

Citi Global Internet, Media & Telecommunications Conference

January 7, 2013



A. H. BELO CORPORATION

Robert Dechard

Chairman of the Board, President and Chief Executive Officer



A. H. BELO CORPORATION

Safe Harbor Statement

Safe Harbor Statement: Statements in this presentation concerning A. H. Belo Corporation's (the "Company's") business outlook or future economic performance, anticipated profitability, revenues, expenses, dividends, capital expenditures, investments, impairments, pension plan contributions, real estate sales, share repurchases, future financings, and other financial and non-financial items that are not historical facts, are "forward-looking statements" as the term is defined under applicable federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those statements.

Such risks, uncertainties and factors include, but are not limited to, changes in capital market conditions and prospects, and other factors such as changes in advertising demand and newsprint prices; newspaper circulation trends and other circulation matters, including changes in readership methods, patterns and demography, and audits and related actions by the Audit Bureau of Circulations; challenges implementing increased subscription pricing and new pricing structures; challenges in achieving expense reduction goals, and on schedule, and the resulting potential effects on operations; technological changes; development of Internet commerce; industry cycles; changes in pricing or other actions by existing and new competitors and suppliers; labor relations; regulatory, tax and legal changes; adoption of new accounting standards or changes in existing accounting standards by the Financial Accounting Standards Board or other accounting standard-setting bodies or authorities; the effects of Company acquisitions, dispositions, co-owned ventures, and investments; pension plan matters; general economic conditions and changes in interest rates; significant armed conflict; and other factors beyond our control, as well as other risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and other public disclosures and filings with the Securities and Exchange Commission.

Non-GAAP Measures: This presentation includes non-GAAP financial measures. The Company uses non-GAAP financial measures in internal analyses as supplemental measures of the Company's financial performance and to assist with performance comparisons to its peer group of companies, as well as capital spending and other investing decisions. Non-GAAP measures are also common alternative measures of performance used by investors, financial analysts and rating agencies to evaluate financial performance. Non-GAAP measures should not 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. Non-GAAP measures presented herein may not be comparable to similarly-titled measures of other companies. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are provided herein, in the Company's September 30, 2012 press release, and on the Company's website (ahbelo.com) under the Investor Relations section.

Circulation Measures: Circulation numbers contained in this presentation are Company estimates.

Today's Agenda

- Context for Discussion
- Operating Update
- Financial Update
- Real Estate Update
- Questions and Answers

A. H. Belo Participants

- Robert Decherd, Chairman, President and Chief Executive Officer
- Alison Engel, Senior Vice President / Chief Financial Officer and Treasurer
- David Gross, Vice President / Financial Planning and Strategic Analysis

Context for Today's Discussion

- Our strong balance sheet and the Board's confidence in the Company's cash generation have allowed us to begin returning capital to shareholders at a significant level. The recent special dividend and share repurchase authority, together with potential regular dividend increases in the future, reflect this priority
- Our innovative operating strategy focuses on diversifying and stabilizing revenue streams, running cost-efficient operations, and generating cash
- Our pension plans remain underfunded, primarily due to stubbornly low interest rates. However, proactive actions are underway to de-risk the plans and make progress toward termination

Context for Today's Discussion

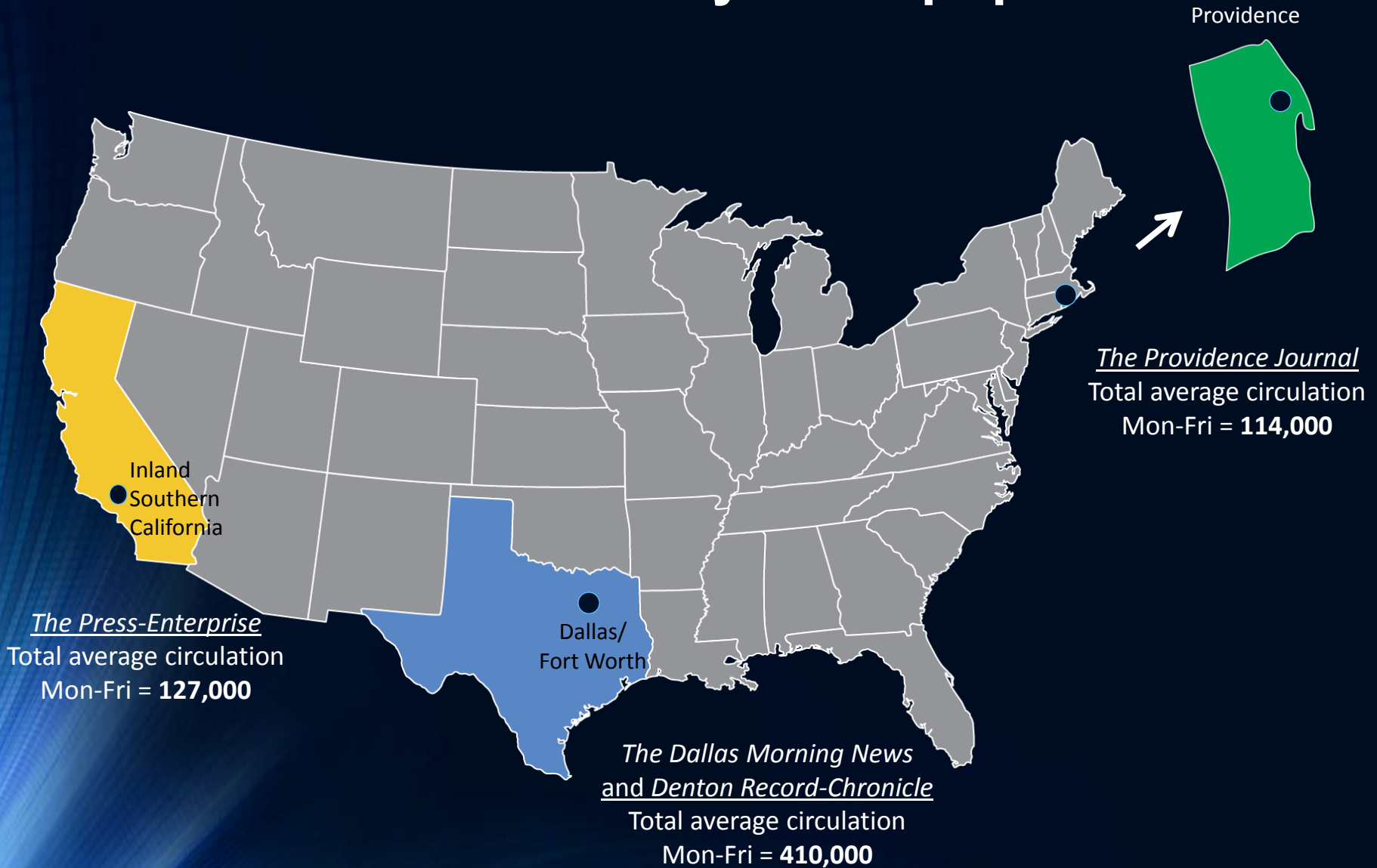
- Cash generation opportunities exist with the Company's real estate portfolio, and we are committed to achieving full value for these assets in an improving commercial real estate market
- The entire newspaper industry remains in transition to a digital operating platform. It will take time for winning business models to become apparent, but progress is being made

