

Consolidated Statements of Earnings
BELO

| <i>In thousands, except per share amounts (unaudited)</i> | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Net Operating Revenues | \$ 372,300 | \$ 356,457 | \$ 1,110,485 | \$ 1,101,650 |
| Operating Costs and Expenses | | | | |
| Salaries, wages and employee benefits | 137,358 | 141,235 | 409,564 | 418,096 |
| Other production, distribution and operating costs | 115,085 | 104,303 | 316,405 | 294,671 |
| Newsprint, ink and other supplies | 37,149 | 34,198 | 104,107 | 101,573 |
| Depreciation | 21,612 | 21,244 | 65,858 | 67,655 |
| Amortization | 2,087 | 2,119 | 6,293 | 6,357 |
| Total operating costs and expenses | <u>313,291</u> | <u>303,099</u> | <u>902,227</u> | <u>888,352</u> |
| Earnings from operations | 59,009 | 53,358 | 208,258 | 213,298 |
| Other income and expense | | | | |
| Interest expense | (23,536) | (22,552) | (68,048) | (67,764) |
| Other income (expense), net ⁽¹⁾ | 524 | (11,812) | 1,365 | (16,630) |
| Total other income and expense | <u>(23,012)</u> | <u>(34,364)</u> | <u>(66,683)</u> | <u>(84,394)</u> |
| Earnings | | | | |
| Earnings before income taxes | 35,997 | 18,994 | 141,575 | 128,904 |
| Income taxes | <u>13,856</u> | <u>7,823</u> | <u>53,813</u> | <u>49,902</u> |
| Net earnings | <u>\$ 22,141</u> | <u>\$ 11,171</u> | <u>\$ 87,762</u> | <u>\$ 79,002</u> |
| Net earnings per share | | | | |
| Basic | \$.20 | \$.10 | \$.78 | \$.69 |
| Diluted | \$.20 | \$.10 | \$.77 | \$.67 |
| Average shares outstanding | | | | |
| Basic | 111,784 | 114,818 | 113,081 | 115,130 |
| Diluted | 113,323 | 116,343 | 114,677 | 117,516 |
| Cash dividends declared per share | <u>\$.20</u> | <u>\$.19</u> | <u>\$.40</u> | <u>\$.38</u> |

Certain amounts have been reclassified to conform to the current presentation.

Note 1: Other income (expense), net consists primarily of equity earnings (losses) from partnerships and joint ventures and other non-operating income (expense).

Consolidated Condensed Balance Sheets
BELO

| <i>In thousands</i> | September 30, 2005 | December 31, 2004 |
|---|----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash and temporary cash investments | \$ 33,262 | \$ 28,610 |
| Accounts receivable, net | 233,185 | 245,077 |
| Other current assets | 72,815 | 68,806 |
| Total current assets | <u>339,262</u> | <u>342,493</u> |
| Property, plant and equipment, net | 498,364 | 536,321 |
| Intangible assets, net | 2,584,653 | 2,597,026 |
| Other assets | 111,923 | 112,160 |
| Total assets | <u>\$ 3,534,202</u> | <u>\$ 3,588,000</u> |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | | |
| Accounts payable | \$ 58,840 | \$ 75,860 |
| Accrued expenses | 98,618 | 100,686 |
| Other current liabilities | 69,025 | 62,065 |
| Total current liabilities | <u>226,483</u> | <u>238,611</u> |
| Long-term debt | 1,177,850 | 1,170,150 |
| Deferred income taxes | 443,763 | 451,658 |
| Other liabilities | 101,415 | 97,929 |
| Total shareholders' equity | <u>1,584,691</u> | <u>1,629,652</u> |
| Total liabilities and shareholders' equity | <u>\$ 3,534,202</u> | <u>\$ 3,588,000</u> |

Industry Segment Information

BELO

In thousands (unaudited)

Three months ended September 30, 2005

| | <u>EBITDA ⁽¹⁾</u> | <u>Net Operating Revenues</u> | <u>Operating Costs and Expenses</u> | <u>Earnings (Loss) from Operations</u> | <u>Depreciation and Amortization</u> |
|------------------|------------------------------|-------------------------------|-------------------------------------|--|--------------------------------------|
| Television Group | \$ 57,484 | \$ 163,477 | \$ 116,604 | \$ 46,873 | \$ 10,611 |
| Newspaper Group | 38,901 | 204,800 | 176,433 | 28,367 | 10,534 |
| Other | 785 | 4,023 | 3,829 | 194 | 591 |
| Corporate | (14,462) | - | 16,425 | (16,425) | 1,963 |
| | | <u>\$ 372,300</u> | <u>\$ 313,291</u> | <u>\$ 59,009</u> | <u>\$ 23,699</u> |

Three months ended September 30, 2004

| | <u>EBITDA ⁽¹⁾</u> | <u>Net Operating Revenues</u> | <u>Operating Costs and Expenses</u> | <u>Earnings (Loss) from Operations</u> | <u>Depreciation and Amortization</u> |
|------------------|------------------------------|-------------------------------|-------------------------------------|--|--------------------------------------|
| Television Group | \$ 72,864 | \$ 174,992 | \$ 112,183 | \$ 62,809 | \$ 10,055 |
| Newspaper Group | 21,944 | 176,143 | 165,026 | 11,117 | 10,827 |
| Other | 382 | 5,322 | 5,570 | (248) | 630 |
| Corporate | (18,469) | - | 20,320 | (20,320) | 1,851 |
| | | <u>\$ 356,457</u> | <u>\$ 303,099</u> | <u>\$ 53,358</u> | <u>\$ 23,363</u> |

Certain amounts have been reclassified to conform to the current presentation.

