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Attention Business and Entertainment Editors:
Newfoundland Capital Corporation Limited Third Quarter 2005

Period Ended September 30 (unaudited)

DARTMOUTH, NS, Nov. 3 /CNW/ - Newfoundland Capital Corporation Limited (NCC), one of Canada's leading small and medium market radio broadcasters, today announces its financial results for the third quarter ended September 30, 2005.

Organic advertising growth was the key driver in the third quarter for NCC. Acquisitions earlier this year in Northern Ontario and in Alberta also contributed to overall growth in the quarter and year-to-date. The Company continues to execute on its strategic objective of geographic growth across Canada, adding two new stations in Alberta this quarter. The highlights are as follows:

- Revenue growth of 20% to $19.4 million in the quarter, 18% to $56.0 million year-to-date.
- Earnings before interest, taxes, depreciation and amortization (EBITDA(1)) improved by $0.8 million compared to the same quarter last year, and by $3.3 million over the nine month period ended September 2004.
- As previously announced, Management settled a legal suit with the Halterm Income Fund for $3.5 million ($2.9 million after-tax) resulting in a net loss in the quarter of $1.2 million. The Company holds 1.1 million units of the Fund and has received distributions of $1.6 million since its initial investment in May 2003. In addition the current market value of the investment is in excess of book value representing an unrealized gain of $3.2 million.
- Excluding the impact of the settlement, net income would have been on par with the third quarter last year. Year-to-date net income of $3.3 million ($0.29 per share) is lower than the prior year due to the settlement and the gain on disposal of investment in 2004. Excluding these two one-time events, net income would have increased by $1.5 million or $0.13 per share.
- The Company received approval from the Canadian Radio-television and Telecommunications Commission (CRTC) to acquire two radio broadcasting licences in Red Deer, Alberta. The purchase was completed on September 26, 2005.

"Operations continued to perform well this quarter with EBITDA ahead of last year. The net loss in the third quarter is a result of the Halterm settlement, however, the settlement of this long-standing contingency clears the way for management to focus on core operations", commented Rob Steele, President and Chief Executive Officer. "In the fourth quarter management will concentrate its efforts on the two new station start-ups in Fredericton, New Brunswick and Ottawa, Ontario as well as the integration of the Red Deer, Alberta acquisition."

The Company has a purchase agreement awaiting CRTC approval for broadcasting assets located in Winnipeg, Manitoba. A decision on this is expected in the fourth quarter. The Company has also made a presentation to the CRTC for a new FM licence and a conversion of an existing AM to FM in Charlottetown, Prince Edward Island. Results from the hearing are expected to be announced early in 2006.

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Financial Highlights - Third Quarter (thousands of dollars except share information)	2005	2004

Revenue	$ 19,359	16,120
EBITDA(1)	4,161	3,374
Net income (loss)	(1,245)	1,607
Earnings per share - basic and diluted	(0.11)	0.13
Share price, NCC.SV.A (closing)	16.75	11.00
Weighted average number of shares outstanding (in thousands)	11,398	11,945
Total assets	197,814	149,756
Long-term debt	41,156	7,953
Shareholders' equity	83,475	86,722

(1) Refer to page 7 for the reconciliation of EBITDA to net income.

Management's Discussion and Analysis

The following interim discussion and analysis of financial condition and results of operations has been prepared as of November 3, 2005. It should be read in conjunction with the unaudited consolidated financial statements contained in this interim report and the Management's Discussion and Analysis and the audited consolidated financial statements and related notes contained in the 2004 Annual Report. These documents along with the Company's Annual Information Form and other public information are filed electronically with various securities commissions in Canada through the System for Electronic Document Analysis and Retrieval (SEDAR) and can be accessed at www.sedar.com. The financial information presented herein has been prepared on the basis of Canadian generally accepted accounting principles (GAAP).

Management's discussion and analysis of financial condition and results of operations 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.

Corporate Profile Newfoundland Capital Corporation Limited (the Company) is one of Canada's leading small and medium market radio broadcasters with 69 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.

Business and Licence Acquisitions The Company acquired 100% of the common shares of 4323041 Canada Inc. (4323041) on September 26, 2005. The acquisition entitles the Company to the property, assets, broadcast licences and rights of 4323041 used in connection with the operation of the radio stations CIZZ-FM and CKGY-FM in Red Deer, Alberta. The purchase price was $9.0 million.

