## SUMMARY OF 2012 VALUATION UPDATE

In the Confirmation Opinion,[1] the Bankruptcy Court found persuasive Lazard's January 2011 Reorganized Value Analysis and concluded that "the Debtors' Total Distributable Value is … $7.019 billion." Confirmation Opinion at 29.[2] As explained in Exhibit F to the General Disclosure Statement, Lazard's estimate of the total value available for distribution to holders of Allowed Claims, exclusive of Allowed Claims held by Tribune and by direct or indirect subsidiaries of Tribune (the "Distributable Value"), was derived based on (i) a sum-of-the-parts approach of the estimated value of the Reorganized Debtors' publishing, broadcasting and corporate operations on a going concern basis (the "Enterprise Value"), plus (ii) the estimated cash balance at the assumed effective date of the Second Amended Plan ("Distributable Cash"), plus (iii) the value of minority equity investments (the "Other Assets").

In connection with the confirmation of the Third Amended Plan, during February of 2012, the Debtors updated the Bankruptcy Court-approved valuation of $7.019 billion to reflect the impact on value of developments since the January 2011 Reorganized Value Analysis (the "2012 Valuation Update"). The 2012 Valuation Update assumes an Effective Date of the Third Amended Plan of June 30, 2012 (the "Assumed Effective Date"), and is based on updated projections developed and provided by the Debtors' management ("Updated Projections")[3] for 2012-2015 (the "Updated Projection Period"). See Exhibit D to the Supplement. Further, the 2012 Valuation Update uses the same methodology that was employed in the January 2011 Reorganized Value Analysis. A more detailed description of that methodology is set forth in Exhibit F to the General Disclosure Statement. See Exhibit F to the General Disclosure Statement at pp. 2-6. A summary of the 2012 Valuation Update follows.[4]

Pursuant to the 2012 Valuation Update, based on the Updated Projections, the updated Enterprise Value of the Reorganized Debtors is estimated to fall within a range from approximately $2.770 to $3.324 billion, with an approximate mid-point estimate of $3.047 billion as of the Assumed Effective Date. Adding the estimated value of the Other Assets of approximately $2.085 to $2.441 billion (with an approximate mid-point value of $2.263 billion) and the estimated cash balance of approximately $2.061 billion (as of December 25, 2011 and net of certain administrative and priority claims[5]) to the foregoing Enterprise Value range yields

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1 Capitalized terms used but not otherwise defined in this Summary of 2012 Valuation Update shall have the meanings ascribed to such terms in the Supplement.

2 The "Debtors' Total Distributable Value" includes the value of the Debtors' wholly-owned subsidiaries as well as the value of minority equity interests held by the Debtors and their subsidiaries. The Debtors' minority equity interests are generally described in Section II.B.3 of the General Disclosure Statement.

3 The Updated Projections, which are set forth in Exhibit D to the Supplement, are based upon, and are subject to, various assumptions, qualifications and disclaimers set forth in greater detail in Exhibit D to the Supplement.

4 For further information regarding the valuation of the Enterprise Value of the Reorganized Debtors, please refer to Section XI.B of the General Disclosure Statement, Appendix F to the General Disclosure Statement, the valuation-related testimony at the 2011 Confirmation Hearings, and the Bankruptcy Court's Confirmation Opinion.

5 The components of Distributable Cash are estimates and certain items, such as administrative claims (e.g. accrued but unpaid professional fees), which reduce Distributable Cash, may increase over the intervening period of time to the Effective Date. In addition, the estimate of Distributable Cash does not account for certain potential tax and related liabilities for which the Debtors may be liable.

an estimated range of Distributable Value for the Reorganized Debtors from approximately $6.917 billion to $7.826 billion, with an approximate mid-point of $7.372 billion.

Based on total estimated gross debt of $1.1 billion projected as of the Assumed Effective Date, the 2012 Valuation Update's mid-point estimate of Distributable Value reduced by approximately $1.736 billion of cash, assumed to be distributed pursuant to the Third Amended Plan, implies a value for the new equity of the Reorganized Debtors (the "Equity Value") of approximately $4.536 billion as of the Assumed Effective Date.

**1. Enterprise Value of the Reorganized Debtors.**

The Enterprise Value of the Reorganized Debtors principally consists of the value of the Debtors' two main operating segments: publishing and broadcasting.

A. Publishing

In estimating the value of the publishing segment in the January 2011 Reorganized Value Analysis, two valuation methodologies were employed. Seventy percent (70%) of the value was derived using a comparable company analysis (the "Comparable Company Analysis"). A description of that methodology is set forth in Exhibit F to the General Disclosure Statement at pages 3-4. The other thirty percent (30%) of the value was derived pursuant to a discounted cash flow methodology (the "DCF Analysis"), the details of which are discussed in Exhibit F to the General Disclosure Statement at pages 4-5.

In updating the value of the publishing segment in the 2012 Valuation Update, these two methodologies were again used and were weighted in the same manner. The multiples used in the Comparable Company Analysis were updated to reflect market data as of February 16, 2012. Those multiples were then applied to the Company's budget estimate for 2012 resulting in a range of value of approximately $716 to $798 million. Similarly, in the 2012 Valuation Update, the DCF Analysis was updated to reflect the Company's Updated Projections resulting in a range of value of approximately $265 to $354 million.