Operating Update

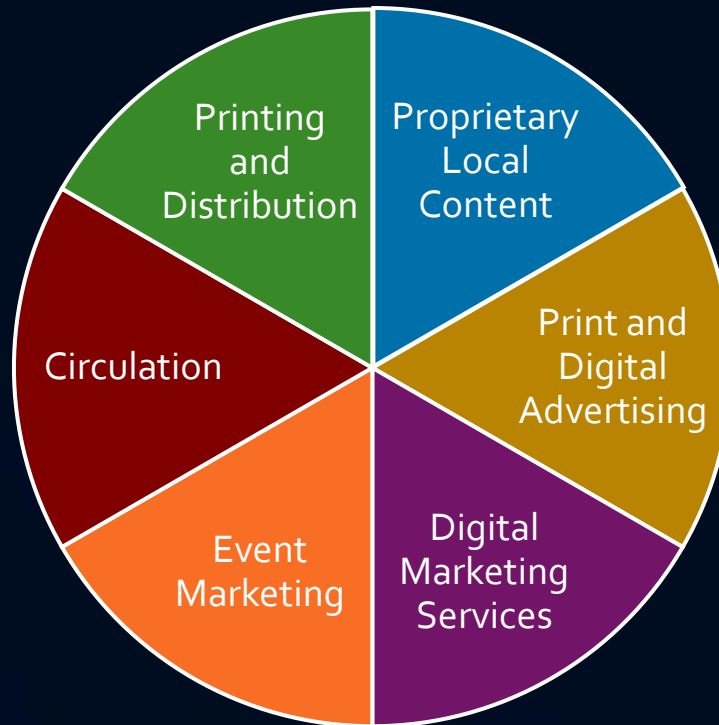


A. H. BELO CORPORATION

A. H. Belo's Daily Newspapers



Improving Revenue Performance in Dallas: Areas of Focus



Investing in Journalism

- Our investments in journalism allow us to:
 - Fund the creation of proprietary local content on a scale other local media companies cannot match
 - Attract and charge audiences for this content. In fact, we are the third highest-priced metro daily in the country
 - Build audiences that deliver current and potential customers to our advertisers
 - Create loyalty by strengthening the communities we serve



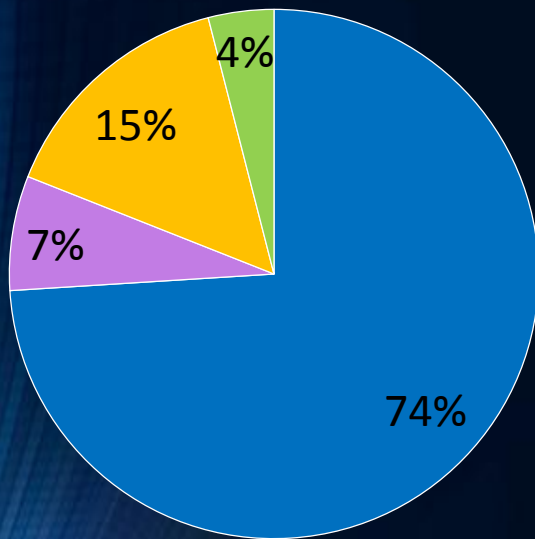
Newsroom Investment

- In 2012, *The Dallas Morning News* invested approximately \$35 million on its newsroom
- Headcount expense for 348 employees is about 83% of total newsroom expense

