Newfoundland Capital Corporation Limited - Fourth Quarter 2010 - Period Ended December 31, 2010 (unaudited)

DARTMOUTH, NS, March 3 /CNW/ - Newfoundland Capital Corporation Limited (TSX: NCC.A NCC.B)(the "Company"), one of Canada's leading radio broadcasters, today announces its financial results for the fourth quarter ended December 31, 2010.

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Highlights

- Revenue for the fourth quarter of 2010 grew by 6% over the same period in 2009 reaching $32.2 million as compared to $30.5 million in 2009. For the year the Company had double digit growth of 12%, ending the year at $117.4 million.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA"(1)) for the fourth quarter was $8.6 million compared to $10.1 million in 2009. For the year, EBITDA was $25.6 million compared to $21.1 million last year. Consolidated EBITDA in the fourth quarter was lower than 2009 largely due to a one-time CRTC Part II fees' reversal of $2.0 million recognized in the fourth quarter of 2009. In addition the Company incurred $3.0 million increased copyright fees in 2010 of which $1.8 million related to prior periods. Excluding the impact of these two fee decisions, fourth quarter EBITDA would have been 9% higher than 2009 and for the year EBITDA would have been $27.3 million, 51% higher than 2009.
- Net income for the fourth quarter of $4.7 million and $10.7 million for the year were lower than the same periods last year due to the fees described above, as well as the broadcast licence impairment charge in 2010 and the gain on disposal of a broadcasting licence in 2009.

Significant events

- In November, the Company repurchased 1,459,978 Class A Subordinate Voting Shares for $9.2 million pursuant to a Normal Course Issuer Bid.
- In December, the Company declared dividends of $0.06 per share on each of its Class A Subordinate Voting Shares and Class B Common Shares. Total dividends declared for 2010 were $0.12 per share representing a 20% increase over 2009.
- The December 2010 listener ratings results strengthened the Company's competitive position in many key operating markets.
- Subsequent to year end, the Company repurchased 1,388,072 Class A Subordinate Voting Shares for $8.7 million pursuant to a Normal Course Issuer Bid.

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"Building upon a successful year in 2009, this year we continued to outpace the industry by posting growth of 12% compared to the industry average of 6%," commented Rob Steele, President and Chief Executive Officer. "We ended the year with double digit growth, strong ratings and a lower debt balance. Our fourth quarter was a great finish to the year and we look forward to continued success in 2011."

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Financial Highlights - Fourth Quarter

(thousands of Canadian dollars except share information)	2010	2009
Revenue	$ 32,200	30,458
EBITDA(1)	8,626	10,134
Net income	4,733	5,461
Earnings per share - basic	0.15	0.17
- diluted	0.14	0.16
Share price, NCC.A (closing)	6.90	7.00
Weighted average number of shares outstanding (in thousands)	31,999	32,972
Total assets	232,353	232,853
Long-term debt, including current portion	53,158	57,100
Shareholders' equity	101,989	103,789

(1) Refer to page 10 for the reconciliation of EBITDA to net income.
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Corporate Developments

The following is a review of the key corporate developments which should be considered when reviewing the "Consolidated Financial Results of Operations" section.

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2010 Developments:

- Early in 2010 the Company launched the four repeater signals in Prince Edward Island.
- The Company received CRTC approval to convert the AM stations in Westlock, Grande Cache and Brooks, Alberta to FM. The Brooks FM launched in early 2011.
- The Company re-launched CHNO-FM as Rewind 103.9 playing Sudbury, Ontario's Greatest Hits and debuted No.1 in the fall ratings period.
- CHNK-FM in Winnipeg, Manitoba was re-branded as K-Rock 100.7 World Class Rock. The station plays primarily classic rock music as well as a diverse mix of blues and roots music.
- The Company received CRTC approval for a repeater in Springdale, Newfoundland and Labrador.
- In November the Company repurchased 1,459,978 Class A Subordinate Voting Shares for $9.2 million.

