

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

Reconciliation of Operating Income from Continuing Operations to Operating Cash Flows

	Quarters Ended		Six Months Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
REVENUES - NET:				
Advertising	\$ 140,900	\$ 158,520	\$ 277,156	\$ 309,767
Audience	90,479	90,842	181,141	184,051
Other	10,855	12,998	21,916	25,720
	242,234	262,360	480,213	519,538
OPERATING EXPENSES:				
Compensation excluding severance and certain other charges	90,552	97,142	188,221	199,631
Newsprint, supplements and printing expense	19,565	24,523	38,597	49,299
Other cash operating expenses excluding certain other charges	92,845	99,227	188,349	201,896
Cash operating expenses excluding severance and other charges	202,962	220,892	415,167	450,826
Severance charges	5,647	3,949	8,652	8,132
Other charges	11,888	301,551	16,142	302,107
Depreciation and amortization	24,430	24,934	48,992	48,597
Total operating expenses	244,927	551,326	488,953	809,662
OPERATING LOSS	(2,693)	(288,966)	(8,740)	(290,124)
Add back:				
Depreciation and amortization	24,430	24,934	48,992	48,597
Severance charges	5,647	3,949	8,652	8,132
Other charges	11,888	301,551	16,142	302,107
	32,965	335,434	73,786	158,836
OPERATING CASH FLOW	\$ 39,272	\$ 41,468	\$ 65,046	\$ 68,712
OPERATING CASH FLOW MARGIN	16.2%	15.8%	13.5%	13.2%
Reconciliation of Net Loss from Continuing Operations to Adjusted Net Income / (Loss)				
Net Loss from continuing operations:	\$ (14,734)	\$ (296,497)	\$ (27,475)	\$ (307,843)
Add back certain items, net of tax:				
Loss / (Gain) on extinguishment of debt	-	560	(974)	560
Impairment charges related to equity investments	-	-	561	-
Intangible asset impairment charges	-	296,595	-	296,595
Gain on sale of equity investments	-	(4,631)	-	(5,024)
Severance charges	3,449	2,418	5,282	4,980
Accelerated depreciation on equipment	2,296	977	4,013	1,067
Loss on pension plan asset sale	706	-	706	-
Real estate related charges	-	33	-	33
Other charges	6,798	675	9,411	1,015
Certain discrete tax items	-	-	(897)	-
Adjusted net income / (loss) from continuing operations	\$ (1,485)	\$ 130	\$ (9,373)	\$ (8,617)