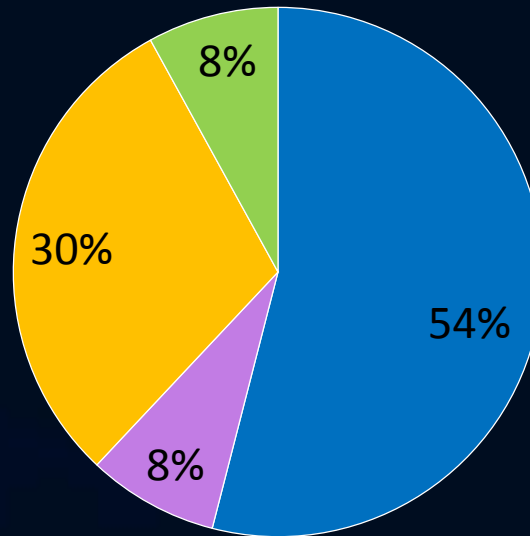


Diversifying Revenue Mix

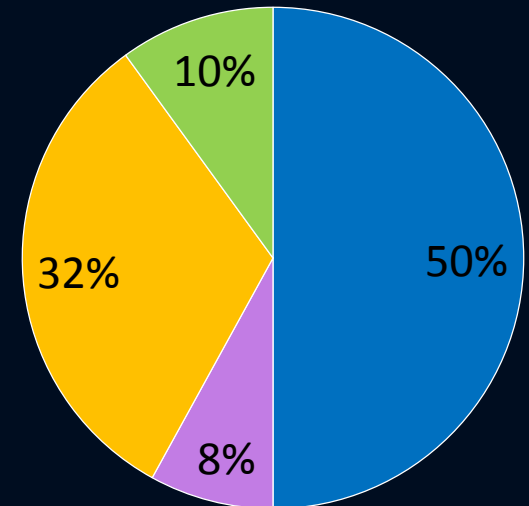
2007 Revenue = \$739 million



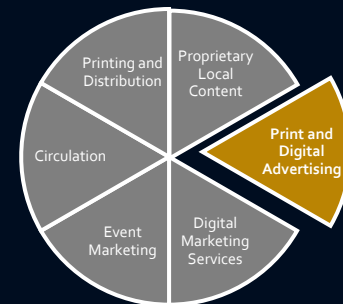
2011 Revenue = \$462 million



Q3 YTD 2012 Revenue = \$323 million



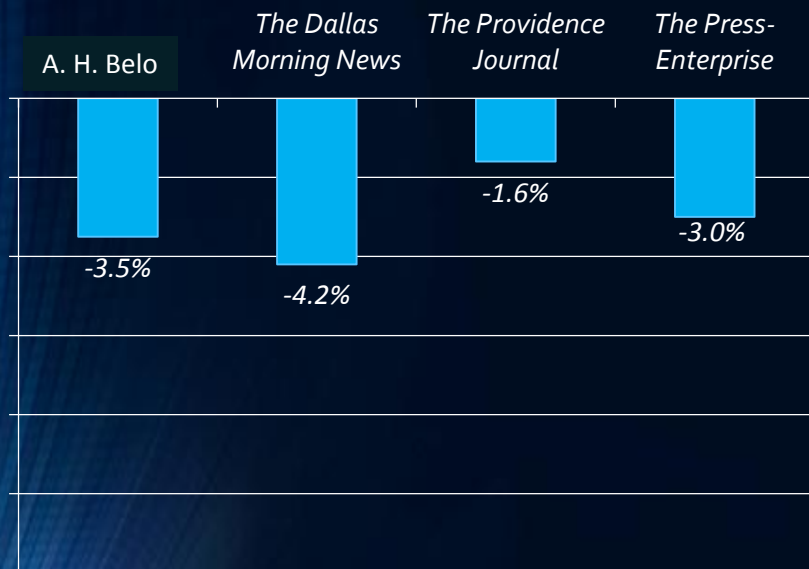
■ Print Advertising
■ Digital Advertising
■ Circulation
■ Printing and Distribution



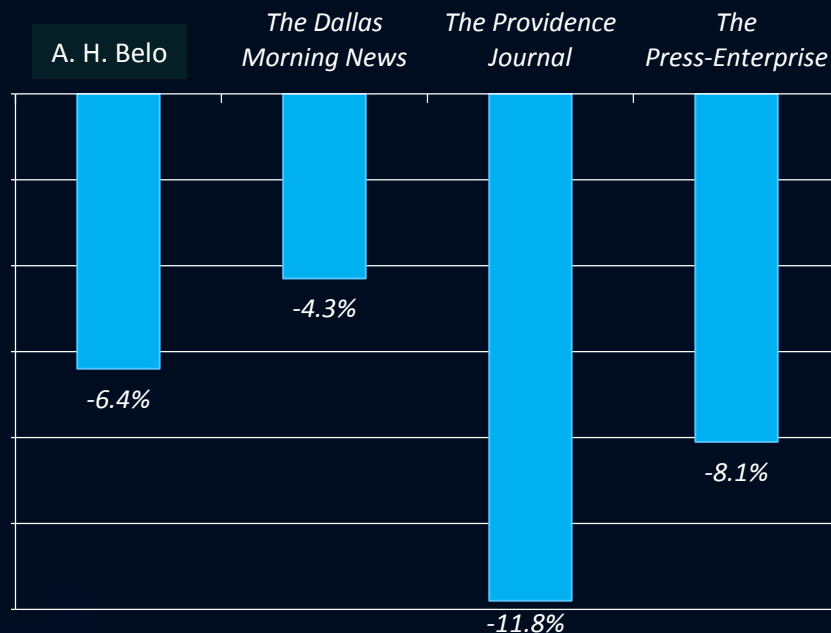
Revenue Performance

(Nine months ended September 30, 2012 vs. Nine months ended September 30, 2011)