2009 Developments:

- January 2009 - Launched the new FM station in Pincher Creek, Alberta playing country music.
- April 2009 - CRTC approved two AM to FM conversions for stations in St. Paul and High Prairie, Alberta. The High Prairie FM launched in October 2010 and the St. Paul FM is expected to be launched in 2011.
- June 2009 - CRTC approved the Company's applications to convert AM stations to FM in Wabush and Goose Bay, Newfoundland and Labrador. These stations were launched during 2010.
- June 2009 - Re-launched CFUL in Calgary, Alberta as a Contemporary Hits Radio format, branded as AMP Radio. This format is similar to the very popular Ottawa station, Hot 89.9, which was named the 2008 Contemporary Hits Radio station of the year.
- July 2009 - Completed the previously announced exchange of assets with Rogers Broadcasting Limited. The Company's Halifax AM licence was exchanged for Rogers' AM licence in Sudbury, Ontario plus $5.0 million.
- August 2009 - Launched Hot 93.5, the newly acquired Sudbury, Ontario radio station which was converted to FM. Its format is Top 40 and has been met with a very positive response from both listeners and clients.
- August 2009 - Launched the converted FM radio station in Athabasca, Alberta. 94.1 FM The River plays Classic Hits.
- November 2009 - The Company's stock was split on a three-for-one basis.
- December 2009 - Completed the previously announced sale of the broadcasting assets related to the two FM stations in Thunder Bay, Ontario for $4.5 million plus working capital.

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Consolidated Financial Results of Operations

The Company's consolidated financial results of operations showed significant growth in 2010 and exceeded industry-wide performance.

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(thousands of Canadian dollars, except per share data and percentages)	3 months			12 months		
	2010	2009	% change	2010	2009	% change
Revenue	$ 32,200	30,458	6%	$ 117,399	105,298	12%
Operating expenses	23,574	20,324	16%	91,829	84,247	9%
EBITDA	8,626	10,134	(15%)	25,570	21,051	21%

Depreciation and amortization	1,228	1,019	21%	3,941	3,795	4%
Interest expense	1,002	1,520	(34%)	3,639	4,374	(17%)
Accretion of other liabilities	132	202	(35%)	683	867	(21%)
Broadcast licence impairment charge	-	-	-	1,609	-	n/a
	6,264	7,393	(15%)	15,698	12,015	31%
Other income (expense)	546	(273)	n/a	437	2,809	n/a
Gain on disposal of broadcasting licence	-	-	-	-	5,616	n/a
Earnings from continuing operations	6,810	7,120	(4%)	16,135	20,440	(21%)
Provision for income taxes	2,077	1,996	4%	5,434	5,506	(1%)
Net income from continuing operations	4,733	5,124	(8%)	10,701	14,934	(28%)
Net income from discontinued operations	-	337	n/a	-	432	n/a
Net income	4,733	5,461	(13%)	10,701	15,366	(30%)

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Analysis of Consolidated Results

Revenue

Consolidated revenue of $32.2 million in the fourth quarter improved by 6% or $1.7 million and for the year ended December 31, 2010, consolidated revenue of $117.4 million was 12% or $12.1 million higher than 2009. This improvement came exclusively from the broadcasting segment.

Operating expenses

Consolidated operating expenses for the fourth quarter were $23.6 million, 16% or $3.3 million higher than 2009 while for the twelve months ended December 31, 2010, they were $91.8 million, 9% or $7.6 million higher than 2009. CRTC Part II Licence fees totaling $2.0 million were reversed in the fourth quarter of 2009 as a result of a court decision while in 2010 the Copyright Board issued a ruling on certain tariffs which resulted in a $3.0 million increase in copyright fees, of which $1.8 million related to previous years. These two matters are more fully explained under the "Financial Review by Segment" section.

Earnings before interest, taxes, depreciation and amortization ("EBITDA" (1))

Fourth quarter consolidated EBITDA was $8.6 million and $25.6 million year-to-date. Consolidated EBITDA in the fourth quarter was lower than 2009 largely due to the aforementioned CRTC Part II fees' reversal in 2009 and additional copyright fees in 2010. Excluding the impact of these two fees, fourth quarter EBITDA would have been 9% higher than 2009 and year end EBITDA of $27.3 million would have been 51% higher than 2009.

