

THE McCLATCHY COMPANY
Reconciliation of GAAP Measures to Non-GAAP Amounts
(In thousands)

Reconciliation of Operating Income (Loss) from Continuing Operations to Operating Cash Flows

	Quarters Ended		Year Ended	
	December 27, 2015	December 28, 2014	December 27, 2015	December 28, 2014
REVENUES - NET:				
Advertising	\$ 177,788	\$ 201,689	\$ 637,415	\$ 731,783
Audience	94,497	95,478	367,858	366,592
Other	13,540	12,924	51,301	48,177
	<u>285,825</u>	<u>310,091</u>	<u>1,056,574</u>	<u>1,146,552</u>
OPERATING EXPENSES:				
Compensation excluding severance charges	90,430	98,768	382,522	406,393
Newsprint, supplements and printing expense	23,792	30,791	95,674	114,801
Other cash operating expenses	101,583	108,676	399,997	414,862
Cash operating expenses excluding severance and other charges	215,805	238,235	878,193	936,056
Severance charges	2,241	485	12,927	5,488
Other charges	5,680	6,594	309,198	9,047
Depreciation and amortization	25,703	23,613	101,595	113,638
Total operating expenses	<u>249,429</u>	<u>268,927</u>	<u>1,301,913</u>	<u>1,064,229</u>
OPERATING INCOME (LOSS)	36,396	41,164	(245,339)	82,323
Add back:				
Depreciation and amortization	25,703	23,613	101,595	113,638
Severance charges	2,241	485	12,927	5,488
Other charges	5,680	6,594	309,198	9,047
OPERATING CASH FLOW	<u>\$ 70,020</u>	<u>\$ 71,856</u>	<u>\$ 178,381</u>	<u>\$ 210,496</u>
OPERATING CASH FLOW MARGIN	24.5%	23.2%	16.9%	18.4%

Reconciliation of Net Income (Loss) from Continuing Operations to Adjusted Net Income

Net Income (Loss) from continuing operations:	\$ 8,830	\$ 303,010	\$ (300,162)	\$ 375,977
Add back certain items, net of tax:				
(Gain) loss on extinguishment of debt	(265)	46,163	(740)	46,163
Loss (Gain) related to equity investment distributions	-	102	-	(88,944)
Gain on sale of equity investments	-	(347,473)	(5,024)	(348,259)
Impairment charges related to equity investments	5,100	4,431	5,100	4,928
Intangible asset impairment charges	2,803	3,146	299,398	3,146
Severance charges	1,367	800	7,905	3,405
Accelerated depreciation on equipment	2,153	(4)	6,158	8,328
Real estate related charges	-	(669)	-	310
Other charges	812	1,464	2,749	2,043
Reversal of interest on tax items	-	-	-	(22)
Certain discrete tax items	(3,548)	-	(3,548)	(119)
Adjusted net income from continuing operations	<u>\$ 17,252</u>	<u>\$ 10,970</u>	<u>\$ 11,836</u>	<u>\$ 6,956</u>