

A. H. Belo Corporation
Condensed Consolidated Statements of Operations

<i>In thousands, except per share amounts (unaudited)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net operating revenues				
Advertising and marketing services	\$ 62,123	\$ 65,229	\$ 186,373	\$ 203,034
Circulation	34,243	34,749	102,655	104,699
Printing and distribution	12,515	10,012	33,830	28,918
Total net operating revenues	<u>108,881</u>	<u>109,990</u>	<u>322,858</u>	<u>336,651</u>
Operating costs and expenses				
Salaries, wages and employee benefits	43,364	44,958	131,992	143,552
Other production, distribution and operating costs	40,614	41,996	122,835	130,875
Newsprint, ink and other supplies	15,899	14,618	45,242	44,192
Depreciation	6,219	7,386	21,680	23,225
Amortization	1,309	1,310	3,929	3,930
Pension plan withdrawal	-	-	-	1,988
Total operating costs and expenses	<u>107,405</u>	<u>110,268</u>	<u>325,678</u>	<u>347,762</u>
Income (loss) from operations	1,476	(278)	(2,820)	(11,111)
Other income (expense), net				
Other income, net	594	764	2,422	2,475
Interest expense	(128)	(132)	(506)	(510)
Total other income (expense), net	<u>466</u>	<u>632</u>	<u>1,916</u>	<u>1,965</u>
Earnings				
Income (loss) before income taxes	1,942	354	(904)	(9,146)
Income tax expense	501	489	1,286	4,538
Net income (loss)	1,441	(135)	(2,190)	(13,684)
Net loss attributable to noncontrolling interests	(42)	-	(42)	-
Net income (loss) attributable to A. H. Belo Corporation	<u>\$ 1,483</u>	<u>\$ (135)</u>	<u>\$ (2,148)</u>	<u>\$ (13,684)</u>
Net income (loss) per share attributable to A. H. Belo Corporation				
Basic	\$ 0.07	\$ (0.01)	\$ (0.10)	\$ (0.64)
Diluted	\$ 0.06	\$ (0.01)	\$ (0.10)	\$ (0.64)
Average shares outstanding:				
Basic	22,807	21,534	21,850	21,477
Diluted	22,928	21,534	21,850	21,477

A. H. Belo Corporation
Condensed Consolidated Balance Sheets

<i>In thousands</i>	September 30, 2012 <i>(unaudited)</i>	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 41,008	\$ 57,440
Accounts receivable, net	40,573	50,533
Other current assets	19,476	20,225
Total current assets	101,057	128,198
Property, plant and equipment, net	148,278	163,418
Intangible assets, net	37,603	41,532
Other assets	12,939	11,940
Total assets	\$ 299,877	\$ 345,088
Liabilities		
Current liabilities		
Accounts payable	\$ 11,985	\$ 18,062
Accrued expenses	28,067	30,167
Advance subscription payments	20,520	22,491
Total current liabilities	60,572	70,720
Pension liabilities	117,083	145,980
Other liabilities	5,597	6,909
Shareholders' Equity		
A. H. Belo Corporation	116,540	121,479
Noncontrolling interests	85	-
Total liabilities and shareholders' equity	\$ 299,877	\$ 345,088

A. H. Belo Corporation
Reconciliation of EBITDA and Adjusted EBITDA

<i>In thousands (unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Net income (loss) attributable to A. H. Belo Corporation	\$ 1,483	\$ (135)	\$ (2,148)	\$ (13,684)
Addback:				
Depreciation and amortization	7,528	8,696	25,609	27,155
Interest expense	128	132	506	510
Income tax expense	501	489	1,286	4,538
EBITDA (1)	<u>9,640</u>	<u>9,182</u>	<u>25,253</u>	<u>18,519</u>
Addback:				
Pension expense	849	1,598	2,897	6,913
Adjusted EBITDA (1)	<u>\$ 10,489</u>	<u>\$ 10,780</u>	<u>\$ 28,150</u>	<u>\$ 25,432</u>

- (1) EBITDA is calculated by adding depreciation and amortization, interest expense and income tax expense recorded to net income (loss) attributable to A. H. Belo Corporation. 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 GAAP. Management uses EBITDA, Adjusted EBITDA and similar measures in internal analyses as supplemental measures of the Company's financial performance and to assist with performance comparisons against its peer group of companies and for operating 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.