Depreciation and amortization

Depreciation and amortization expense was $1.2 million in the quarter, slightly higher than 2009, while year-to-date depreciation and amortization of $3.9 million was 4% higher than last year. These variations were not significant overall but varied depending on the asset base and timing of capital expenditures.

Interest expense

Interest expense in the quarter was $1.0 million and year-to-date interest was $3.6 million; both lower than the same periods last year. In the fourth quarter of 2009, the Company de-designated a portion of one of its interest rate swaps which resulted in the recognition of interest expense of almost $0.6 million. Excluding the de-designation adjustment, 2010 interest expense would have been on par with 2009.

Accretion of other liabilities

Accretion of other liabilities arises from discounting Canadian Content Development ("CCD") commitments to reflect the fair value of the obligations. The expense in the quarter of $0.1 million and $0.7 million year-to-date was slightly lower than the respective periods last year as a result of the expense being higher in the initial years of payment.

Broadcast licence impairment charge

During the second quarter of 2010, management conducted a broadcast licence impairment analysis for one of its reporting units due to a triggering event in which the Company's request for the removal of certain format restrictions on one of its Winnipeg broadcast licences was not approved by the CRTC. As a result of the analysis, management recorded a broadcast licence impairment charge of $1.6 million.

Other income (expense)

Other income (expense) relates primarily to investment income and consists of realized and unrealized gains and losses related to the Company's investment portfolio of marketable securities, interest, dividends and distributions from investments. Other income was $0.5 million in the quarter, $0.8 million better than the same period last year while year-to-date other income of $0.4 million was $2.4 million lower than the prior year. In 2010, stock prices in the general Canadian trading market experienced improvements. This resulted in the recognition of unrealized gains, although the unrealized gains were not as high as 2009 which grew significantly over 2008. Realized losses due to the divestiture of marketable securities in 2010 were $nil in the quarter and $0.3 million for the year.

Gain on disposal of broadcasting licence

In July 2009, upon the completion of the radio asset exchange with Rogers, the Company disposed of its AM licence in Halifax, Nova Scotia and recorded a gain of $5.6 million.

Provision for Income Taxes

In the quarter the provision for income taxes was 31% which is slightly lower than the statutory rate of 34%. For the year the provision for income taxes was lower than 2009 due to lower pre-tax earnings and a lower statutory income tax rate. The effective income tax rate was 34% which is on par with the statutory rate of 34%.

Discontinued operations

The Company disposed of its net assets associated with the two FM radio stations located in Thunder Bay, Ontario and therefore, the financial results of operations from this component and the gain on its disposal were treated as discontinued operations in the consolidated statements of income.

Net income

Fourth quarter net income was $4.7 million, as compared to $5.5 million in 2009, and net income was $10.7 million for the year, as compared to $15.4 million last year. The primary reasons for the decrease from 2009 was the fluctuations of fees described above, the gain on sale of assets of $5.6 million in 2009 and the broadcast licence impairment charge of $1.6 million in 2010.

Other comprehensive income ("OCI")

OCI consists of the net change in the fair value of the Company's cash flow hedges. These include interest rate swaps and an equity total return swap. The after-tax unrealized income recorded in OCI for the interest rate swaps was $0.5 million in the fourth quarter and $0.3 million year-to-date (2009 - $0.8 million in the quarter and $2.8 million year-to-date). The after-tax unrealized loss related to the equity total return swap was $0.1 million for the quarter (2009 - $0.3 million). Year-to-date, the unrealized after-tax loss was less than $0.1 million (2009 - $0.1 million after-tax gain).

FINANCIAL REVIEW BY SEGMENT

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Broadcasting Segment

(thousands of Canadian dollars, except percentages)	3 months 2010	3 months 2009	% change	12 months 2010	12 months 2009	% change
Revenue	$ 31,370	29,670	6%	$ 113,803	101,763	12%
Operating expenses	20,292	17,756	14%	80,790	73,951	9%
EBITDA	11,078	11,914	(7%)	33,013	27,812	19%
EBITDA margin	35%	40%	(5%)	29%	27%	2%

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Revenue

Fourth quarter revenue was $31.4 million, 6% or $1.7 million higher than the same quarter last year. For the year ended December 31, 2010, revenue of $113.8 million improved by 12% or $12.0 million compared to 2009. The entire growth in the quarter and year-to-date was driven by organic (same-station) revenue.