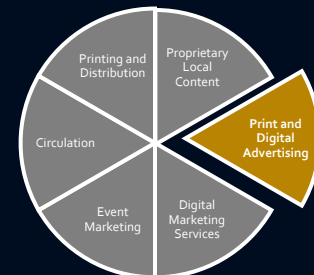
Total



Advertising



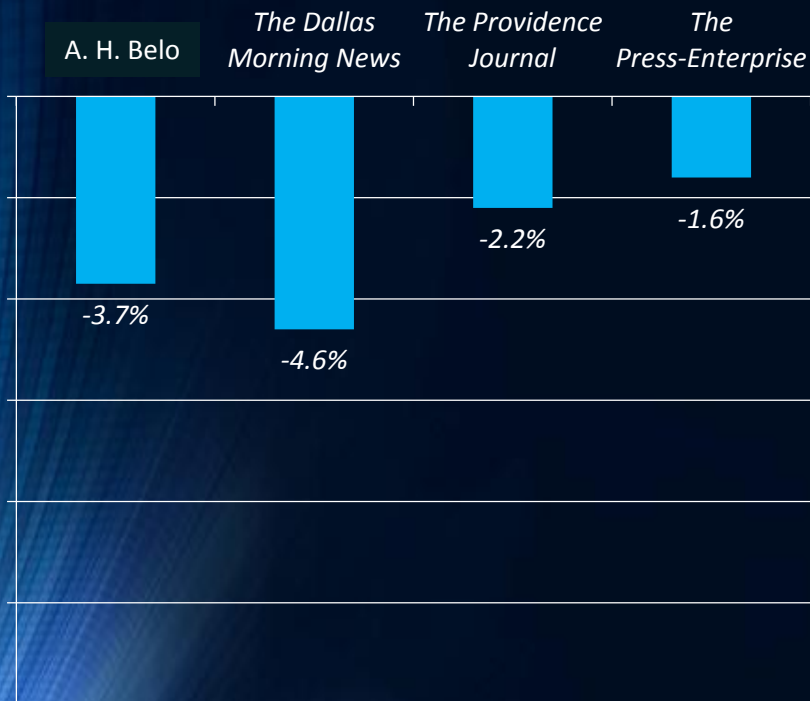
Note: *The Dallas Morning News'* total and advertising revenues exclude the impact of the discontinued niche publication *Quick*, a discontinued revenue allocation to digital and the Super Bowl in 2011
The Providence Journal's total revenue excludes the impact of transition from a carrier to a distributor circulation model



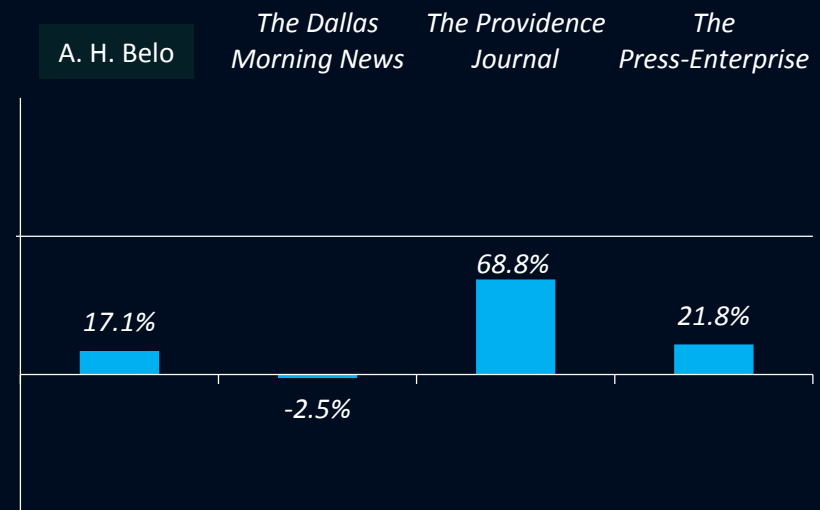
Revenue Performance

(Nine months ended September 30, 2012 vs. Nine months ended September 30, 2011)