On a weighted basis, the updated range of value for the publishing segment is estimated to be approximately $581 to $664 million, with an approximate mid-point of $623 million, as of the Assumed Effective Date. This estimate of value is approximately $300 million lower than the value estimated for the publishing segment reflected in the January 2011 Reorganization Value Analysis. This decline in value is principally attributable to and fully consistent with continuing declines in both the publishing industry generally and at Tribune.

B. Broadcasting

In estimating the value of the broadcasting segment in the January 2011 Reorganized Value Analysis, two valuation methodologies were employed. Sixty percent (60%) of the value was derived pursuant to a DCF Analysis, the details of which are discussed in Exhibit F to the General Disclosure Statement at pages 4-5. The other forty percent (40%) of the value was derived using a Comparable Company Analysis. A description of that methodology is set forth in Exhibit F to the General Disclosure Statement at pages 3-4.

In updating the value of the broadcasting segment in February 2012, these two methodologies were again used and were weighted in the same manner. The DCF Analysis was updated to reflect the Company's Updated Projections resulting in a range of value of approximately \$2.645 to \$3.109 billion. The Comparable Company Analysis also was updated using the Company's updated financial forecast for 2012 as well as multiples updated to reflect market data as of February 16, 2012, resulting in a range of value of approximately \$2.621 to \$3.0 billion.

On a weighted basis, the updated range of value for the broadcasting segment is estimated to be approximately \$2.636 to \$3.066 billion, with an approximate mid-point of \$2.851 billion, as of the Assumed Effective Date. This estimate of value is approximately \$350 million higher than the value estimated for the broadcasting segment reflected in the January 2011 Reorganized Value Analysis. This increase in value is principally attributable to the fact that the performance of the broadcasting segment in 2011 exceeded the Company's forecast and there was a slight increase in market multiples.

C. Other Corporate Items

In addition, corporate activities (which represent a cost center), including, for example, corporate expenses, tax settlement payments and remedial income allocation, were valued by capitalizing an assumed run rate expense base by an assumed 9.9% blended discount rate. Additional calculations were performed to incorporate the present value of other cash outflows that are not reflected in corporate EBITDA. The estimated value of corporate activities was added to the cumulative segment enterprise value range to arrive at the estimated range for Enterprise Value.

**2. Other Assets.**

The updated estimated range of value of the Other Assets in the 2012 Valuation Update is approximately \$2.085 to \$2.441 billion (with an approximate mid-point value of \$2.263 billion), which is approximately \$38 million higher than the mid-point of the range of value for the Other Assets set forth in the January 2011 Reorganized Value Analysis. The material investments included in this category are minority interests in TV Food Network, CareerBuilder, LLC and Classified Ventures, LLC. As was explained at the Confirmation Hearing, standard valuation methodologies were used to value the minority equity investments. See Tr. 3/11 at 21:13 - 26:17, 55:7 - 69:8 (Mandava) and 176:18 - 192:20 (Chachas). In updating those value estimates in the 2012 Valuation Update, the same methodologies were used to reflect changes in multiple values as well as updated financial performance. Additionally, consistent with the January 2011 Reorganized Value Analysis, the 2012 Valuation Update gives full valuation to the minority equity investments, without applying any discount based on lack of marketability or control.

**3. Distributable Cash.**

In addition to the assets described above, an estimated cash balance of approximately $2.061 billion as of December 25, 2011 was included to derive the estimated range for Distributable Value, which cash balance is approximately $329 million higher than the estimate set forth in the January 2011 Reorganized Value Analysis. This cash balance includes the proceeds from the completed transaction involving the Chicago Cubs and certain related assets as well as the cash held by wholly-owned non-debtors. In updating the estimated cash balance, the 2012 Valuation Update used the same methodology as was employed in the January 2011 Reorganized Value Analysis.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES DONE IN UPDATING THE JANUARY 2011 REORGANIZED VALUE ANALYSIS. THE PREPARATION OF SUCH ANALYSES INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT DATA TO UTILIZE AND, THEREFORE, SUCH ESTIMATES ARE NOT READILY SUITABLE TO SUMMARY DESCRIPTION. IN PERFORMING THESE ANALYSES, NUMEROUS ASSUMPTIONS WERE MADE WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS AND OTHER MATTERS. FURTHER, THE ANALYSES WERE BASED ON THE DEBTORS' BEST ESTIMATES OF FUTURE FINANCIAL PERFORMANCE. FOR THESE REASONS AS WELL AS THE OTHER LIMITING FACTORS IDENTIFIED IN EXHIBIT F TO THE GENERAL DISCLOSURE STATEMENT, THE UPDATED VALUATION ESTIMATES ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE SUGGESTED BY SUCH ANALYSES. THE ABOVE SUMMARY IS ALSO SUBJECT TO THE VARIOUS QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS SET FORTH IN EXHIBIT F TO THE GENERAL DISCLOSURE STATEMENT (WHICH ARE HEREBY INCORPORATED BY REFERENCE).