On May 30, 2005, the Company acquired broadcasting assets in Thunder Bay, Ontario from Big Pond Communications (2000) Inc. for $2.0 million. The primary assets acquired consisted of an FM radio licence and equipment.

On January 31, 2005, the Company completed its acquisition of radio, television and outdoor advertising assets located in Lloydminster, Alberta for consideration of $13.7 million.

Operating results from these acquisitions are accounted for in the consolidated financial statements since their respective acquisition dates. All of these acquisitions were financed through the Company's existing credit facility. Further information with respect to these acquisitions is provided in Note 2 to the interim financial statements.

The Company has an agreement to purchase broadcasting assets in Winnipeg, Manitoba for an aggregate consideration of $1.8 million. This acquisition is subject to Canadian Radio-television and Telecommunications Commission (CRTC) approval. A decision is expected by year end.

Approvals of New Licences by the CRTC The Company was awarded a new FM licence in Ottawa, Ontario by the CRTC in June 2005. The alternative rock station will broadcast at 88.5 FM and is expected to be on-air by the end of this year. This is an important achievement for the Company as the new station complements the existing Ottawa station and will increase operating efficiencies in that market. Ottawa is one of Canada's major radio revenue markets. The Company expects to invest approximately $1.5 million in capital for this station, primarily for broadcast equipment. The Company has also committed $1.0 million per year for seven years to fund Canadian Talent Development as a condition of this licence.

In the Spring of 2005, the Company received CRTC approval for the conversion of it's FM repeater signal in Whitecourt, Alberta to full station status. In early July the station was launched as an originating station called "The RIG" with a Rock-based music format.

In November 2004, the Company was awarded a new FM broadcast licence to serve Fredericton, the provincial capital of New Brunswick. The "Classic Rock" radio station, FRED FM, broadcasting at 92.3 FM was launched at the end of July with a positive audience response. The Company is obligated to fund Canadian Talent Development commitments of $0.1 million per year for seven years.

To better serve smaller communities in Alberta which currently have AM services, the Company requested approval from the CRTC for three new FM licences and permission to convert three AM signals to FM. The launch of six new FM services in Alberta began in 2004 with stations launched in Hinton, Cold Lake and Jasper. In January of this year the Wainwright station went on-air. Branded Wayne-FM, the station showcases adult contemporary music. The two remaining stations in Brooks and Camrose were recently launched, branded The Fox and Big Earl, respectively. Both stations have been well received by listeners and advertising clients.

Consolidated Operating Results

(thousands of dollars except percentages)	Three months ended September 30 2005	2004	Growth Total	Growth Organic	Nine months ended September 30 2005	2004	Growth Total	Growth Organic
Revenue								
Broadcasting	$ 18,501	15,242	21%	11%	53,626	45,067	19%	10%
Corporate and other	858	878	(2%)	(2%)	2,337	2,393	(2%)	(2%)
	$ 19,359	16,120	20%	10%	55,963	47,460	18%	9%

Revenue in the third quarter continued to grow, a continuation of a year long trend. Consolidated revenue was $19.4 million in the quarter, a 20% improvement over last year's results. The $56.0 million year-to-date was 18% better than the same period last year. The increases are due to a combination of same station (organic) growth and new revenue from the acquisitions in Thunder Bay, Ontario and Lloydminster, Alberta and the new station launch in Fredericton, New Brunswick. Because the purchase of the Red Deer, Alberta operations was completed at the end of September, it does not contribute to this quarter's results. Corporate and other revenue was on par with last year.

National and local advertising sales have been strong, in the industry as a whole, over the last nine months. The increase in demand for radio advertising has benefited the Company in terms of increases in both local and national sales. In particular, revenue growth at the Company's Ottawa, Ontario station continues to outpace the industry due to the strong demand for its inventory.

Other income more than tripled over the third quarter last year and was 68% higher year-to-date. This was due to higher income from investments. Included in other income this quarter is the Company's proportionate share of the distribution to unitholders that the Halterm Income Fund announced pursuant to the legal settlement reached (as described in the "Risks and Opportunities" section below).

Operating expenses of $16.1 million in the quarter and $44.7 million year-to-date were $3.1 million and $6.0 million higher than the same respective periods last year. Approximately one-half of these increases were a result of operating expenses related to the integration of the new Thunder Bay, Ontario and Lloydminster, Alberta operations and the newly launched Fredericton, New Brunswick licence. Additional expenses associated with moving to new premises were incurred in Edmonton, Alberta and Charlottetown, Prince Edward Island. The remainder was related to the variable costs associated with higher revenue. Other operating expense increases were in line with inflation.

