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Attention Business/Financial Editors:
Newfoundland Capital Corporation Limited - Fourth Quarter 2004

Period Ended December 31 (unaudited)

DARTMOUTH, NS, Feb. 28 /CNW/ - Newfoundland Capital Corporation Limited (NCC), one of Canada's leaders in radio broadcasting, today announces its financial results for the fourth quarter and fiscal year ending December 31, 2004.

Newfoundland Capital Corporation Limited ended 2004 with a strong quarter concluding what was a very rewarding year for shareholders. The Company's revenue grew 6% in the quarter, while EBITDA(1) improved 9% to $5.3 million. Net income was $3.4 million ($0.29 per share), up 49% over the fourth quarter last year. For the year, revenue was $65.4 million and EBITDA $15.2 million. Net income was $10.2 million ($0.85 per share) as compared to last year's $6.1 million ($0.51 per share).

A dividend of $0.10 per share was paid on January 14, 2005 to holders of Class A Subordinate Voting Shares and Class B Common Shares at the close of business on December 31, 2004. This is the second consecutive year the Board of Directors has declared a dividend.

"We are very pleased with 2004 and are encouraged by the revenue growth prospects for 2005," commented Rob Steele, President and Chief Executive Officer.

The Company completed its purchase of the broadcasting assets of Shortell's Limited and its related companies on January 31, 2005. The assets acquired include three radio broadcasting licences, two television broadcasting licences and an outdoor billboard business located in Lloydminster, Alberta. The Company is in the process of integrating these acquisitions into its operations.

The Company has entered into agreements to acquire broadcasting assets in Thunder Bay, Ontario, Red Deer, Alberta and Winnipeg, Manitoba. These acquisitions are subject to the approval of the Canadian Radio-television and Telecommunications Commission (CRTC) with decisions expected in 2005.

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Financial Highlights - Fourth Quarter

(thousands of dollars except share information)	2004	2003
Revenue	$ 18,586	17,518
EBITDA(1)	5,278	4,850
Net income	3,432	2,297
Earnings per share		
- basic and diluted	0.29	0.19
Book value per share	7.36	6.71
Share price, NCC.SV.A (closing)	12.50	11.50
Total assets	155,724	160,082
Long-term debt	15,073	26,595
Shareholders' equity	86,248	79,808

The following discussion of financial results should be read in the context of the following corporate developments.

The Company is a 29.9% minority partner in an FM licence in Kitchener-Waterloo, Ontario that launched in February 2004. The Company has invested $0.5 million for its interest in the licence which is accounted for by the equity method whereby the Company recognizes its proportionate share of net income or loss. In January 2004, the Company disposed of its equity investment in Optipress, Inc. In February 2003 the Company launched a new radio station in Ottawa, Ontario.

The fourth quarter of the year is generally a period of higher retail spending and results in increased advertising revenues and net income.

Consolidated Operating Results

	Three months ended December 31				Year ended December 31			
			Growth				Growth	
(thousands of dollars)	2004	2003	Total	Organic	2004	2003	Total	Organic
Revenue								
Radio	$17,834	16,752	6%	6%	62,219	58,400	7%	6%
Corporate and other	752	766	(2%)	(2%)	3,145	3,102	1%	1%
	$18,586	17,518	6%	6%	65,364	61,502	6%	6%

In the quarter, consolidated revenue improved 6% to $18.6 million, with all of this increase resulting from same station growth. Consolidated revenue was $65.4 million for the year, 6% better than the prior year. The improvement over last year was due to a combination of same station growth and the new station launch in Ottawa, Ontario. Leading the way for organic growth were the Newfoundland and Labrador, Halifax, Sudbury and Edmonton stations. Corporate and other revenue was on par with the prior year.

Other income improved as a result of increased income from investments.

Operating expenses of $13.9 million in the quarter were up $1.0 million over last year and the year-to-date operating expenses were $3.5 million higher than the prior year. These increases were primarily due to the new Ottawa station and the variable costs associated with increased revenue.

