

Newfoundland Capital Corporation Limited

Fourth Quarter 2016

Period Ended December 31 (unaudited)



Dartmouth, N.S. – March 9, 2017, Newfoundland Capital Corporation Limited (the “Company”) today announces its financial results for the fourth quarter ending December 31, 2016.

Highlights

- **Revenue** was \$47.0 million in the fourth quarter, a \$1.5 million or 3% increase over the fourth quarter of 2015. Annual revenue of \$169.5 million was \$4.9 million or 3% higher than last year. Growth was primarily related to higher revenue in the broadcasting segment, particularly the Toronto and Ottawa operations as a result of strong listener ratings in those markets.
- **Earnings before interest, taxes, depreciation and amortization (“EBITDA”⁽¹⁾)** in the fourth quarter of \$16.7 million was \$2.2 million or 15% higher than the same period last year as a result of higher revenue and reduced operating costs in the broadcasting segment. During the fourth quarter, the Company recognized a recovery of \$0.5 million in operating expenses as a result of reduced copyright fees, \$0.3 million of which related to a refund of fees paid in previous periods. Year to date EBITDA of \$51.8 million was \$5.8 million or 13% higher than 2015 due to the revenue growth achieved in the broadcasting segment as well as the recovery of \$2.2 million as a result of reduced copyright fees, \$1.5 million of which related to a refund of tariffs paid in prior years.
- **Profit** for the fourth quarter of \$10.4 million was \$2.5 million higher than the same quarter last year and year to date profit of \$31.0 million was \$8.1 million higher than the prior year, primarily as a result of revenue growth, a recovery of previously paid copyright tariffs, lower interest expense, and a lower effective tax rate.

Significant events

- In December the Board of Directors declared dividends totaling \$0.10 per share, bringing the total dividends declared for 2016 to \$0.20 per share which was an increase of \$0.05 or 33% compared to 2015.

“We achieved record success in 2016 as a result of our ability to grow revenue in spite of modest declines within the industry and certain challenged economic regions” commented Rob Steele, President and Chief Executive Officer. “The Company has also had a keen focus on cost control which will continue in anticipation of persistent economic challenges.”

Financial Highlights – Fourth quarter

<i>(thousands of Canadian dollars, except share information)</i>	Three months ended December 31	
	2016	2015
Revenue	\$ 46,972	45,493
EBITDA ⁽¹⁾	16,696	14,456
Profit ⁽²⁾	10,375	7,916
Earnings per share – basic ⁽²⁾	0.41	0.30
Earnings per share – diluted ⁽²⁾	0.39	0.28
Weighted average number of shares outstanding <i>(in thousands)</i>	25,598	26,619
	December 31 2016	December 31 2015
Share price, NCC.A (closing)	9.76	11.00
Total assets ⁽²⁾	372,663	369,281
Long-term debt, including current portion	129,455	145,908
Shareholders’ equity ⁽²⁾	151,155	136,174

The Company’s annual audited consolidated financial statements along with related notes and the annual Management’s Discussion and Analysis are available on the Company’s website at www.ncc.ca and

www.sedar.com. The Company's Annual Report will be available on the Company's website at www.ncc.ca and www.sedar.com by March 31, 2017.

(1) Non-IFRS Accounting Measure

EBITDA is a measure that is not defined by International Financial Reporting Standards and is not standardized for public issuers. This measure may not be comparable to similar measures presented by other public enterprises. The Company believes this is an important measure because the Company's key decision makers use this measure internally to evaluate the performance of management. The Company's key decision makers also believe certain investors use it as a measure of the Company's financial performance and for valuation purposes. A calculation of this measure is found in the Company's annual Management's Discussion and Analysis.

(2) Restated for change in accounting policy

Profit and earnings per share for the fourth quarter ended December 31, 2015, and total assets and shareholders' equity as at December 31, 2015, have been restated as a result of the retrospective application of a change in accounting policy related to the measurement of deferred income taxes on indefinite life intangible assets. For further details, refer to note 3 of the annual audited consolidated financial statements for the year ended December 31, 2016.

About Newfoundland Capital Corporation Limited

Newfoundland Capital Corporation Limited (TSX: NCC.A, NCC.B) owns and operates Newcap Radio, which is one of Canada's leading radio broadcasters with 95 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. These forward-looking statements are based on current expectations. The use of terminology such as "expect", "intend", "anticipate", "believe", "may", "will", "should", "would", "plan" and other similar terminology relate to, but are not limited to, our objectives, goals, plans, strategies, intentions, outlook and estimates. 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. As a result, there is no guarantee that any forward-looking statements will materialize and readers are cautioned not to place undue reliance on these statements. Unless otherwise required by applicable securities laws, 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.

For further information:

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