	Three months ended September 30				Nine months ended September 30			
			Growth				Growth	
(thousands of dollars except percentages)	2005	2004	Total	Organic	2005	2004	Total	Organic
EBITDA(1)								
Broadcasting	$ 5,101	4,337	18%	16%	16,184	12,854	26%	22%
Corporate and other	(940)	(963)	2%	2%	(2,919)	(2,922)	-	-
	$ 4,161	3,374	23%	21%	13,265	9,932	34%	29%
% of Revenue								
Broadcasting	28%	28%	-	1%	30%	29%	1%	3%
Total	20%	21%	(1%)	1%	23%	20%	3%	3%

Earnings before interest, taxes, depreciation and amortization (EBITDA(1)) have increased by $0.8 million over last year's third quarter and $3.3 million over the nine month period ended September 30, 2004. The increases are primarily due to same station (organic) revenue growth. In addition, management's objective to streamline operations by implementing operating efficiencies is paying off with an improvement in EBITDA as a percentage of revenue. Corporate and other EBITDA for the quarter and year-to-date are consistent with last year.

Depreciation and amortization expense is $0.4 million higher than the third quarter last year and $0.5 million higher year-to-date due to an increase in the depreciable asset base. Interest expense increased to $0.4 million in the quarter and $1.1 million year-to-date due to higher average debt levels caused by the borrowings for the recent business and licence acquisitions.

The income from the equity accounted investment is a minimal loss in both the third quarter and year-to-date. The Kitchener-Waterloo, Ontario FM licence has incurred operating losses and the Company has recognized its proportionate share of the net loss.

The effective income tax rates for the quarter and year-to-date are higher than the statutory rate of 35% because of the capital loss tax treatment of the loss on legal settlement whereby only half of the normal statutory rate is expected to be recovered.

The deduction from income for non-controlling interest in subsidiaries' earnings is comparable with 2004.

(thousands of dollars except per share data)	Three months ended September 30 2005	2004	Nine months ended September 30 2005	2004
Net income (loss)	$ (1,245)	1,607	3,341	6,732

The net loss in the quarter is a result of a legal settlement with the Halterm Income Fund of $3.5 million ($2.9 million after-tax) as described later in the "Risks and Opportunities" section. The Company holds 1.1 million units in the Fund and has received distributions of $1.6 million since its initial investment in May 2003. In addition the current market value of the investment is in excess of book value representing an unrealized gain of $3.2 million. Excluding the impact of the settlement, net income would have been on par with the third quarter last year. Excluding the $2.0 million after-tax gain on disposal of the equity investment in 2004 and the loss on settlement in 2005, net income would have improved by $1.5 million for the nine months ended September 30. This increase is primarily due to improved EBITDA outlined above.

Selected Quarterly Financial Information The Company's revenue is derived primarily from the sale of advertising airtime which is subject to seasonal fluctuations. The first quarter of the year is generally a period of lower retail spending. Because of this, revenue and net income are lower than the other quarters. The net loss in the third quarter of 2005 was caused by a loss on legal settlement. Net income in the first quarter of 2004 included the recognition of the gain on disposal of the equity investment.

(thousands of dollars except per share data)	2005 3rd	2nd	1st	2004 4th	3rd	2nd	1st	2003 4th
Revenue	$19,359	20,915	15,689	19,069	16,120	18,061	13,279	17,747
Net income (loss)	(1,245)	3,090	1,496	3,432	1,607	2,558	2,567	2,297
Earnings per share - basic and diluted	(0.11)	0.27	0.13	0.29	0.13	0.21	0.21	0.19

Liquidity and Capital Resources Cash flow from operating activities in the quarter was $5.5 million, a $0.5 million increase over last year. This positive cash flow combined with proceeds from long-term borrowings of $8.5 million were used in investing activities - $9.0 million invested in business and licence acquisitions and $3.0 million invested in capital assets.

The year-to-date cash flow from operating activities is $7.2 million, a decrease of $2.1 million compared to last year due to the change in non-cash working capital which fluctuates during the year depending on balances of current assets and current liabilities. To-date, the Company has borrowed $32.0 million primarily for the $24.6 million of business and licence acquisitions along with $6.3 million required in property and equipment additions. In the prior year, the Company used proceeds of $11.3 million from its disposal of the equity investment and cash flow from operations to help repay $17.6 million of debt.