	Three months ended December 31				Year ended December 31			
			Growth				Growth	
(thousands of dollars)	2004	2003	Total	Organic	2004	2003	Total	Organic
EBITDA(1)								
Radio	$ 6,121	5,566	10%	10%	18,975	17,178	11%	11%
Corporate and other	(843)	(716)	(18%)	(18%)	(3,765)	(3,319)	(13%)	(13%)
	$ 5,278	4,850	9%	9%	15,210	13,859	10%	10%
% of Revenue								
Radio	34%	33%	1%	1%	30%	29%	1%	1%
Total	28%	27%	1%	1%	23%	22%	1%	1%

The increases in fourth quarter and year-to-date consolidated EBITDA were attributable to the upward trend in radio operations. Organic radio revenue improvements led to the majority of the growth and contributed to the increase in EBITDA margin to 34% for the fourth quarter and 30% for the year ended December 31, 2004. Corporate and other EBITDA declined in the quarter and for the year due to costs associated with the restructuring of senior management and the adoption of the accounting policy for stock-based compensation.

Depreciation and amortization expense of $0.6 million is constant with the fourth quarter of 2003. For the year this expense was $0.2 lower than a year ago due to reduced deferred charge amortization.

Interest expense is $0.1 million lower in the fourth quarter and $0.6 million lower than the year ended December 31, 2003 as a result of lower average debt levels in 2004.

The effective income tax rate was 19% in the quarter and 27% for the year. The rates are lower than the prior periods due to the non-taxable portion of gains and future tax recoveries recognized during 2004.

Non-controlling interest in subsidiaries' earnings in the quarter and the year was on par with 2003.

(thousands of dollars, except share data)	Three months ended Dec. 31		Basic Earnings Per Share		Year ended Dec. 31		Basic Earnings Per Share	
	2004	2003	2004	2003	2004	2003	2004	2003
Net income	$ 3,432	2,297	0.29	0.19	10,164	6,085	0.85	0.51

The improvement in net income of $1.1 million in the quarter is due to the increase in radio EBITDA and a lower provision for income taxes as described above. The gain realized on the disposal of the equity investment, which occurred in the first quarter of 2004, contributed to the $4.1 million improvement in net income for the year.

Liquidity and Capital Resources

The Company's cash flow from operating activities of $3.8 million increased over the fourth quarter of 2003 primarily due to improved operations as described above. The significant source of cash was the net change in bank debt of $4.0 million. Significant uses of cash included the repurchase of capital stock of $3.6 million and the payment of Canadian Talent Development commitments of $1.4 million. For the year the Company's cash flow from operating activities was $13.1 million, up from last year's $8.2 million. This increase is attributed to improved operating results and a positive fluctuation of non-cash working capital.

Other Developments

On January 31, 2005, the CRTC released Public Notice 2005-10 that contained a new interpretation of broadcast regulations governing Local Sales Agreements (LSA's) between radio broadcasters in the same markets. LSA's are still allowed by the CRTC but will only be granted under certain circumstances and after a full review by the CRTC through the normal public application process. The Company has LSA's in Halifax, Charlottetown and Sudbury that are affected by Public Notice 2005-10. The licences in these markets have been renewed and now contain a "condition of licence" that these agreements be terminated by May 31, 2005. NCC is working closely with other affected broadcasters to determine the appropriate changes that must be made to the local sales process to comply with the ruling. Management is confident the appropriate steps will be implemented within the time frame to ensure compliance with the new condition of licence.

The Company's Annual Report, which includes the annual consolidated financial statements along with related notes and the annual Management's Discussion and Analysis, will be mailed to shareholders by March 31, 2005. This document will also be available on www.sedar.com and the Company's website by that date.

Non-GAAP Measure

(1) EBITDA is defined as net income excluding depreciation and amortization expense, interest expense, loss (income) on equity accounted investments, gain on disposal of equity investment, provision for income taxes and non-controlling interest in subsidiaries' earnings. A calculation of this measure is as follows:

(thousands of dollars)	Three months ended December 31 2004	Three months ended December 31 2003	Year ended December 31 2004	Year ended December 31 2003
Net income	$ 3,432	2,297	10,164	6,085
Non-controlling interest in subsidiaries' earnings	121	125	361	442
Provision for income taxes	821	1,379	3,827	3,793
Gain on disposal of equity investment	-	-	(2,451)	-
Loss (income) on equity accounted investments	77	76	296	(263)
Interest expense	220	350	840	1,462
Depreciation and amortization expense	607	623	2,173	2,340
EBITDA	$ 5,278	4,850	15,210	13,859

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.