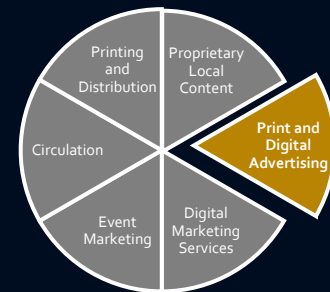
Circulation



Printing and Distribution

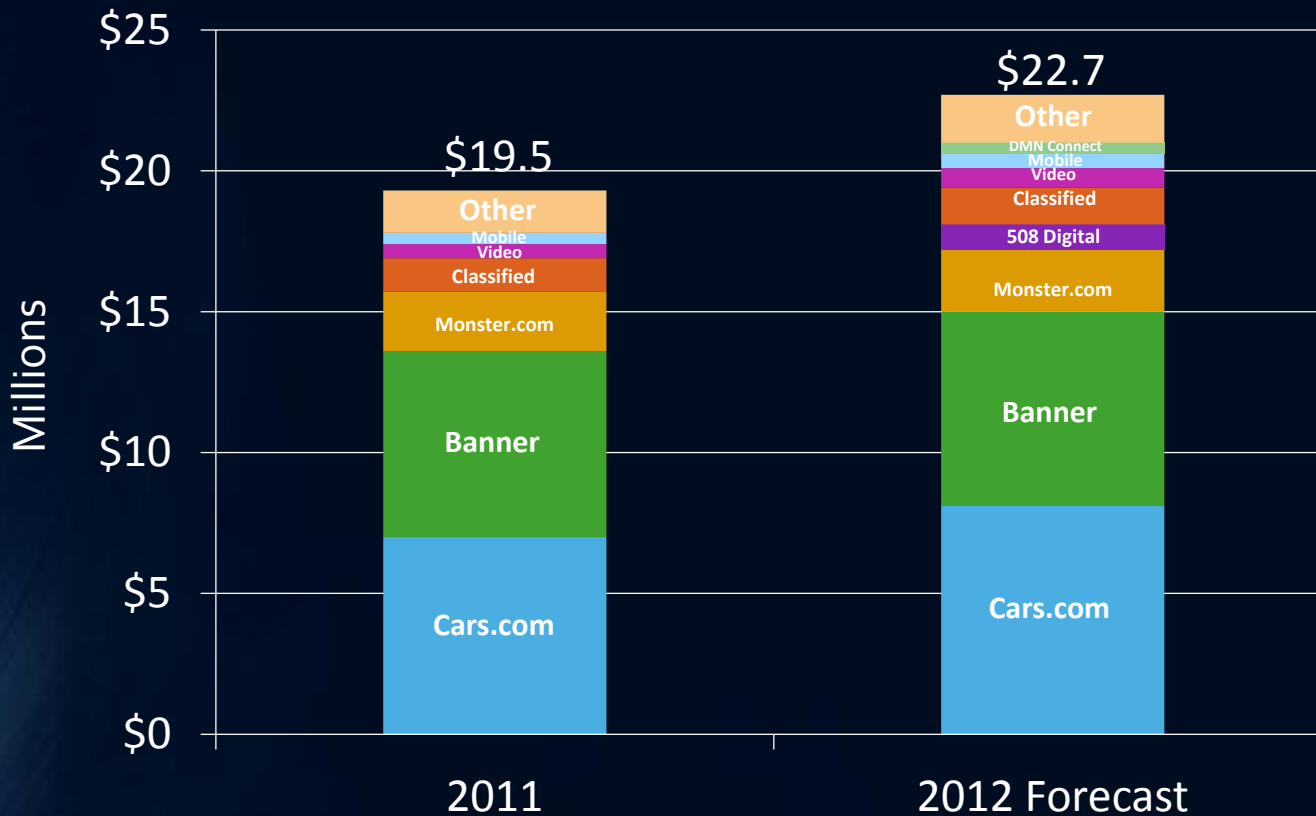


Note: *The Providence Journal's* circulation revenue excludes the impact of transition from a carrier to a distributor circulation model
The Dallas Morning News printing and distribution revenue excludes the impact of the discontinued niche publication *Quick*



Digital Advertising Revenue

The Dallas Morning News

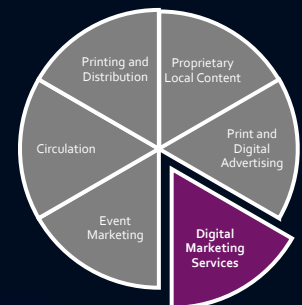


Note: *The Dallas Morning News* digital revenue excludes the impact of discontinued niche publication Quick, discontinued revenue allocation to digital and the Super Bowl in 2011
Banner is display advertising on dallasnews.com and yahoo.com



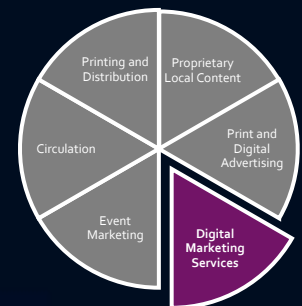
508 Digital

- The small and medium-size business (SMB) Market in Dallas/Fort Worth
 - 225,000 small and medium businesses in the DFW market
- Partnered with LocalEdge, a Hearst Media Services Company to resell suite of digital marketing solutions to small and medium businesses
- Typical package includes:
 - Online and print directories
 - Video
 - Search engine marketing (SEM)
 - Search engine optimization (SEO)
 - Mobile advertising and email marketing
 - Website development and maintenance
 - Advertising analytics and online reputation management services



508 Digital Financial Update

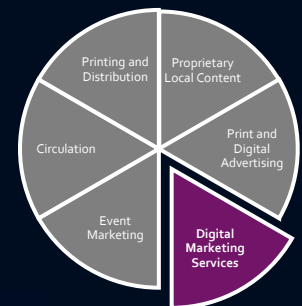
- 2012 Forecast
 - Revenue: approximately \$1.0 million
 - Operating investment: (\$3.5-4.0 million)
- 2013 Revenue: approximately \$8.0 million
- Cash flow positive: late 2013 / early 2014
- Recoup investment: late 2015 / early 2016



Speakeasy



- A. H. Belo is the majority owner. Slingshot, LLC (a Dallas-based advertising agency) is the minority owner
- Owen Hannay, Slingshot's Founder, is the CEO of Speakeasy
- Mike Orren, founder of *Pegasus News* (which *The Dallas Morning News* recently acquired), is Speakeasy's President



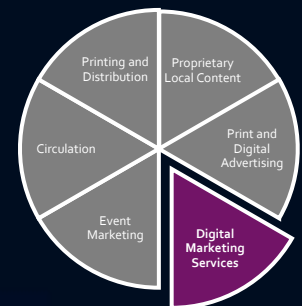
Speakeasy Partner Strengths

The Dallas Morning News

- Existing advertiser relationships
- Dedicated sales team
- Proprietary local content (breadth and depth)

Slingshot

- Agency management expertise
- Existing advertiser relationships



Event Marketing

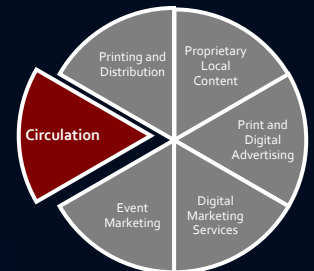
➤ Created to drive new revenue

- Strategic partnerships / investments
- Create events within key verticals
 - Financial
 - Cultural/Arts/Food and Drink
 - Education/Self-Improvement/Health Care
 - Eco-Friendly



Subscriber Content Overview

- Original and proprietary content generated by *The Dallas Morning News*' award-winning newsroom
- Content that is exclusive to *The Dallas Morning News*
- Content that is available in our print newspaper, in our eEditions, on dallasnews.com, and on our tablet and smartphone applications



Bloodhound Marketing Campaign

SCRATCHING THE SURFACE. WORKS FOR LOTTERY TICKETS AND BUG BITES.

The training to dig deeper. The freedom to follow a trail past a few sound bites. Untethered to the 6 o'clock airtime. Unbound by the typical 90-second TV news story. Tracking a lead, providing critical perspective, and hunting down and flushing out the story from beginning to end takes a certain nose. Actually, it takes lots of noses. It takes MORE searching, MORE unearthing, MORE surrounding, and MORE trapping the ANSWERS and not letting them go. Which can only come from the NEWSROOM that's three times larger than any other in the area.