The Western Canada radio properties led the way in revenue growth for the Company achieving an increase of 8% in the quarter and 13% year-to-date. Atlantic Canada radio stations and those in the Central region also enjoyed growth that exceeded the industry average with Central Canada's revenue growing year over year by 8% and Atlantic Canada's growth equalled 7%. The overall industry growth was 6%.

During 2010 national advertising for the Company was 10% higher than 2009 as the economy strengthened and continued to be strong throughout the year. For the Company, local advertising increased by 9% or $6.6 million, another sign that the economic recovery was widespread throughout the country.

Overall, the industry's average growth rate in 2010 was 6%; the Company posted positive growth of 12% year-over-year. Management anticipates that it will be able to continue generating positive revenue growth in 2011.

Operating Expenses

Broadcasting operating expenses for the quarter were $20.3 million, 14% or $2.5 million higher than 2009 while year-to-date operating expenses of $80.8 million were also higher than last year by 9% or $6.8 million.

Over the past number of years the Canadian Association of Broadcasters (the "CAB"), on behalf of all radio broadcasters, has been disputing the amount of Part II fees charged by the CRTC. During these years there were court filings, appeals and in 2009, a final settlement was reached. The Company adjusted its operating expenses related to these fees based on court decisions at each stage of the dispute. In 2007 there was a reduction in fees while in 2008 there was an increase in fees. In the final ruling in the fourth quarter of 2009, operating expenses were reduced by $2.0 million. The net effect of this ruling was that the Company had no Part II fees expense for September 1, 2006 to August 31, 2009. Beginning September 2009, the approximate annual fee cost is $0.6 million.

The Copyright Board issued a ruling in July 2010 on certain tariffs which resulted in a $3.0 million increase in copyright fees year-to-date, of which $1.8 million related to previous years. As a result of this ruling, copyright fees as a whole have increased from 7.3% to 8.9% of revenue, subject to certain exemptions for low use and low revenue stations.

Excluding the impact of CRTC Part II fees and increased copyright fees, operating expenses would have been less than 2% higher than the fourth quarter last year and year-to-date expenses would have been 3% higher than 2009. The small increases in the 2010 operating expenses were primarily because of higher variable costs due to higher revenue.

EBITDA

Fourth quarter broadcasting EBITDA of $11.1 million was 7% or $0.8 million lower than 2009. Year-to-date EBITDA of $33.0 million was 19% or $5.2 million better than last year. Eliminating the impact of CRTC Part II fees and copyright fees explained above, EBITDA in the quarter would have been $11.1 million and $34.8 million year-to-date. This represents a $1.4 million or 14% increase over the fourth quarter last year and a $9.9 million or 40% increase on a year-to-date basis. The improved EBITDA is attributable to revenue growth in the quarter and in the year.

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Corporate and Other Segment

(thousands of Canadian dollars, except percentages)	3 months 2010	3 months 2009	% change	12 months 2010	12 months 2009	% change
Revenue	$ 830	788	5%	$ 3,596	3,535	2%
Operating expenses	3,282	2,568	28%	11,039	10,296	7%
EBITDA	(2,452)	(1,780)	(38%)	(7,443)	(6,761)	(10%)

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Revenue

Corporate and Other revenue increased by less than $0.1 million or 5% in the fourth quarter and by less than $0.1 million or 2% year-to-date; this was due to a slight increase in hotel revenue.

Operating Expenses

Operating expenses of $3.3 million were higher than the fourth quarter last year. Year-to-date operating expenses of $11.0 million were 7% or $0.7 million higher than 2009.

EBITDA

Fourth quarter and year-to-date EBITDA was lower than the same periods last year primarily due to the increase in operating expenses.