The majority of the investment in capital assets year-to-date related to the new services and upgrades in Alberta. Other capital improvements consisted of expenditures in Edmonton, Alberta where the Company merged its stations and employees into one consolidated location, the new station in Fredericton, New Brunswick and new premises in Charlottetown, Prince Edward Island. The remaining budget for capital expenditures for 2005 approximates $2.0 million with the majority relating to expenditures required for the new station in Ottawa, Ontario as described above.

The Company has committed to the Winnipeg, Manitoba business and licence acquisition described above in the amount of $1.8 million.

On July 27, 2005, the Board of Directors of the Company declared a dividend of $0.15 per share on each of its Class A Subordinate Voting (NCC.SV.A) and Class B Common (NCC.MV.B) shares. The dividend was paid on August 31, 2005 to shareholders of record at the close of business on August 15, 2005.

Other liabilities have increased by $3.3 million year-to-date. Of this increase, $2.7 million relates to deferred tenant inducements with the remainder being the net change in long-term Canadian Talent Development commitments.

The Company's syndicated credit facilities have not changed since the publication of the 2004 Annual Report. The current credit facility allows sufficient capacity to fund the announced acquisitions. Covenants for the facility require that the Company maintain certain financial ratios. The Company was in compliance with these covenants throughout the quarter and expects to be in compliance with its covenants for the foreseeable future.

As at September 30, 2005 the Company had $0.7 million of current bank indebtedness outstanding and $47.1 million of long-term debt of which $5.9 million was current. The current portion of long-term debt includes an allocation of $5.9 million of the revolving facility, however, since this is a revolving term credit facility, there are no scheduled repayments. The working capital deficiency of $7.3 million was higher than the December 2004 working capital deficiency of $2.2 million due to the allocation of long-term debt described above.

Contractual Obligations There have been no substantial changes to the Company's contractual obligations since the publication of the 2004 Annual Report other than the increase in long-term debt previously described.

Capital Employed Assets at quarter end totalled $197.8 million, up from $155.7 million at December 31, 2004. This increase was primarily due to the addition of the business acquisitions described above. At quarter end the capital structure consisted of 42% equity ($83.5 million) and 58% debt ($114.3 million). Total bank debt is 58% of equity, compared to the year end ratio of 18%. The increased bank debt to equity ratio is primarily the result of financing the business and licence acquisitions with proceeds from long-term debt. The ratio of total bank debt to the trailing four quarters' EBITDA is 2.6 to 1.

The Company has approval under a Normal Course Issuer Bid to repurchase up to 523,000 Class A Subordinate Voting Shares and 63,000 Class B Common Shares. This bid expires January 27, 2006. During the quarter, the Company did not repurchase any of its outstanding Class A shares (2004 - 45,000). Year-to-date, the Company repurchased 348,000 (2004 - 95,000) of its outstanding Class A shares for a total cost of $4.9 million (2004 - $1.1 million).

The Company, pursuant to the executive stock option plan, did not issue any of its Class A shares during the quarter (2004 - 25,000 for proceeds of $0.2 million). Year-to-date, the total Class A shares issued were 21,200 (2004 - 132,000) with proceeds of $0.2 million (2004 - $1.1 million). For the nine months ended September 30, 2005, 100,000 options were granted at a weighted average exercise price of $13.80. The weighted average number of shares outstanding was 11.5 million, down from the prior year's 11.9 million due to the repurchase of shares.

As at November 3, 2005, there are 10,139,601 Class A Subordinate Voting Shares and 1,258,268 Class B Common Shares outstanding. The Company has 883,800 stock options outstanding for Class A Subordinate Voting Shares at prices ranging from $7.30 to $13.80, of which 658,800 are vested.

Critical Accounting Estimates There has been no substantial change in the Company's critical accounting estimates since the publication of the 2004 Annual Report.

Risks and Opportunities There has been no substantial change in the Company's risks and opportunities since the publication of the 2004 Annual Report with the following exceptions.