MORE Reporters. MORE Reporting.



The Dallas Morning News
dallasnews.com

JOURNALISM THAT TAKES YOU WAY BEYOND THE NEXT COMMERCIAL BREAK.

In TV news, that hook that keeps you tuned in is called a "leaser." With us, that thing that keeps you clued in is called "journalism." It's the "who, what, when, and where?" as well as the "how and why and what happens next?" And our definition of journalism requires pouncing on a story. With MORE pouncers, MORE sniffers, MORE trackers and MORE hunters. Unleashed from the NEWSROOM that's three times larger than any other in the area.

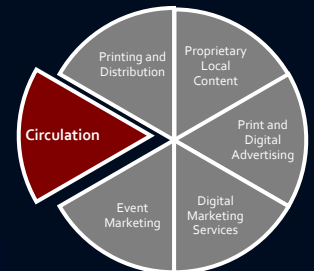
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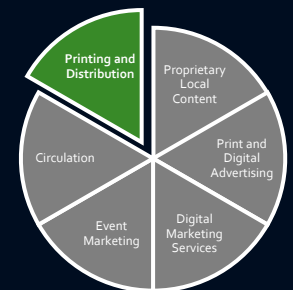
Pricing Study

- While there is risk today to raising the newspaper's monthly 7-day home delivery rate significantly above \$37, this risk is temporary, not permanent
- There are immediate opportunities to raise *The Morning News*' net effective rate by more precisely segmenting home delivery subscribers and their willingness and ability to pay
- Improving customer segmentation should enable *The Morning News* to expand its audience profitably
- The core 7-day home delivery customer with access to our proprietary content on dallasnews.com and our eEdition, tablet apps and smartphone apps, is unlikely to trade down to a digital-only product or digital-only product bundle – even at low digital price points



Printing and Distribution

- *The Dallas Morning News* picked up several printing and distribution contracts over the past eighteen months
- *The Dallas Morning News* is the regional printer for most national publications like *USA Today*, *The Wall Street Journal*, and *The New York Times*



Operating Strategy Key Takeaways

The Dallas Morning News

- Operating in one of the most vibrant cities in the country
- Investing approximately \$36 million in journalism this year – most of which will fund the creation of proprietary local content
- Diversifying and stabilizing revenues
 - Print and digital advertising
 - Digital marketing services
 - Event marketing
 - Circulation
 - Printing and distribution
- Creating proprietary local content and charging a premium for this content
- Strong management team focused on developing and launching new products and services

Financial Update



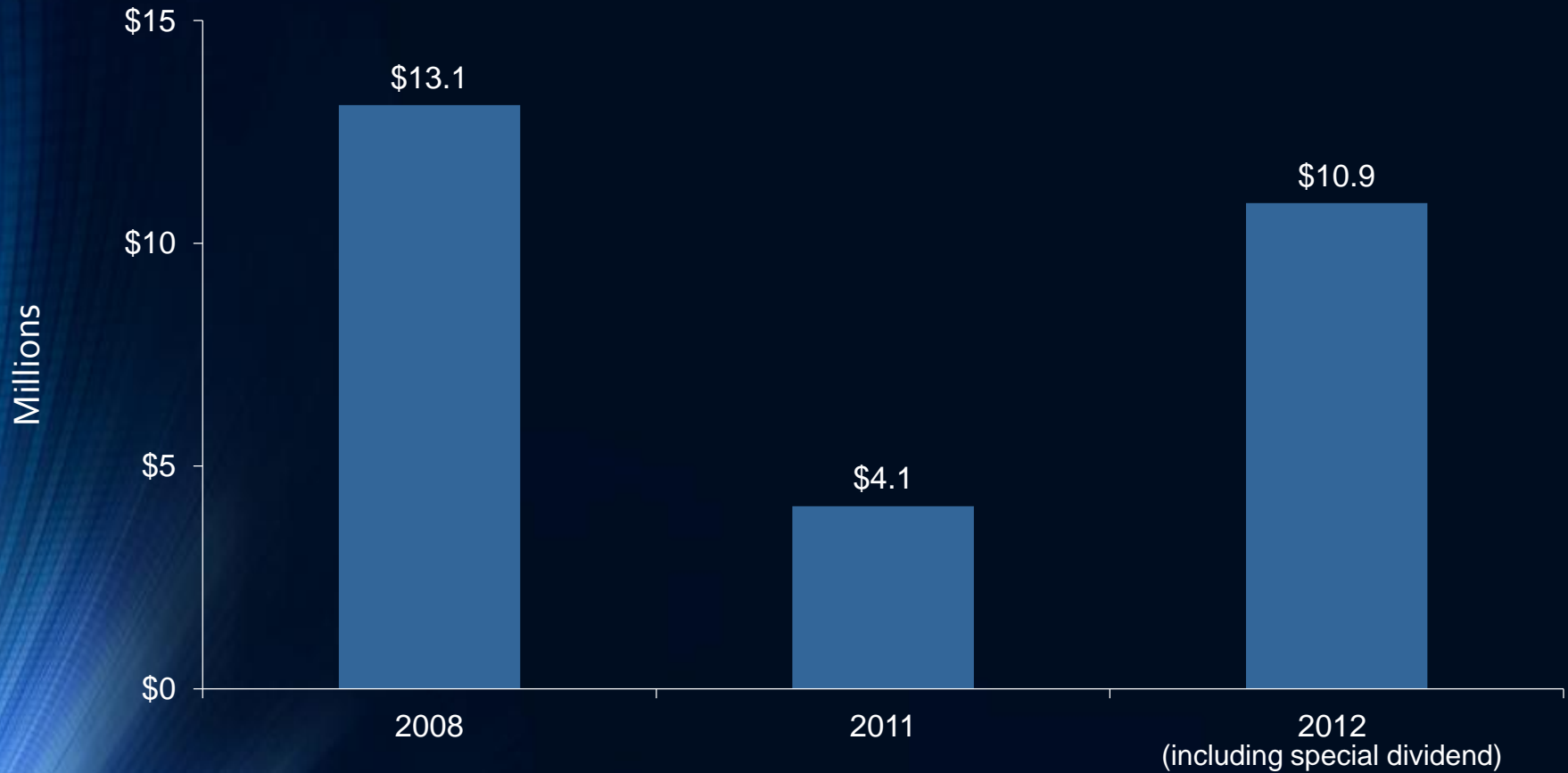
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Financial Principles