Liquidity and capital resources

Selected cash flow information - 2010

In the quarter, cash flows from operating activities of $6.2 million combined with net borrowings of $4.3 million were used to fund the repurchase of capital stock of $9.2 million and to purchase property and equipment totaling $0.8 million. For the year, cash flows from operating activities of $23.0 million were used to fund the repurchase of capital stock of $9.2 million, dividend payments of $5.3 million, to pay CCD commitments of $2.8 million and to purchase property and equipment totaling $2.9 million.

Selected cash flow information - 2009

In the quarter, cash flows from operating activities of $7.1 million along with the proceeds of $4.8 million on the disposal of broadcasting assets were used to repay debt by $9.8 million and to pay CCD commitments of $1.8 million. For the year, cash flows from operating activities of $18.3 million along with the proceeds of $9.8 million on the disposal of broadcasting assets were used to repay debt by $18.6 million, to pay CCD commitments of $5.0 million and to purchase property and equipment totaling $4.0 million.

Credit facility

The Company's syndicated credit facility of $76.5 million is a revolving credit facility. The Company chooses this type of credit facility because it provides flexibility with no scheduled repayment terms. The Company's revolving credit facility was renewed during 2010 and now expires in June 2012.

Dividends Declared

The Board of Directors declared dividends of $0.12 per share on each of its Class A Subordinate Voting Shares and Class B Common Shares. This represents a 20% increase over the 2009 amount of $0.10 per share.

Share Repurchases

The Directors and Senior Management of the Company are of the opinion that from time to time the purchase of its shares at the prevailing market price would be a worthwhile investment and in the best interests of the Company and its shareholders. In 2010, pursuant to the Normal Course Issuer Bid which expired February 8, 2011, the Company repurchased for cancellation 1,459,978 of its outstanding Class A Subordinate Voting Shares for $9,227,000. As a result of these share repurchases, capital stock was reduced by $2,100,000 and retained earnings by $7,127,000. The Company did not repurchase for cancellation any of its outstanding shares during 2009. Subsequent to year end, the Company received approval under a Normal Course Issuer Bid to repurchase up to 1,388,072 Class A Subordinate Voting Shares and 75,434 Class B Common Shares. This bid expires February 8, 2012. On February 15, 2011 the Company repurchased 1,388,072 Class A Subordinate Voting Shares pursuant to this Normal Course Issuer Bid for $8,745,000.

International Financial Reporting Standards

International Financial Reporting Standards will be required for publicly accountable profit-oriented enterprises for fiscal years beginning on or after January 1, 2011. After that date, IFRS will replace Canadian GAAP for those enterprises. The Company will apply IFRS beginning January 1, 2011 and will present 2010 comparative figures using IFRS, starting in the first quarter of 2011.

The Company has committed adequate internal resources to oversee the IFRS project and external consultants have been engaged throughout the process. The Audit and Governance Committee is regularly updated on the status of the project. Management has satisfied itself that it has sufficient resources, systems and applications in place to meet its financial reporting requirements in 2011.

Outlook

The Company delivered one of its most impressive years on record, posting double-digit revenue growth in its core operating segment. The Company outpaced the industry again in 2010, growing its revenue by 12% while the industry posted growth of 6%. Management is optimistic that positive growth will continue into 2011. The Company continued to increase its EBITDA margins as well, helped by closely monitoring discretionary costs. The Company also reduced its long term debt by $3.6 million. In addition, the focused efforts placed on increasing market share were successful as the Company enjoyed strong ratings results throughout 2010.

Over the years, the Company has demonstrated steady growth in its asset base, its number of broadcast licences and its revenue. The success is attributed to the Company's long-standing successful operating strategy, with a clear focus on the following:

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- Continue to maximize operating margins from existing stations by:
  - Managing costs to achieve the highest possible EBITDA margins while maintaining or improving the quality of the product;
  - Growing revenue by creatively engaging advertisers, particularly local revenue, where management has a greater ability to influence buying decisions;
  - Strengthening audience share by delivering locally-focused programming that delivers music, news and information that our communities want to hear.
- Plan and prepare to launch CRTC-approved AM to FM conversions;
- Review all acquisition opportunities that complement the Company's investment criteria and growth strategy; and
- Aggressively apply for licences in new communities, and seek approval from the CRTC wherever possible, to convert additional AM stations to FM which will generate immediate top line growth.
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The Company will continue to follow the same strategy in 2011 and continue to be actively involved and present at events that are important to the communities in which the Company operates.