Consolidated Balance Sheets
(unaudited)

(thousands of dollars)	December 31 2004	December 31 2003
ASSETS		
Current assets		
Short-term investments	$ 2,560	1,525
Receivables	16,148	15,839
Note receivable	950	951

Prepaid expenses	907	675
Total current assets	20,565	18,990
Property and equipment	18,045	17,340
Other assets	15,541	21,994
Broadcast licences	99,805	99,748
Future income tax assets	1,768	2,010
	$ 155,724	160,082

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Bank indebtedness	$ 519	1,910
Accounts payable and accrued liabilities	13,944	12,650
Dividends payable	1,173	1,190
Income taxes payable	7,151	4,639
Current portion of long-term debt	23	78
Total current liabilities	22,810	20,467
Long-term debt	15,073	26,595
Other liabilities	11,762	13,978
Future income tax liabilities	8,963	8,576
Non-controlling interest in subsidiaries	10,868	10,658
Shareholders' equity	86,248	79,808
	$ 155,724	160,082

Consolidated Statements of Income
(unaudited)

(thousands of dollars except per share data)	Three months ended December 31 2004	2003	Year ended December 31 2004	2003
Revenue	$ 18,586	17,518	65,364	61,502
Other income	570	254	1,768	795
	19,156	17,772	67,132	62,297
Operating expenses	13,878	12,922	51,922	48,438
Depreciation	508	497	1,791	1,833
Amortization of deferred charges	99	126	382	507

Operating earnings	4,671	4,227	13,037	11,519
Interest expense	220	350	840	1,462
Loss (income) on equity accounted investments	77	76	296	(263)
Gain on disposal of equity investment	-	-	(2,451)	-
	4,374	3,801	14,352	10,320
Provision for income taxes	821	1,379	3,827	3,793
	3,553	2,422	10,525	6,527
Non-controlling interest in subsidiaries' earnings	121	125	361	442
Net income	$ 3,432	2,297	10,164	6,085
Earnings per share				
- basic	$ 0.29	0.19	0.85	0.51
- diluted	0.29	0.19	0.84	0.51

Consolidated Statements of Shareholders' Equity
(unaudited)

(thousands of dollars)	Year ended December 31 2004	2003
Retained earnings, beginning of year as originally stated	$ 34,989	30,832
Retroactive application of change in accounting policy without restatement of prior periods	(560)	-
Retained earnings, beginning of year as restated	34,429	30,832
Net income	10,164	6,085
Dividends declared	(1,173)	(1,190)
Repurchase of capital stock	(2,974)	(738)
Retained earnings, end of year	40,446	34,989
Capital stock	45,300	44,819
Contributed surplus	502	-
Total shareholders' equity	$ 86,248	79,808

Consolidated Statements of Cash Flows
(unaudited)

	Three months ended December 31		Year ended December 31	
(thousands of dollars)	2004	2003	2004	2003
Operating Activities				

Net income	$	3,432	2,297	10,164	6,085
Items not involving cash					
Depreciation and amortization		607	623	2,173	2,340
Future income taxes		(518)	361	629	1,652
Gain on disposal of equity investment		-	-	(2,451)	-
Employee benefit plans		(202)	12	(539)	37
Non-controlling interest in subsidiaries' earnings		121	125	361	442
Other		68	(17)	303	(247)
		3,508	3,401	10,640	10,309
Change in non-cash working capital relating to operating activities		315	(896)	2,439	(2,078)
		3,823	2,505	13,079	8,231
Financing Activities					
Change in bank indebtedness		(2,085)	374	(1,391)	1,199
Long-term debt borrowings		6,000	-	6,000	1,500
Long-term debt repayments		(6)	(1,567)	(17,577)	(5,315)
Issuance of capital stock		800	40	1,869	1,946
Repurchase of capital stock		(3,602)	(331)	(4,684)	(1,298)
Dividends paid		-	-	(1,190)	-
Canadian Talent Development commitment payments		(1,379)	(1,446)	(1,782)	(1,797)
Other		(9)	112	(188)	(198)
		(281)	(2,818)	(18,943)	(3,963)
Investing Activities					
Note receivable		-	-	1,000	1,000
Property and equipment additions		(903)	(345)	(2,507)	(2,296)
Proceeds from disposal of property and equipment		-	657	11	676
Proceeds from disposition of equity investment		-	-	11,295	-
Investment in Halterm Income Fund Trust Units		(1,704)	-	(2,631)	(2,557)
Deferred charges		83	6	(48)	(1,242)
Deposit for business and licence acquisition		-	-	(500)	-
Other		(1,018)	(5)	(756)	151
		(3,542)	313	5,864	(4,268)
Cash, beginning and end of period	$	-	-	-	-

About Newfoundland Capital Corporation Limited

Newfoundland Capital Corporation Limited (TSX: NCC.SV.A, NCC.MV.B) is one of Canada's leading small and medium market radio broadcasters with 65 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. 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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