

A. H. Belo Corporation
Consolidated Statements of Operations

In thousands, except per share amounts (unaudited)	<i>Three months ended December 31,</i>		<i>Twelve months ended December 31,</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
Net Operating Revenues				
Advertising and marketing services	\$ 71,850	\$ 79,587	\$ 258,223	\$ 282,621
Circulation	33,851	35,192	136,506	139,892
Printing and distribution	11,487	10,073	45,317	38,990
Total net operating revenues	117,188	124,852	440,046	461,503
Operating Costs and Expenses				
Salaries, wages and employee benefits	45,078	44,186	177,070	187,738
Other production, distribution and operating costs	44,297	44,066	167,132	174,942
Newsprint, ink and other supplies	16,073	15,890	61,315	60,081
Depreciation	5,798	7,202	27,478	30,427
Amortization	1,310	1,309	5,239	5,239
Asset impairments	2,444	6,500	2,444	6,500
Pension plan withdrawal	—	—	—	1,988
Total operating costs and expenses	115,000	119,153	440,678	466,915
Net income (loss) from operations	2,188	5,699	(632)	(5,412)
Other Income (Expense), Net				
Other income (expense), net	991	(2,318)	3,413	159
Interest expense	(124)	(158)	(630)	(669)
Total other income (expense), net	867	(2,476)	2,783	(510)
Income (Loss) Before Income Taxes	3,055	3,223	2,151	(5,922)
Income tax expense	446	472	1,732	5,011
Net Income (Loss)	2,609	2,751	419	(10,933)
Net loss attributable to noncontrolling interests	(65)	—	(107)	—
Net Income (Loss) Attributable to A. H. Belo Corporation	\$ 2,674	\$ 2,751	\$ 526	\$ (10,933)
Per Share Basis				
Net income (loss) attributable to A. H. Belo Corporation				
Basic	\$ 0.11	\$ 0.12	\$ 0.01	\$ (0.51)
Diluted	\$ 0.11	\$ 0.12	\$ 0.01	\$ (0.51)
Weighted average shares outstanding				
Basic	22,000	22,570	21,948	21,496
Diluted	22,101	22,740	22,066	21,496

A. H. Belo Corporation
Condensed Consolidated Balance Sheets

In thousands (unaudited)	<i>December 31,</i>	
	<i>2012</i>	<i>2011</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 34,094	\$ 57,440
Accounts receivable, net	46,964	50,533
Other current assets	18,079	20,225
Total current assets	99,137	128,198
Property, plant and equipment, net	144,609	163,418
Intangible assets, net	36,293	41,532
Other assets	11,900	11,940
Total assets	\$ 291,939	\$ 345,088
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 15,178	\$ 18,062
Accrued expenses	26,012	30,167
Advance subscription payments	20,708	22,491
Total current liabilities	61,898	70,720
Long-term pension liabilities	122,821	145,980
Other liabilities	5,160	6,909
Total shareholders' equity	102,060	121,479
Total liabilities and shareholders' equity	\$ 291,939	\$ 345,088

A. H. Belo Corporation
Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA

In thousands (unaudited)	<i>Three months ended December 31,</i>		<i>Twelve months ended December 31,</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
Net income (loss) attributable to A. H. Belo Corporation	\$ 2,674	\$ 2,751	\$ 526	\$ (10,933)
Depreciation and amortization	7,108	8,511	32,717	35,666
Interest expense	124	158	630	669
Income tax expense	446	472	1,732	5,011
EBITDA	<u>10,352</u>	<u>11,892</u>	<u>35,605</u>	<u>30,413</u>
Addback:				
Pension expense	849	1,248	3,746	8,161
Impairments	2,444	6,500	2,444	6,500
Net investment-related losses	—	2,634	—	2,634
Adjusted EBITDA	<u>\$ 13,645</u>	<u>\$ 22,274</u>	<u>\$ 41,795</u>	<u>\$ 47,708</u>

EBITDA is calculated by adding depreciation and amortization, interest expense and income tax expense recorded to net income (loss). Adjusted EBITDA is calculated by adding pension expense, non-cash impairment expense and net investment-related losses recorded to EBITDA.

Neither EBITDA nor Adjusted EBITDA is a measure of financial performance under generally accepted accounting principles ("GAAP"). Management uses EBITDA, Adjusted EBITDA and similar measures in internal analyses as a supplemental measure of the Company's financial performance and to assist with determining bonus achievement, performance comparisons against its peer group of companies, as well as capital spending and other investing decisions. EBITDA or similar measures are also common alternative measures of performance used by investors, financial analysts and rating agencies to evaluate financial performance. Neither EBITDA nor Adjusted EBITDA should be considered in isolation or as a substitute for cash flows provided by operating activities or other income or cash flow data prepared in accordance with GAAP, and these non-GAAP measures may not be comparable to similarly-titled measures of other companies.