- Maintain or grow Adjusted EBITDA during transition to a digital environment
- Consistently generate net income
- Consistently generate enough cash to meet the Company's business re-investment needs (both operating and capital) and cover required cash contributions to the two A. H. Belo pension plans
- While achieving these goals, maintain A. H. Belo's competitive advantage (i.e., local content and scale within the markets where we operate)
- Consistently return cash to shareholders through dividends or share repurchases – a goal that has not changed since the Company's spin-off in 2008

Payouts to Shareholders

- Since A. H. Belo's spinoff in 2008, almost \$28.1 million has been returned to shareholders



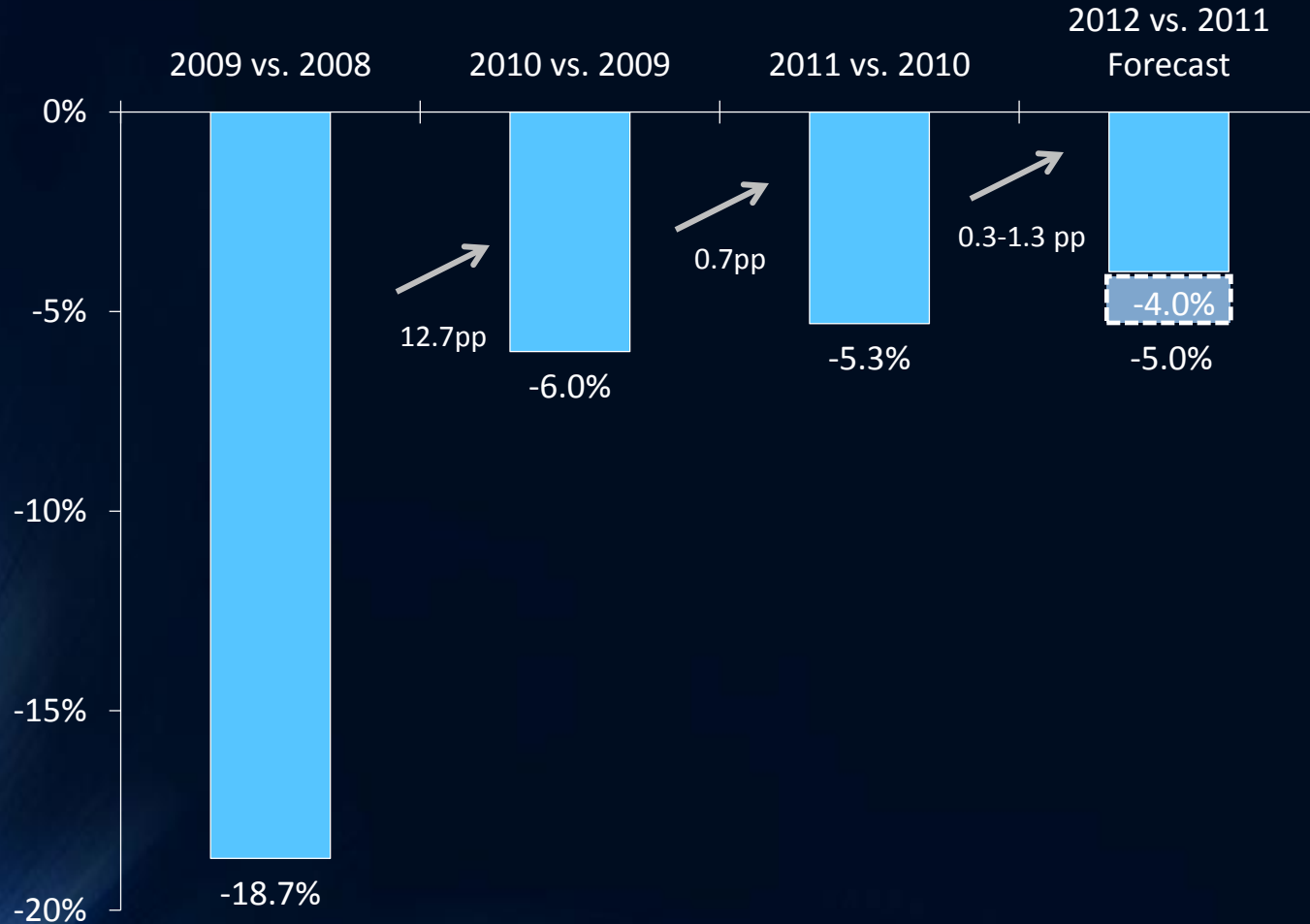
Note: Includes dividends paid on restricted stock units (RSUs)

