

## 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>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
<b>Net Operating Revenue</b>				
Advertising and marketing services	\$ 49,785	\$ 52,095	\$ 151,561	\$ 156,350
Circulation	30,603	30,942	89,277	92,644
Printing and distribution	9,773	9,222	27,258	26,228
Total net operating revenue	90,161	92,259	268,096	275,222
<b>Operating Costs and Expense</b>				
Salaries, wages and employee benefits	35,914	37,462	110,689	113,762
Other production, distribution and operating costs	34,713	33,755	104,805	102,392
Newsprint, ink and other supplies	12,803	12,508	37,132	36,443
Depreciation	4,371	4,790	14,053	16,648
Amortization	1,122	1,092	3,368	3,278
Total operating costs and expense	88,923	89,607	270,047	272,523
Income (loss) from operations	1,238	2,652	(1,951)	2,699
<b>Other Income (Expense), Net</b>				
Other income, net	1,131	567	2,190	2,381
Interest income (expense)	108	(128)	(311)	(506)
Total other income (expense), net	1,239	439	1,879	1,875
<b>Income (Loss) from Continuing Operations Before Income Taxes</b>	2,477	3,091	(72)	4,574
Income tax expense	392	523	1,284	1,342
<b>Income (Loss) from Continuing Operations</b>	2,085	2,568	(1,356)	3,232
Loss from discontinued operations	(1,575)	(1,149)	(5,130)	(5,478)
Gain related to the divestiture of discontinued operations	4,746	—	4,746	—
Tax benefit from discontinued operations	13	22	49	56
<b>Income (Loss) from Discontinued Operations</b>	3,184	(1,127)	(335)	(5,422)
Net Income (Loss)	5,269	1,441	(1,691)	(2,190)
Net loss attributable to noncontrolling interests	(52)	(42)	(171)	(42)
<b>Net Income (Loss) Attributable to A. H. Belo Corporation</b>	\$ 5,321	\$ 1,483	\$ (1,520)	\$ (2,148)
<b>Per Share Basis</b>				
<b>Basic</b>				
Continuing operations	\$ 0.09	\$ 0.11	\$ (0.06)	\$ 0.15
Discontinued operations	0.15	(0.04)	(0.02)	(0.25)
Net income (loss) attributable to A. H. Belo Corporation	\$ 0.24	\$ 0.07	\$ (0.08)	\$ (0.10)
<b>Diluted</b>				
Continuing operations	\$ 0.09	\$ 0.11	\$ (0.06)	\$ 0.15
Discontinued operations	0.14	(0.05)	(0.02)	(0.25)
Net income (loss) attributable to A. H. Belo Corporation	\$ 0.23	\$ 0.06	\$ (0.08)	\$ (0.10)
<b>Weighted average shares outstanding</b>				
Basic	21,944	22,808	22,006	21,850
Diluted	22,070	22,928	22,006	21,850

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

<i>In thousands (unaudited)</i>	<i>September 30,</i> <i>2013</i>	<i>December 31,</i> <i>2012</i>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 56,436	\$ 34,094
Accounts receivable, net	34,375	39,212
Other current assets	15,764	15,628
Assets of discontinued operations	18,347	48,402
Total current assets	124,922	137,336
Property, plant and equipment, net	99,567	108,854
Intangible assets, net	31,048	34,055
Other assets	15,037	11,694
Total assets	<u>\$ 270,574</u>	<u>\$ 291,939</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 15,376	\$ 13,635
Accrued expenses	18,335	22,824
Advance subscription payments	19,562	17,693
Liabilities of discontinued operations	7,153	7,781
Total current liabilities	60,426	61,933
Long-term pension liabilities	108,146	122,821
Other liabilities	6,281	5,125
Total shareholders' equity	95,721	102,060
Total liabilities and shareholders' equity	<u>\$ 270,574</u>	<u>\$ 291,939</u>

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

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
<b>Net Income (Loss) Attributable to A. H. Belo Corporation</b>	\$ 5,321	\$ 1,483	\$ (1,520)	\$ (2,148)
Less: Net Income (Loss) from Discontinued Operations	3,184	(1,127)	(335)	(5,422)
Plus: Net loss attributable to noncontrolling interests	(52)	(42)	(171)	(42)
Income (Loss) from Continuing Operations	2,085	2,568	(1,356)	3,232
Depreciation and amortization	5,493	5,882	17,421	19,926
Interest (income) expense	(108)	128	311	506
Income tax expense	392	523	1,284	1,342
<b>EBITDA from continuing operations</b>	<u>\$ 7,862</u>	<u>\$ 9,101</u>	<u>\$ 17,660</u>	<u>\$ 25,006</u>

EBITDA is presented for continuing operations by adjusting Net Income (Loss) Attributable to A. H. Belo Corporation for Income (Loss) from Discontinued Operations and Net loss attributable to noncontrolling interest, and by adding depreciation and amortization, interest expense and income tax expense. Adjusted EBITDA is calculated, as applicable, by adding back the 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, no adjustments were made 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 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 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.