

A. H. Belo Corporation
Condensed Consolidated Statements of Operations

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Three Months Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Net Operating Revenue				
Advertising and marketing services	\$ 61,808	\$ 64,173	\$ 119,542	\$ 124,250
Circulation	32,988	33,757	65,132	68,412
Printing and distribution	9,716	11,213	19,110	21,315
Total net operating revenue	104,512	109,143	203,784	213,977
Operating Costs and Expense				
Salaries, wages and employee benefits	40,713	42,623	85,750	88,628
Other production, distribution and operating costs	41,483	41,525	82,564	82,221
Newsprint, ink and other supplies	14,295	15,371	28,209	29,343
Depreciation	5,781	8,348	11,503	15,461
Amortization	1,340	1,310	2,680	2,620
Total operating costs and expense	103,612	109,177	210,706	218,273
Net income (loss) from operations	900	(34)	(6,922)	(4,296)
Other Income (Expense), Net				
Other income, net	661	921	1,237	1,828
Interest expense	(8)	(242)	(419)	(378)
Total other income (expense), net	653	679	818	1,450
Income (Loss) Before Income Taxes	1,553	645	(6,104)	(2,846)
Income tax expense	437	383	856	785
Net Income (Loss)	1,116	262	(6,960)	(3,631)
Net loss attributable to noncontrolling interests	(65)	—	(119)	—
Net Income (Loss) Attributable to A. H. Belo Corporation	\$ 1,181	\$ 262	\$ (6,841)	\$ (3,631)

Per Share Basis

Net income (loss) attributable to A. H. Belo Corporation				
Basic and diluted	\$ 0.05	\$ 0.01	\$ (0.31)	\$ (0.17)
Weighted average shares outstanding				
Basic	22,041	22,794	22,037	21,795
Diluted	22,135	22,916	22,037	21,795

A. H. Belo Corporation
Condensed Consolidated Balance Sheets

<i>In thousands (unaudited)</i>	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,851	\$ 34,094
Accounts receivable, net	39,890	46,964
Other current assets	41,413	18,079
Total current assets	<u>114,154</u>	<u>99,137</u>
Property, plant and equipment, net	111,947	144,609
Intangible assets, net	33,975	36,293
Other assets	13,610	11,900
Total assets	<u>\$ 273,686</u>	<u>\$ 291,939</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 14,418	\$ 15,178
Accrued expenses	21,410	26,012
Advance subscription payments	20,801	20,708
Total current liabilities	<u>56,629</u>	<u>61,898</u>
Long-term pension liabilities	118,702	122,821
Other liabilities	5,711	5,160
Total shareholders' equity	<u>92,644</u>	<u>102,060</u>
Total liabilities and shareholders' equity	<u>\$ 273,686</u>	<u>\$ 291,939</u>

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

<i>In thousands (unaudited)</i>	<i>Three Months Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Net income (loss) attributable to A. H. Belo Corporation	\$ 1,181	\$ 262	\$ (6,841)	\$ (3,631)
Depreciation and amortization	7,121	9,658	14,183	18,081
Interest expense	8	242	419	378
Income tax expense	437	383	856	785
EBITDA	\$ 8,747	\$ 10,545	\$ 8,617	\$ 15,613

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 the recorded loss from withdrawal from the G. B. Dealey Retirement Pension Plan, non-cash impairment expense and net investment-related losses to EBITDA. For the periods presented above, there were no transactions related to the withdrawal from the G. B. Dealey Retirement Pension Plan, non-cash impairment expense or net investment-related losses and, accordingly, EBITDA and Adjusted EBITDA are the same for each period.

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, 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 the entire recorded pension expense in the determination of Adjusted EBITDA, including both recurring pension expense and the loss from withdrawal from the G. B. Dealey Retirement Pension Plan. Management reassessed this measurement and determined it is more appropriate to consider only the non-recurring loss from withdrawal from the G. B. Dealey Retirement Pension Plan as an add-back to determine Adjusted EBITDA. Accordingly, all periods for which Adjusted EBITDA is presented exclude an adjustment for recurring pension expense.