

Transmitted by CNW Group on : February 28, 2013 17:01

Newfoundland Capital Corporation Limited - Fourth Quarter 2012 - Period Ended December 31 (unaudited)

DARTMOUTH, NS, Feb. 28, 2013 /CNW/ - Newfoundland Capital Corporation Limited ("Company") today announces its financial results for the fourth quarter ending December 31, 2012.

Highlights

- **Revenue** in the fourth quarter of \$35.5 million was \$0.8 million or 2% higher than last year. Year-to-date revenue of \$130.9 million was \$4.3 million or 3% higher than 2011. This improvement came from a combination of organic (same-station) growth as well as incremental revenue from the acquired stations in British Columbia.
- **Earnings before interest, taxes, depreciation and amortization ("EBITDA"⁽¹⁾)** of \$11.1 million in the quarter were \$0.5 million or 4% higher than last year due to higher revenue. Year-to-date EBITDA was \$33.8 million; \$1.4 million or 4% lower than 2011 due to higher operating expenses. Excluding this year's \$1.1 million non-cash expense related to the extension of stock option expiry dates and the accounting for the Company's equity total return swap which reduced operating expenses in 2011 by \$1.2 million, year-to-date EBITDA would have been \$0.8 million or 2% higher than 2011.
- **Profit** for the fourth quarter of \$7.4 million was \$5.6 million lower than the same quarter last year. In the current quarter, the Company reversed an impairment charge of \$0.9 million while in the same period last year the Company recognized both a \$5.5 million impairment reversal and a gain on disposal of \$1.3 million. There were several factors impacting Profit year-over-year which was \$15.2 million lower than 2011. This year, the Company recorded net impairment charges of \$6.6 million in contrast to the reversal of \$5.8 million of impairment charges in 2011. Also in 2011 the Company recognized a \$1.3 million gain on disposal. Finally, during 2012 the Company recorded unrealized mark-to-market investment portfolio losses of \$2.2 million compared to unrealized gains of \$1.3 million in 2011. Normalizing profit to exclude these items, profit for the year would have exceeded 2011 by \$1.3 million or 7%.

Significant events

- Subsequent to year end, the Company completed the acquisition of an FM radio station in Sydney, Nova Scotia, for total cash consideration of \$2.4 million, thereby adding a second FM station to complement its existing FM station in that city. The Company previously held a 29.9% interest in this station.
- Subsequent to year end, the Company announced that it was exploring the possible sale of its Western Canadian broadcasting assets which are located primarily in Alberta. The assets consist of 32 radio stations, 6 repeater licences and 2 television stations. At this point, there is no agreement in place to sell these assets and there is no certainty that any transaction will result from the process.
- In December the Board of Directors declared dividends totaling \$0.09 per share, bringing the total dividends declared for 2012 to \$0.15 per share which was on par with 2011.

"While revenue growth has slowed compared to the high growth achieved in recent years, the Company still maintained positive revenue growth of 3% over 2011, which was one of our best years on record", commented Rob Steele, President and Chief Executive Officer. "Revenue so far in 2013 is trending ahead of 2012 and we are looking to deliver solid EBITDA results again in 2013."

Financial Highlights - Fourth quarter

(thousands of dollars except share information)

	2012	2011
Revenue	\$ 35,458	34,700
EBITDA ⁽¹⁾	11,098	10,646
Profit for the period	7,405	12,975
Earnings per share - basic	0.25	0.43
Earnings per share - diluted	0.24	0.41
Share price, NCC.A (closing)	9.00	7.97
Weighted average number of shares outstanding (in thousands)	29,168	30,330
Total assets	232,396	233,940
Long-term debt	47,904	40,211
Shareholders' equity	119,128	119,666

(1) Non-IFRS Accounting Measure

EBITDA is a measure that is not defined by International Financial Reporting Standards and is not standardized for public issuers. This measure may not be comparable to similar measures presented by other public enterprises. The Company has included this measure because the Company's key decision makers believe certain investors use it as a measure of the Company's financial performance and for valuation purposes. The Company also uses this measure internally to evaluate the performance of management. A calculation of this measure is found on page 21 of the Company's annual Management's Discussion and Analysis.

The Company's annual audited consolidated financial statements along with related notes and the annual Management's Discussion and Analysis are available on the Company's website at www.ncc.ca and www.sedar.com. The Company's Annual Report will be available on the Company's website at www.ncc.ca and www.sedar.com by March 28, 2013.

About Newfoundland Capital Corporation Limited

Newfoundland Capital Corporation Limited (TSX: NCC.A, NCC.B) is one of Canada's leading radio broadcasters with 86 licences across Canada. The Company reaches millions of listeners each week through a variety of formats and is a recognized industry leader in radio

programming, sales and networking.

This press release contains forward-looking statements. These forward-looking statements are based on current expectations. The use of terminology such as "expect", "intend", "anticipate", "believe", "may", "will", "should", "would", "plan" and other similar terminology relate to, but are not limited to, our objectives, goals, plans, strategies, intentions, outlook and estimates. By their very nature, these statements involve inherent risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those expressed in such forward-looking statements. As a result, there is no guarantee that any forward-looking statements will materialize and readers are cautioned not to place undue reliance on these statements. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE: NEWFOUNDLAND CAPITAL CORPORATION LIMITED

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