

A. H. Belo Corporation
Condensed Consolidated Statements of Operations

<i>In thousands, except per share amounts (unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Net operating revenues				
Advertising	\$ 64,173	\$ 69,869	\$ 124,250	\$ 137,805
Circulation	33,757	34,899	68,412	69,950
Printing and distribution	11,213	9,718	21,315	18,906
Total net operating revenues	<u>109,143</u>	<u>114,486</u>	<u>213,977</u>	<u>226,661</u>
Operating costs and expenses				
Salaries, wages and employee benefits	42,623	48,099	88,628	98,594
Other production, distribution and operating costs	41,525	43,228	82,221	88,879
Newsprint, ink and other supplies	15,371	15,071	29,343	29,573
Depreciation	8,348	8,256	15,461	15,839
Amortization	1,310	1,310	2,620	2,620
Pension plan withdrawal	-	1,988	-	1,988
Total operating costs and expenses	<u>109,177</u>	<u>117,952</u>	<u>218,273</u>	<u>237,493</u>
Loss from operations	(34)	(3,466)	(4,296)	(10,832)
Other (expense) income, net				
Other income, net	921	446	1,828	1,711
Interest expense	(242)	(172)	(378)	(378)
Total other (expense) income, net	<u>679</u>	<u>274</u>	<u>1,450</u>	<u>1,333</u>
Earnings				
Income (loss) before income taxes	645	(3,192)	(2,846)	(9,499)
Income tax expense	383	3,630	785	4,049
Net income (loss)	<u>\$ 262</u>	<u>\$ (6,822)</u>	<u>\$ (3,631)</u>	<u>\$ (13,548)</u>
Net income (loss) per share:				
Basic and diluted	\$ 0.01	\$ (0.32)	\$ (0.17)	\$ (0.63)
Average shares outstanding:				
Basic	22,793	21,512	21,795	21,448
Diluted	22,916	21,512	21,795	21,448

A. H. Belo Corporation
Condensed Consolidated Balance Sheets

<i>In thousands (unaudited)</i>	June 30, 2012	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 41,239	\$ 57,440
Accounts receivable, net	38,757	50,533
Other current assets	20,890	20,225
Total current assets	100,886	128,198
Property, plant and equipment, net	151,957	163,418
Intangible assets, net	38,913	41,532
Other assets	11,768	11,940
Total assets	\$ 303,524	\$ 345,088
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 12,777	\$ 18,062
Accrued expenses	25,139	30,167
Advance subscription payments	22,026	22,491
Total current liabilities	59,942	70,720
Pension liabilities	121,958	145,980
Other liabilities	5,405	6,909
Total shareholders' equity	116,219	121,479
Total liabilities and shareholders' equity	\$ 303,524	\$ 345,088

A. H. Belo Corporation

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA

<i>In thousands (unaudited)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2012	2011	2012	2011
AS REPORTED				
Net income (loss)	\$ 262	\$ (6,822)	\$ (3,631)	\$ (13,548)
Addback:				
Depreciation and amortization	9,658	9,566	18,081	18,459
Interest expense	242	172	378	378
Income tax expense	383	3,630	785	4,049
EBITDA (1)	<u>10,545</u>	<u>6,546</u>	<u>15,613</u>	<u>9,338</u>
Addback:				
Pension expense	1,012	3,630	2,048	5,315
Adjusted EBITDA (1)	<u>\$ 11,557</u>	<u>\$ 10,176</u>	<u>\$ 17,661</u>	<u>\$ 14,653</u>

- (1) 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, as applicable, 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.