

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		Nine Months Ended	
	September 27, 2015	September 28, 2014	September 27, 2015	September 28, 2014
REVENUES - NET:				
Advertising	\$ 149,860	\$ 169,843	\$ 459,627	\$ 530,094
Audience	89,310	91,344	273,361	271,114
Other	12,041	11,712	37,761	35,253
	<u>251,211</u>	<u>272,899</u>	<u>770,749</u>	<u>836,461</u>
OPERATING EXPENSES:				
Compensation excluding severance charges	92,461	98,496	292,092	307,625
Newsprint, supplements and printing expenses	22,583	27,649	71,882	84,009
Other cash operating expenses	96,517	101,945	298,414	306,182
Cash operating expenses excluding severance and other charges	211,561	228,090	662,388	697,816
Severance charges	2,554	2,099	10,686	5,003
Other charges	1,412	356	303,518	2,458
Depreciation and amortization	27,295	23,804	75,892	90,025
Total operating expenses	<u>242,822</u>	<u>254,349</u>	<u>1,052,484</u>	<u>795,302</u>
OPERATING INCOME / (Loss)	8,389	18,550	(281,735)	41,159
Add back:				
Depreciation and amortization	27,295	23,804	75,892	90,025
Severance charges	2,554	2,099	10,686	5,003
Other charges	1,412	356	303,518	2,458
OPERATING CASH FLOW	<u>\$ 39,650</u>	<u>\$ 44,809</u>	<u>\$ 108,361</u>	<u>\$ 138,645</u>
OPERATING CASH FLOW MARGIN	15.8%	16.4%	14.1%	16.6%

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

Net income / (Loss) from continuing operations:	\$ (1,149)	\$ (2,619)	\$ (308,992)	\$ 72,967
Add back certain items, net of tax:				
Gain on extinguishment of debt	(1,035)	-	(475)	-
Gain related to equity investment distribution	-	-	-	(89,046)
Gain on sale of equity investments	-	(3)	(5,024)	(1,060)
Impairment charge related to equity investment	-	497	-	497
Intangible asset impairment charges	-	-	296,595	-
Pre-closing expenses related to sale of equity investment	-	274	-	274
Severance charges	1,558	970	6,538	2,605
Accelerated depreciation on equipment	2,938	-	4,005	8,332
Real estate related charges	63	-	96	979
Other charges	826	227	1,841	579
Reversal of interest on tax items	-	-	-	(141)
Adjusted net income / (Loss) from continuing operations	<u>\$ 3,201</u>	<u>\$ (654)</u>	<u>\$ (5,416)</u>	<u>\$ (4,014)</u>