Tangible Tactics

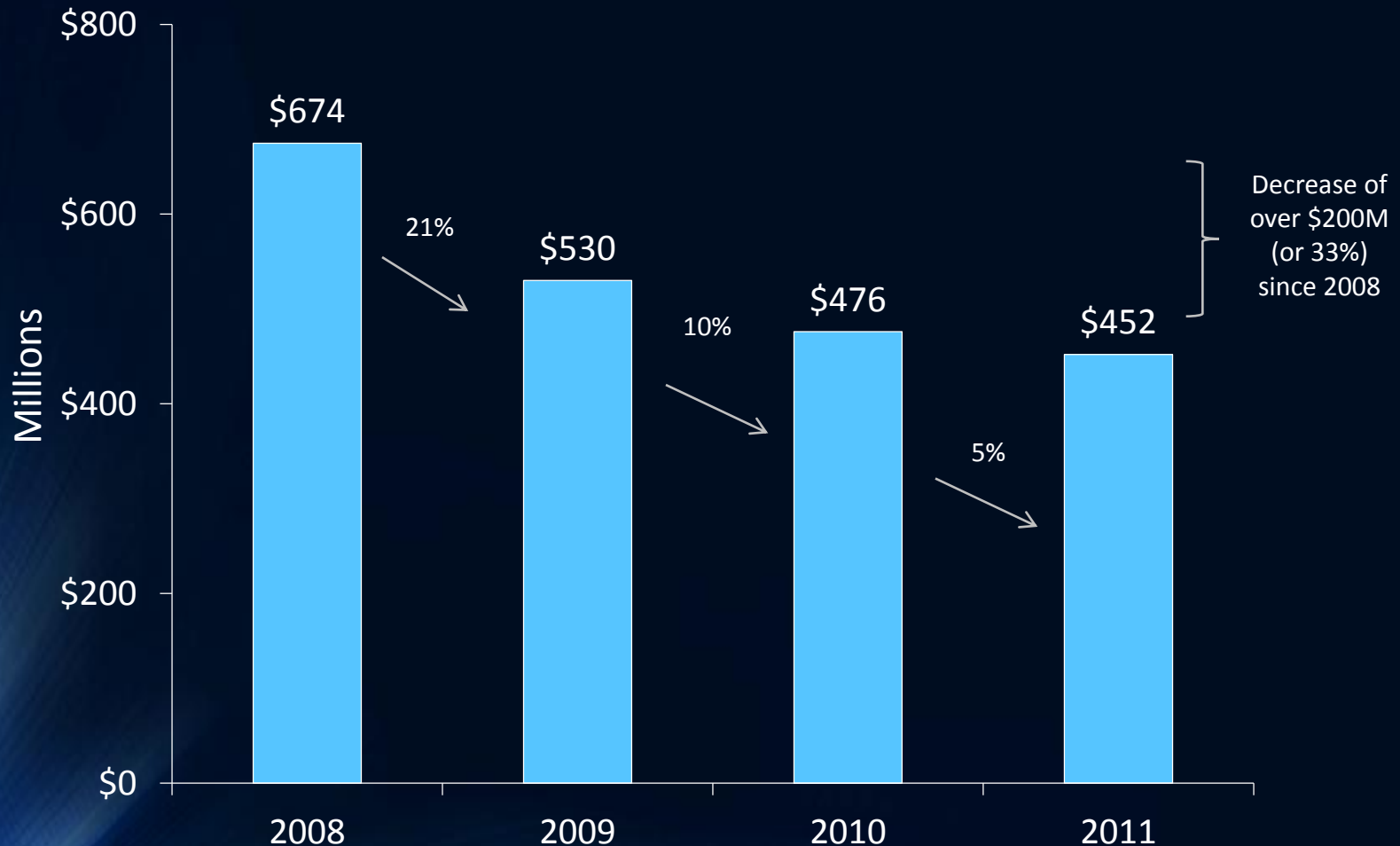
**Diversify and
Stabilize
Revenue**

**Manage
Expenses**

Slowing Revenue Declines



Expense Reduction and Containment (excluding pension and impairment expenses)



Improving Adjusted EBITDA



Note: 2010 Adjusted EBITDA includes real estate gain of \$7.0 million

Framework for Potential Uses of Cash



Investments



- Dividend paying
- Potential high valuation



- Experienced Internet CEO
- Innovative products for national and local advertisers



- Growing, diversifying through acquisitions
- Proven business model



Sawbuck

- Innovative products (e.g. HomeSnap)
- Reliable investment partners

Real Estate Update



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Estimated Market Value and Potential Pre-Tax Proceeds From the Sale of Non-Core Real Estate

October 2012

<u>Location</u>	<u>Estimated Market Value *</u>
Riverside	\$ 30,200,000
Providence	\$ 18,850,000
Dallas	\$ 21,200,000
Denton	<u>\$ 2,250,000</u>
	\$ 72,500,000
Potential Pre-Tax Proceeds**	\$ 68,150,000

** Actual values may vary*

*** Timing 1-3 years and assumes 6% closing cost*

Potential Monetization Strategies for Non-Core Real Estate

- Outright Sales
- Sale-Leasebacks
- Lease-to-Purchase
- Development Partnerships

Our Philosophy for Monetizing Non-Core Real Estate Assets

- Be patient
- Don't chase "fire sale" prices
- Only deal with prospective buyers who can close on transactions
- Avoid prospective buyers who want to "tie-up" assets
- Avoid prospective buyers who want to re-trade transactions

Questions and Answers



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Appendix



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Reconciliation of Adjusted EBITDA to Net Income (in millions)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net (loss) income	\$ (49.5)	\$ (107.9)	\$ (124.2)	\$ (10.9)
Addback:				
Depreciation and amortization	53.3	45.4	38.1	35.7
Interest expense	4.0	1.4	0.8	0.6
Income tax expense	<u>(15.9)</u>	<u>(12.5)</u>	<u>(7.6)</u>	<u>5.0</u>
EBITDA	<u>(8.1)</u>	<u>(73.6)</u>	<u>(92.9)</u>	<u>30.4</u>
Addback:				
Pension expense	5.8	-	146.0	8.2
Impairments	18.7	106.4	3.4	6.5
Net investment related losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.6</u>
Adjusted EBITDA	<u>\$ 16.4</u>	<u>\$ 32.8</u>	<u>\$ 56.5</u>	<u>\$ 47.7</u>