In connection with the disposition of the Company's interest in a container terminal ("Halterm") to the Halterm Income Fund (the "Fund") in May 1997, the Company indemnified Halterm for any material increases in the base rental fee payable by Halterm to the Halifax Port Corporation (now the Halifax Port Authority) for the first ten years of the first lease renewal term which commenced January 1, 2001. The indemnity was only applicable to the extent, if any, that such increases in the base rental fee result in a reduction in distributions to Fund unitholders to a level below that anticipated in the forecast included in the prospectus for the initial public offering of trust units of the Fund. On February 25, 2005 Halterm filed an Originating Notice and Statement of Claim pursuing a claim of $1.8 million with respect to this indemnity for 2003 and a claim of $2.3 million for 2004. Thereafter, the Company filed its Statement of Defence. On October 17, 2005, the Company reached a settlement with Halterm for $3.5 million for all past, present and future claims. As a result of the settlement, the Fund declared a distribution of $0.43 per unit. The Company holds 1,118,400 units and therefore its share of the distribution is $0.5 million.

On October 14, 2005, the Copyright Board of Canada rendered its decision that increased the royalties that commercial radio stations will pay to the Society of Composers, Authors and Music Publishers of Canada (SOCAN) and to the Neighbouring Rights Collective of Canada (NRCC) for their use of music. For revenues per broadcast licence of $1.25 million and lower, the SOCAN rate remains unchanged at 3.2% of revenue. For revenues in excess of $1.25 million, the rate increases to 4.4% of revenue. The NRCC rate remains unchanged for amounts below $1.25 million, however, increases from 1.44% to 2.1% for revenues in excess of this threshold. These rate increases are retroactive to January 1, 2003. The Company began making a provision for possible rate increases last year and has recorded an obligation based on the ruling up to and including the end of September 2005.

Management has complied with the CRTC's Public Notice 2005-10 which imposed a condition of licence relating to Local Sales Agreements. All conditions were satisfied within the appropriate time frame in the affected markets. Management has taken steps to minimize reductions in operating efficiencies that may be experienced by stations in the affected markets.

In Public Notice 2005-61 the CRTC approved satellite subscription-based music services. These services will broadcast in markets across Canada and will be able to offer a broad range of spoken word and music programming channels. The impact on conventional local radio broadcasters is not expected to be significant as a result of restrictions imposed precluding the services from offering local programming content and broadcasting local advertisements.

Outlook Advertising revenue momentum continues to look positive for the remainder of the year. The Company's financial performance will benefit from overall market growth, new radio station assets and the sustained positive ratings of its stations located in competitive markets.

In terms of integration activities, the Company is presently incorporating the Red Deer, Alberta operations into its programming, networking and sales infrastructure. The Thunder Bay, Ontario and Lloydminster, Alberta acquisitions are positively contributing to operating results and shareholder value after successful transition periods.

In addition to the integration of the recent acquisitions, in the fourth quarter the Company's focus will be the two new station start-ups in Fredericton, New Brunswick and Ottawa, Ontario.

Non-GAAP Measure

(1)EBITDA is defined as net income excluding depreciation and amortization expense, interest expense, loss on equity accounted investment, loss on legal settlement, 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 September 30 2005	2004	Nine months ended September 30 2005	2004
Net income (loss)	$ (1,245)	1,607	3,341	6,732
Non-controlling interest in subsidiaries' earnings	103	62	316	240
Provision for income taxes	438	896	2,893	3,006
Gain on disposal of equity investment	-	-	-	(2,451)
Loss on legal settlement	3,500	-	3,500	-
Loss on equity accounted investment	20	77	64	219
Interest expense	385	187	1,062	620
Depreciation and amortization expense	960	545	2,089	1,566
EBITDA	$ 4,161	3,374	13,265	9,932

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.

Newfoundland Capital Corporation Limited
Notice of Disclosure of Non-Auditor Review of Interim Financial Statements for the three months and nine months ended September 30, 2005 and 2004

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor if an auditor has not performed a review of the interim financial statements.

The accompanying unaudited interim consolidated financial statements of the Company for the three months and nine months ended September 30, 2005 and 2004 have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of the Company's management.