Non-GAAP Measure

(1) EBITDA is defined as net income from continuing operations excluding depreciation and amortization expense, interest expense, accretion of other liabilities, broadcast licence impairment charge, other income, gain on disposal of broadcasting licence and provision for income taxes. A calculation of this measure is as follows:

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(thousands of Canadian dollars)	Three months ended December 31 2010	Three months ended December 31 2009	Year ended December 31 2010	Year ended December 31 2009
Net income from continuing operations	$ 4,733	5,124	10,701	14,934
Provision for income taxes	2,077	1,996	5,434	5,506
Gain on disposal of broadcasting licence	-	-	-	(5,616)
Other (income) expense	(546)	273	(437)	(2,809)
Broadcast licence impairment charge	-	-	1,609	-
Accretion of other liabilities	132	202	683	867
Interest expense	1,002	1,520	3,639	4,374
Depreciation and amortization expense	1,228	1,019	3,941	3,795
EBITDA	$ 8,626	10,134	25,570	21,051

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This measure is not defined by Generally Accepted Accounting Principles 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. Beginning in 2010, other income, which is primarily the results from investment holdings, was excluded from the determination of EBITDA. Consolidated EBITDA for 2009 has been adjusted to reflect this reclassification.

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Consolidated Balance Sheets
(unaudited)

(thousands of Canadian dollars)	2010	2009

Assets		
Current assets		
Marketable securities	$ 5,286	4,923
Receivables	25,589	23,831
Prepaid expenses	977	778
Other assets	1,339	1,810
Future income tax assets	793	1,173
Total current assets	33,984	32,515
Property and equipment	36,305	37,248
Other assets	4,596	4,216
Broadcast licences	148,207	149,641
Goodwill	7,045	7,045
Future income tax assets	2,216	2,188
	$ 232,353	232,853
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness	$ 1,380	99
Accounts payable and accrued liabilities	20,875	17,118
Dividends payable	1,891	3,297
Income taxes payable	10,626	6,836
Current portion of long-term debt	-	57,100
Total current liabilities	34,772	84,450
Long-term debt	53,158	-
Other liabilities	15,830	18,946
Future income tax liabilities	26,604	25,668
Shareholders' equity	101,989	103,789
	$ 232,353	232,853

Consolidated Statements of Income
(unaudited)

(thousands of Canadian dollars except per share data)	Three months ended December 31 2010	Three months ended December 31 2009	Year ended December 31 2010	Year ended December 31 2009
Revenue	$ 32,200	30,458	117,399	105,298
Operating expenses	23,574	20,324	91,829	84,247
Depreciation and amortization	1,228	1,019	3,941	3,795
Operating income	7,398	9,115	21,629	17,256
Interest expense	1,002	1,520	3,639	4,374
Accretion of other liabilities	132	202	683	867
Broadcast licence impairment charge	-	-	1,609	-
	6,264	7,393	15,698	12,015
Other income (expense)	546	(273)	437	2,809
Gain on disposal of broadcasting licence	-	-	-	5,616
Earnings from continuing operations before income taxes	6,810	7,120	16,135	20,440
Provision for income taxes	2,077	1,996	5,434	5,506
Net income from continuing				

operations	4,733	5,124	10,701	14,934
Net income from discontinued operations	-	337	-	432
Net income	$ 4,733	5,461	10,701	15,366
Earnings per share from continuing operations				
- basic	$ 0.15	0.16	0.33	0.45
- diluted	0.14	0.15	0.32	0.44
Earnings per share				
- basic	$ 0.15	0.17	0.33	0.47
- diluted	0.14	0.16	0.32	0.45

Consolidated Statements of Shareholders' Equity
(unaudited)

