

A. H. Belo Corporation
Condensed Consolidated Statements of Operations

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Three Months Ended March 31,</i>	
	<i>2014</i>	<i>2013</i>
Net Operating Revenue		
Advertising and marketing services	\$ 46,860	\$ 49,214
Circulation	29,347	28,944
Printing and distribution	9,379	8,582
Total net operating revenue	<u>85,586</u>	<u>86,740</u>
Operating Costs and Expense		
Employee compensation and benefits	36,837	39,342
Other production, distribution and operating costs	34,525	34,905
Newsprint, ink and other supplies	11,706	12,049
Depreciation	4,062	4,813
Amortization	1,123	1,123
Total operating costs and expense	<u>88,253</u>	<u>92,232</u>
Loss from operations	(2,667)	(5,492)
Other Income (Expense), Net		
Gains (losses) on equity method investments, net	(408)	549
Interest expense	(1)	(411)
Other income (loss), net	118	(104)
Total other income (expense), net	<u>(291)</u>	<u>34</u>
Loss from Continuing Operations Before Income Taxes	(2,958)	(5,458)
Income tax provision	907	436
Loss from Continuing Operations	<u>(3,865)</u>	<u>(5,894)</u>
Loss from discontinued operations	—	(2,199)
Gain (loss) related to the divestiture of discontinued operations, net	(178)	—
Tax benefit from discontinued operations	—	(17)
Loss from Discontinued Operations, Net	<u>(178)</u>	<u>(2,182)</u>
Net Loss	(4,043)	(8,076)
Net loss attributable to noncontrolling interests	(6)	(54)
Net Loss Attributable to A. H. Belo Corporation	<u>\$ (4,037)</u>	<u>\$ (8,022)</u>
Per Share Basis		
Basic and Diluted		
Continuing operations	\$ (0.18)	\$ (0.27)
Discontinued operations	(0.01)	(0.10)
Net loss attributable to A. H. Belo Corporation	<u>\$ (0.19)</u>	<u>\$ (0.37)</u>
Weighted average shares outstanding		
Basic and Diluted	21,918,800	22,032,803

A. H. Belo Corporation
Condensed Consolidated Balance Sheets

<i>In thousands (unaudited)</i>	<i>March 31,</i> <i>2014</i>	<i>December 31,</i> <i>2013</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 82,540	\$ 82,193
Accounts receivable, net	32,606	41,174
Other current assets	21,092	15,685
Assets of discontinued operations	778	1,633
Total current assets	<u>137,016</u>	<u>140,685</u>
Property, plant and equipment, net	94,257	97,112
Intangible assets, net	28,801	29,924
Other assets	10,902	11,497
Total assets	<u><u>\$ 270,976</u></u>	<u><u>\$ 279,218</u></u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 14,950	\$ 15,488
Accrued expenses	18,126	17,640
Advance subscription payments	19,748	19,184
Liabilities of discontinued operations	628	2,028
Total current liabilities	<u>53,452</u>	<u>54,340</u>
Long-term pension liabilities	47,257	50,082
Other liabilities	6,592	6,020
Total shareholders' equity	<u>163,675</u>	<u>168,776</u>
Total liabilities and shareholders' equity	<u><u>\$ 270,976</u></u>	<u><u>\$ 279,218</u></u>

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

<i>In thousands (unaudited)</i>	<i>Three Months Ended March 31,</i>	
	<i>2014</i>	<i>2013</i>
Net Loss Attributable to A. H. Belo Corporation	\$ (4,037)	\$ (8,022)
Less: Loss from discontinued operations, net	(178)	(2,182)
Plus: Net loss attributable to noncontrolling interests	(6)	(54)
Loss from Continuing Operations	(3,865)	(5,894)
Depreciation and amortization	5,185	5,936
Interest expense	1	411
Income tax provision	907	436
EBITDA from Continuing Operations	\$ 2,228	\$ 889
Addback:		
Net investment-related losses	\$ 934	\$ —
Adjusted EBITDA from Continuing Operations	\$ 3,162	\$ 889

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 losses.

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.