The Company's independent auditors, Ernst & Young LLP, have not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Dated this 3rd day of November, 2005

Consolidated Balance Sheets
(unaudited)

(thousands of dollars)	September 30 2005	December 31 2004
ASSETS		
Current assets		
Short-term investments	$ 7,534	2,560
Receivables	19,538	16,148
Note receivable	923	950
Prepaid expenses	1,615	907
Total current assets	29,610	20,565
Property and equipment	29,028	18,045
Other assets	14,963	15,541
Broadcast licences (note 2)	120,565	99,805
Goodwill (note 2)	1,276	-
Future income tax assets	2,372	1,768
	$ 197,814	155,724
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	$ 743	519
Accounts payable and accrued liabilities	22,157	13,944
Dividends payable	-	1,173
Income taxes payable	8,044	7,151
Current portion of long-term debt	5,923	23
Total current liabilities	36,867	22,810
Long-term debt	41,156	15,073
Other liabilities	15,033	11,762
Future income tax liabilities	10,402	8,963
Non-controlling interest in subsidiaries	10,881	10,868
Shareholders' equity	83,475	86,248
	$ 197,814	155,724

Contingency and subsequent event (note 9)
See accompanying notes to consolidated financial statements

Consolidated Statements of Income
(unaudited)

(thousands of dollars except per share data)	Three months ended September 30 2005	2004	Nine months ended September 30 2005	2004
Revenue	$ 19,359	16,120	55,963	47,460
Other income	942	285	2,017	1,198
	20,301	16,405	57,980	48,658
Operating expenses	16,140	13,031	44,715	38,726
Depreciation	864	453	1,798	1,283
Amortization of deferred charges	96	92	291	283
Operating earnings	3,201	2,829	11,176	8,366
Interest expense	385	187	1,062	620
Loss on equity accounted investment	20	77	64	219
Loss on legal settlement (note 9)	3,500	-	3,500	-
Gain on disposal of equity investment (note 3)	-	-	-	(2,451)
	(704)	2,565	6,550	9,978
Provision for income taxes	438	896	2,893	3,006
	(1,142)	1,669	3,657	6,972
Non-controlling interest in subsidiaries' earnings	103	62	316	240
Net income (loss)	$ (1,245)	1,607	3,341	6,732
Earnings per share (note 7)				
- basic	$ (0.11)	0.13	0.29	0.56
- diluted	(0.11)	0.13	0.28	0.56

See accompanying notes to consolidated financial statements

Consolidated Statements of Shareholders' Equity
(unaudited)

(thousands of dollars)	Nine months ended September 30 2005	2004
Retained earnings, beginning of period	$ 40,446	34,429
Net income	3,341	6,732
Dividends declared	(1,710)	-
Repurchase of capital stock (note 4)	(3,404)	(685)
Retained earnings, end of period	38,673	40,476
Capital stock	44,061	45,710
Contributed surplus	741	536

Total shareholders' equity	$ 83,475	86,722

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows
(unaudited)

(thousands of dollars)	Three months ended September 30 2005	2004	Nine months ended September 30 2005	2004
Operating Activities				
Net income (loss)	$ (1,245)	1,607	3,341	6,732
Items not involving cash				
Depreciation and amortization	960	545	2,089	1,566
Future income taxes	(761)	189	739	1,147
Gain on disposal of equity investment	-	-	-	(2,451)
Employee defined benefit plans	(19)	(62)	(36)	(337)
Non-controlling interest in subsidiaries' earnings	103	62	316	240
Other	60	116	185	235
	(902)	2,457	6,634	7,132
Change in non-cash working capital relating to operating activities	6,410	2,560	563	2,124
	5,508	5,017	7,197	9,256
Financing Activities				
Change in bank indebtedness	73	1,821	224	694
Long-term debt borrowings	8,500	-	32,000	-
Long-term debt repayments	(10)	(5,024)	(22)	(17,571)
Issuance of capital stock (note 4)	-	213	180	1,069
Repurchase of capital stock (note 4)	-	(529)	(4,881)	(1,082)
Dividends paid	(1,710)	-	(2,883)	(1,190)
Canadian Talent Development commitment payments	(336)	(64)	(519)	(403)
Other	(37)	(9)	(346)	(179)
	6,480	(3,592)	23,753	(18,662)
Investing Activities				
Note receivable	-	-	1,000	1,000
Property and equipment additions	(2,950)	(728)	(6,301)	(1,593)
Business and licence acquisitions (note 2)	(9,024)	-	(24,644)	-
Proceeds from disposition of equity investment (note 3)	-	-	-	11,295
Investment in Halterm Income Fund Trust Units	-	(605)	(268)	(927)

Deferred charges	(229)	(74)	(560)	(131)
Deposit for business and licence acquisitions (note 2)	-	-	(200)	(500)
Other	215	(18)	23	262
	(11,988)	(1,425)	(30,950)	9,406
Cash, beginning and end of period	$ -	-	-	-
Supplemental Cash Flow Information				
Interest paid	$ 508	183	1,234	573
Income taxes paid	404	465	1,235	1,243

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements - September 30, 2005 and 2004 (unaudited)

1. ACCOUNTING PRESENTATIONS AND DISCLOSURES

The interim financial statements presented herein were prepared by the Company and follow the same accounting policies and their methods of application as the 2004 annual financial statements, except for the newly adopted policy described below. These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial statements. They do not include all of the information and disclosures required by GAAP for annual financial statements. Accordingly, these financial statements should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes contained in the Company's 2004 Annual Report.

