	12	(1,315)	(2,021)	(3,336)
Total operating costs and expenses	<u>\$ 213,662</u>	<u>\$ 17,038</u>	<u>\$ 230,700</u>	<u>\$ 242,033</u>	<u>\$ 22,962</u>	<u>\$ 264,995</u>

## Belo Corp.

### Non-GAAP to GAAP Reconciliations

(continued)

#### Pro Forma Net Earnings From Continuing Operations

In thousands (unaudited)

	<u>Three months ended June 30, 2009</u>		<u>Three months ended June 30, 2008</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Net earnings from continuing operations	\$ 10,295	\$ 0.10	\$ 26,379	\$ 0.25
Spin-off related operating and financing costs, net of tax	<u>-</u>		<u>351</u>	\$ 0.00
Pro forma net earnings from continuing operations	<u>\$ 10,295</u>	\$ 0.10	<u>\$ 26,730</u>	\$ 0.26
	<u>Six months ended June 30, 2009</u>		<u>Six months ended June 30, 2008</u>	
	<u>Earnings</u>	<u>EPS</u>	<u>Earnings</u>	<u>EPS</u>
Net earnings from continuing operations	\$ 19,206	\$ 0.18	\$ 15,499	\$ 0.15
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	<u>-</u>		<u>18,235</u>	\$ 0.17
Pro forma net earnings from continuing operations	<u>\$ 10,075</u>	\$ 0.10	<u>\$ 37,236</u>	\$ 0.36