(thousands of Canadian dollars)	Year ended December 31 2010	2009
Retained earnings, beginning of year	$ 60,616	48,547
Net income	10,701	15,366
Dividends declared	(3,869)	(3,297)
Repurchase of capital stock	(7,127)	-
Retained earnings, end of year	60,321	60,616
Capital stock	40,813	42,913
Contributed surplus	2,492	2,157
Accumulated other comprehensive loss	(1,637)	(1,897)
Total shareholders' equity	$ 101,989	103,789

Consolidated Statements of Comprehensive Income
(unaudited)

(thousands of Canadian dollars)	Three months ended December 31 2010	2009	Year ended December 31 2010	2009
Net income	$ 4,733	5,461	10,701	15,366
Other comprehensive income:				
Change in fair values of cash flow hedges				
Interest rate swaps:				
Increase in fair value	768	384	490	2,947
Reclassification of interest expense (from)to net income	(67)	590	(15)	757
Credit risk adjustment	(11)	95	(70)	95
Income tax expense	(184)	(290)	(108)	(1,014)
	506	779	297	2,785
Total equity return swap:				
Unrealized (decrease) increase in fair value	(1,083)	(372)	(127)	1,700

Reclassification to net income of realized losses (gains)	1,007	(89)	71	(1,613)
Income tax recovery (expense)	25	152	19	(7)
	(51)	(309)	(37)	80
Other comprehensive income	455	470	260	2,865
Comprehensive income	$ 5,188	5,931	10,961	18,231

Consolidated Statements of Accumulated Other Comprehensive Loss
(unaudited)

(thousands of Canadian dollars)	Year ended December 31 2010	2009
Accumulated other comprehensive loss, beginning of year	$ (1,897)	(4,762)
Other comprehensive income for the year	260	2,865
Accumulated other comprehensive loss, end of year	$ (1,637)	(1,897)

Consolidated Statements of Cash Flows
(unaudited)

(thousands of Canadian dollars)	Three months ended December 31 2010	2009	Year ended December 31 2010	2009
Operating Activities				
Net income from continuing operations	$ 4,733	5,124	10,701	14,934
Items not involving cash				
Depreciation and amortization	1,228	1,019	3,941	3,795
Future income taxes	587	2,605	1,200	6,188
Gain on disposal of broadcasting licence	-	-	-	(5,616)
Broadcast licence impairment charge	-	-	1,609	-
Accretion of other liabilities	132	202	683	867
Executive stock-based compensation plans	(498)	200	401	1,688
Unrealized losses (gains) on marketable securities	(538)	1,530	(1,084)	(1,754)
Other	1,068	(134)	(26)	(1,497)
	6,712	10,546	17,425	18,605
Change in non-cash working capital relating to operating activities from continuing operations	(476)	(3,607)	5,581	(646)
Cash flow from continuing operating activities	6,236	6,939	23,006	17,959
Cash flow from discontinued operations	-	209	-	383
	6,236	7,148	23,006	18,342

Financing Activities				
Change in bank indebtedness	285	(1,107)	1,281	(1,904)
Long-term debt borrowings	7,500	-	12,500	-
Long-term debt repayments	(3,500)	(8,740)	(16,100)	(16,745)
Repurchase of capital stock	(9,227)	-	(9,227)	-
Dividends paid	-	-	(5,275)	-
Other	-	-	(419)	-
	(4,942)	(9,847)	(17,240)	(18,649)
Investing Activities				
Property and equipment additions	(842)	(228)	(2,949)	(3,961)
Proceeds from disposal of broadcasting assets	-	4,753	-	9,753
Canadian Content Development commitment payments	(328)	(1,837)	(2,759)	(4,973)
Other	(124)	11	(58)	(512)
	(1,294)	2,699	(5,766)	307
Cash, beginning and end of period	$ -	-	-	-

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The Company's Annual Report, which includes the annual audited consolidated financial statements along with related notes and the annual Management's Discussion and Analysis, will be available on www.sedar.com and the Company's website by March 31, 2011.

About Newfoundland Capital Corporation Limited

Newfoundland Capital Corporation Limited (TSX: NCC.A, NCC.B) is one of Canada's leading radio broadcasters with 81 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. 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. 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.

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