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

The accounting policy adopted during the nine months ended September 30, 2005 is as follows:

Deferred tenant inducements

In common with many lease agreements, the Company receives tenant inducements in exchange for making long-term commitments for leased premises. These inducements may be in the form of rent-free periods, reduced rent, or the provision of leasehold improvements. These inducements are being recognized as reduced rental expense on a straight-line basis over the term of the lease.

2. BUSINESS AND LICENCE ACQUISITIONS

On September 26, 2005, the Company acquired 100% of the common shares of 4323041 Canada Inc. (4323041) entitling it to the property, assets, licences and rights of 4323041 used in connection with the operation of two FM radio licences in Red Deer, Alberta. On May 30, 2005, the Company acquired the broadcasting assets of Big Pond

Communications (2000) Inc. (Big Pond) in Thunder Bay, Ontario, the primary asset being an FM radio licence. The Company acquired the assets of Shortell's Limited (Shortell's) and its related companies, in Lloydminster, Alberta on January 31, 2005. The assets included three radio and two television broadcasting licences and an outdoor advertising business. The transactions were accounted for using the purchase method and the results of operations have been included in the consolidated financial statements since the respective acquisition dates.

The following table summarizes the estimated fair value of all the assets acquired and liabilities assumed at the dates of acquisition. The allocation of the purchase price is subject to change as a result of certain post-closing matters.

(thousands of dollars)	4323041	Big Pond	Shortell's	Nine months ended Sept. 30, 2005
Working capital	$ 362	(327)	636	671
Property and equipment	886	225	2,706	3,817
Other assets	-	-	205	205
Broadcast licences	8,101	2,206	9,876	20,183
Goodwill	159	-	1,117	1,276
Total assets acquired	9,508	2,104	14,540	26,152
Future income tax liabilities	(96)	-	-	(96)
Other liabilities	(302)	(84)	(326)	(712)
Net assets acquired	9,110	2,020	14,214	25,344
Deposit for business and licence acquisitions	(200)	-	(500)	(700)
Cash consideration	$ 8,910	2,020	13,714	24,644

An intangible long-term agreement, expiring in August 2011, valued at $205,000 is included in other assets. Amortization is being charged on a straight-line basis over the term of the agreement. Goodwill of $957,000 is expected to be deductible for tax purposes.

When broadcast licences are acquired, the acquirer becomes obligated to fund Canadian Talent Development. These obligations are included in other liabilities. An $850,000 provision for professional fees and restructuring costs (employee relocation and involuntary termination costs) related to the acquisitions is included in working capital of which $632,000 remains payable at September 30, 2005.

The transactions were financed by the Company's existing credit facility.

3. DISPOSAL OF EQUITY INVESTMENT

During the first quarter of 2004, the Company sold its 1,411,800 shares of Optipress Inc. for proceeds of $11,295,000 and recognized a gain on disposal of $2,451,000.

4. CAPITAL STOCK

The Company has approval under a Normal Course Issuer Bid to repurchase up to 523,000 Class A Subordinate Voting Shares and 63,000 Class B Common Shares. This bid expires January 27, 2006. During the quarter, the Company did not repurchase any of its outstanding Class A shares (2004 - 45,000). Year-to-date, the Company repurchased 348,000 (2004 - 95,000) of its outstanding Class A shares for a total cost of $4,881,000 (2004 - $1,082,000). As a result of these share repurchases, capital stock was reduced by $1,477,000 (2004 - $397,000) and retained earnings was reduced by $3,404,000 (2004 - $685,000).

The Company, pursuant to the executive stock option plan, did not issue any of its Class A shares during the quarter (2004 - 25,000 for proceeds of $213,000). Year-to-date, the total Class A shares issued were 21,200 (2004 - 132,000) with proceeds of $180,000 (2004 - $1,069,000). For the nine months ended September 30, 2005, 100,000 options were granted at a weighted average price of $13.80. Compensation expense related to stock options for the quarter was $107,000 (2004 - $64,000) and year-to-date $297,000 (2004 - $197,000).

