

## A. H. Belo Corporation

### Condensed Consolidated Statements of Operations

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
<b>Net Operating Revenue</b>				
Advertising and marketing services	\$ 36,941	\$ 40,402	\$ 114,918	\$ 122,288
Circulation	21,219	21,787	63,458	64,024
Printing and distribution	7,763	5,284	21,200	16,390
Total net operating revenue	65,923	67,473	199,576	202,702
<b>Operating Costs and Expense</b>				
Employee compensation and benefits	24,265	27,070	78,151	83,608
Other production, distribution and operating costs	29,846	28,511	87,930	85,640
Newsprint, ink and other supplies	7,910	8,370	24,012	25,484
Depreciation	3,341	3,661	10,099	11,504
Amortization	61	29	121	89
Total operating costs and expense	65,423	67,641	200,313	206,325
Income (loss) from operations	500	(168)	(737)	(3,623)
<b>Other Income (Expense), Net</b>				
Gains (losses) on equity method investments, net	(953)	723	17,206	1,818
Interest income (expense)	—	108	—	(311)
Other income, net	3,878	152	4,136	116
Total other income, net	2,925	983	21,342	1,623
<b>Income (Loss) from Continuing Operations Before Income Taxes</b>	3,425	815	20,605	(2,000)
Income tax provision	1,156	384	3,475	1,373
<b>Income (Loss) from Continuing Operations</b>	2,269	431	17,130	(3,373)
Income (loss) from discontinued operations	643	87	3,766	(3,202)
Gain related to the divestiture of discontinued operations, net	17,134	4,746	17,109	4,746
Tax expense (benefit) from discontinued operations	1,652	(5)	1,698	(138)
<b>Gain from Discontinued Operations, Net</b>	16,125	4,838	19,177	1,682
<b>Net Income (Loss)</b>	18,394	5,269	36,307	(1,691)
Net loss attributable to noncontrolling interests	(50)	(52)	(80)	(171)
<b>Net Income (Loss) Attributable to A. H. Belo Corporation</b>	\$ 18,444	\$ 5,321	\$ 36,387	\$ (1,520)
<b>Per Share Basis</b>				
<b>Basic and Diluted</b>				
Continuing operations	\$ 0.10	\$ 0.02	\$ 0.74	\$ (0.15)
Discontinued operations	0.74	0.22	0.87	0.07
Net income (loss) attributable to A. H. Belo Corporation	\$ 0.84	\$ 0.24	\$ 1.61	\$ (0.08)
<b>Weighted average shares outstanding</b>				
Basic	21,890,754	21,943,876	21,927,920	22,005,705
Diluted	21,991,716	22,069,511	22,039,248	22,005,705

**A. H. Belo Corporation**  
**Condensed Consolidated Balance Sheets**

<i>In thousands (unaudited)</i>	<u>September 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 108,063	\$ 82,193
Accounts receivable, net	25,095	32,270
Other current assets	15,204	11,246
Assets of discontinued operations	875	42,716
Total current assets	<u>149,237</u>	<u>168,425</u>
Property, plant and equipment, net	66,825	74,863
Intangible assets, net	25,315	24,823
Other assets	11,506	11,107
Total assets	<u>\$ 252,883</u>	<u>\$ 279,218</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 11,929	\$ 13,717
Accrued expenses and other current liabilities	16,972	14,275
Advance subscription payments	14,416	14,842
Liabilities of discontinued operations	995	11,538
Total current liabilities	<u>44,312</u>	<u>54,372</u>
Long-term pension liabilities	37,500	50,082
Other liabilities	6,553	5,988
Total shareholders' equity	<u>164,518</u>	<u>168,776</u>
Total liabilities and shareholders' equity	<u>\$ 252,883</u>	<u>\$ 279,218</u>

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

<i>In thousands (unaudited)</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
<b>Net Income (Loss) Attributable to A. H. Belo Corporation</b>	\$ 18,444	\$ 5,321	\$ 36,387	\$ (1,520)
Less: Gain from discontinued operations, net	16,125	4,838	19,177	1,682
Plus: Net loss attributable to noncontrolling interests	(50)	(52)	(80)	(171)
Income (Loss) from Continuing Operations	2,269	431	17,130	(3,373)
Depreciation and amortization	3,402	3,690	10,220	11,593
Interest expense (income)	—	(108)	—	311
Income tax provision	1,156	384	3,475	1,373
<b>EBITDA from Continuing Operations</b>	<b>6,827</b>	<b>4,397</b>	<b>30,825</b>	<b>9,904</b>
Addback:				
Net investment-related gains	(2,603)	—	(20,148)	—
<b>Adjusted EBITDA from Continuing Operations</b>	<b>\$ 4,224</b>	<b>\$ 4,397</b>	<b>\$ 10,677</b>	<b>\$ 9,904</b>

The Company evaluates earnings before interest, taxes, depreciation and amortization (“EBITDA”) which is presented for continuing operations by adjusting for discontinued operations and losses attributable to noncontrolling interests. Adjusted EBITDA is calculated, as applicable, by adding back to EBITDA non-cash impairment expense and net investment-related gains and losses. The Company adjusted EBITDA for an \$18,479 gain on the sale of *apartments.com* by Classified Ventures in the second quarter of 2014 and for \$3,540 of income associated with an economic parity payment related to its ownership of Classified Ventures in the third quarter of 2014, offset by other-than-temporary impairments of \$934 and \$937 in the first and third quarters of 2014, respectively, for the Company’s investment in Wanderful Media.

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 supplemental measures of the Company’s financial performance, and for performance comparisons against its peer group of companies. Adjusted EBITDA is also used by management to evaluate the cash flows available for capital spending, investing, pension contributions (required and voluntary), dividends and other equity-related transactions. 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.

In previous periods, the Company added back pension expense in the determination of Adjusted EBITDA. Management reassessed this measurement and no longer excludes pension expense from Adjusted EBITDA.