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

Industry Segment Information

BELO

In thousands (unaudited)

| | Nine months ended September 30, 2005 | | | | |
|------------------|--------------------------------------|-------------------------------|-------------------------------------|--|--------------------------------------|
| | <u>EBITDA ⁽¹⁾</u> | <u>Net Operating Revenues</u> | <u>Operating Costs and Expenses</u> | <u>Earnings (Loss) from Operations</u> | <u>Depreciation and Amortization</u> |
| Television Group | \$ 190,613 | \$ 499,992 | \$ 341,192 | \$ 158,800 | \$ 31,813 |
| Newspaper Group | 132,306 | 598,697 | 498,815 | 99,882 | 32,424 |
| Other | 2,093 | 11,796 | 11,523 | 273 | 1,820 |
| Corporate | (44,603) | - | 50,697 | (50,697) | 6,094 |
| | | <u>\$ 1,110,485</u> | <u>\$ 902,227</u> | <u>\$ 208,258</u> | <u>\$ 72,151</u> |

| | Nine months ended September 30, 2004 | | | | |
|------------------|--------------------------------------|-------------------------------|-------------------------------------|--|--------------------------------------|
| | <u>EBITDA ⁽¹⁾</u> | <u>Net Operating Revenues</u> | <u>Operating Costs and Expenses</u> | <u>Earnings (Loss) from Operations</u> | <u>Depreciation and Amortization</u> |
| Television Group | \$ 215,590 | \$ 520,936 | \$ 337,481 | \$ 183,455 | \$ 32,135 |
| Newspaper Group | 115,535 | 565,715 | 484,234 | 81,481 | 34,054 |
| Other | 621 | 14,999 | 16,416 | (1,417) | 2,038 |
| Corporate | (44,436) | - | 50,221 | (50,221) | 5,785 |
| | | <u>\$ 1,101,650</u> | <u>\$ 888,352</u> | <u>\$ 213,298</u> | <u>\$ 74,012</u> |

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

Reconciliation of Consolidated EBITDA BELO

In thousands (unaudited)

| | Three months ended | |
|------------------------------------|--------------------|------------------|
| | September 30, | |
| | 2005 | 2004 |
| Consolidated EBITDA ⁽¹⁾ | \$ 83,232 | \$ 64,909 |
| Depreciation and Amortization | (23,699) | (23,363) |
| Interest Expense | (23,536) | (22,552) |
| Income Taxes | (13,856) | (7,823) |
| Net Earnings | <u>\$ 22,141</u> | <u>\$ 11,171</u> |

| | Nine months ended | |
|------------------------------------|-------------------|------------------|
| | September 30, | |
| | 2005 | 2004 |
| Consolidated EBITDA ⁽¹⁾ | \$ 281,774 | \$ 270,680 |
| Depreciation and Amortization | (72,151) | (74,012) |
| Interest Expense | (68,048) | (67,764) |
| Income Taxes | (53,813) | (49,902) |
| Net Earnings | <u>\$ 87,762</u> | <u>\$ 79,002</u> |

Note 1: The Company defines EBITDA as net earnings before interest expense, income taxes, depreciation and amortization. EBITDA is not a measure of financial performance under accounting principles generally accepted in the United States ("GAAP"). Management uses Consolidated EBITDA in internal analyses as a supplemental measure of the financial performance of the Company to assist it with determining consolidated performance targets, senior management bonus and performance comparisons against our peer group of companies, as well as capital spending and other investing decisions. EBITDA is also a common alternative measure of performance used by investors, financial analysts, and rating agencies to evaluate financial performance.

Belo Corp.**Guidance as of 10/20/05**

| <u>Item</u> | <u>Guidance</u> |
|--|---|
| <u>FOURTH QUARTER 2005</u> | |
| <i>Newspaper Group</i> | |
| Newspaper Group advertising revenue | Expected to increase in the mid-single digits |
| <i>The Dallas Morning News</i> advertising revenue | Expected to increase in the mid-single digits |
| <i>The Providence Journal</i> advertising revenue | Expected to increase in the mid-to-high single digits |
| <i>The Press-Enterprise</i> advertising revenue | Expected to increase in the mid-to-high single digits |
| | |
| <i>Television Group</i> | |
| Television Group spot revenue | Expected to decrease in the low-double digits |
| Spot revenue excluding political | Expected to be up mid-single digits |
| Political revenue | Approximately \$2.3 million |
| | |
| <i>Other Items</i> | |
| Total operating costs and expenses | Expected to increase about five to six percent |
| Depreciation and amortization expense | Expected to be about two percent higher |
| Interest expense | Expected to increase two to three percent |
| Effective tax rate | Expected to be about 38 percent |
| Earnings per share | Expected to be in the range of \$0.33 to \$0.36 |
| | |
| <u>FULL-YEAR 2005</u> | |
| Earnings per share | Expected to be in the range of \$1.10 to \$1.13 |
| | |
| | |