5. EMPLOYEE BENEFIT PLANS

(thousands of dollars)	Three months ended September 30 2005	2004	Nine months ended September 30 2005	2004
Defined contribution plan expense	$ 259	228	763	659
Defined benefit plan expense	114	66	342	34

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has one interest rate swap agreement to hedge interest rate risk whereby the Company will exchange the three-month bankers' acceptance floating interest rate for a fixed interest rate during the term of the agreement. The notional amount of the swap totals $5,000,000 and expires July 4, 2006. The difference between the fixed and floating rates is settled quarterly with the bank and recorded as an increase or decrease to interest expense. The fair value of the interest rate swap agreement at period end is a net payable of $31,000 (2004 - $100,000) and has not been recognized in the accounts as the interest rate swap qualifies for hedge accounting. An agreement having a notional amount of $10,000,000 expired in July 2005.

7. EARNINGS PER SHARE

(thousands)	Three months ended September 30 2005	2004	Nine months ended September 30 2005	2004
Weighted average common shares used in calculation of basic earnings per share	11,398	11,945	11,459	11,937
Incremental common shares calculated in accordance with the treasury stock method	327	167	270	179

Weighted average common shares used in calculation of diluted earnings per share	11,725	12,112	11,729	12,116

8. SEGMENTED INFORMATION

The Company has one separately reportable segment - broadcasting, which consists of the operations of the Company's radio and television stations. This segment derives its revenue from the sale of broadcast advertising. The reportable segment is a strategic business unit that offers different services and is managed separately. The Company evaluates performance based on earnings before depreciation and amortization and operating earnings. Corporate and other consists of a hotel and the head office functions. Its revenue relates to hotel operations and its other income relates to investment income. Details of segment operations are set out below.

(thousands of dollars)	Broad- casting	Corporate & other	Total	Broad- casting	Corporate & other	Total
	Three months ended September 30			Nine months ended September 30		
2005						
Revenue	$18,501	858	19,359	53,626	2,337	55,963
Other income	-	942	942	-	2,017	2,017
	18,501	1,800	20,301	53,626	4,354	57,980
Operating expenses	13,400	2,740	16,140	37,442	7,273	44,715
Depreciation and amortization	903	57	960	1,903	186	2,089
Operating earnings (loss)	$ 4,198	(997)	3,201	14,281	(3,105)	11,176
Assets employed	$			169,333	28,481	197,814
Goodwill	159	-	159	1,276	-	1,276
Capital expenditures	2,935	15	2,950	6,132	169	6,301
2004						
Revenue	$15,242	878	16,120	45,067	2,393	47,460
Other income	-	285	285	-	1,198	1,198
	15,242	1,163	16,405	45,067	3,591	48,658
Operating expenses	10,905	2,126	13,031	32,213	6,513	38,726
Depreciation and amortization	476	69	545	1,332	234	1,566
Operating earnings (loss)	$ 3,861	(1,032)	2,829	11,522	(3,156)	8,366

Assets employed	$			131,053	18,703	149,756
Capital expenditures	710	18	728	1,449	144	1,593

9. CONTINGENCY AND SUBSEQUENT EVENT

In connection with the disposition of the Company's interest in a container terminal ("Halterm") to the Halterm Income Fund (the "Fund") in May 1997, the Company indemnified Halterm for any material increases in the base rental fee payable by Halterm to the Halifax Port Corporation (now the Halifax Port Authority) for the first ten years of the first lease renewal term which commenced January 1, 2001. The indemnity was only applicable to the extent, if any, that such increases in the base rental fee result in a reduction in distributions to Fund unitholders to a level below that anticipated in the forecast included in the prospectus for the initial public offering of trust units of the Fund. On February 25, 2005 the Fund filed an Originating Notice and Statement of Claim pursuing a claim of $1,800,000 with respect to this indemnity for 2003 and a claim of $2,300,000 for 2004. Thereafter, the Company filed its Statement of Defence. On October 17, 2005, the Company reached a settlement with Halterm for $3,500,000 for all past, present and future claims. As a result of the settlement, the Fund declared a distribution of $0.43 per unit. The Company holds 1,118,400 units and therefore its share of the distribution is $481,000.

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 69 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.

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(NCC.SV.A. NCC.MV.B.)

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