

A. H. Belo Corporation

The Dallas Morning News Subscriber Content Strategy

April 30, 2012

Safe Harbor Statement

Safe Harbor Statement: Statements in this communication 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, 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 against its peer group of companies and other 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 in the Company's April 30, 2012 press release and on the Company's website (ahbelo.com) under the Investor Relations section.

Circulation Measures: Stated and implied circulation numbers contained in this presentation are Company estimates.

Subscriber Content Overview

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

Subscriber Content Examples



Subscriber Content: 2012 Objectives

Objectives

- Build and retain high-quality print and digital audiences
- Increase the number of print subscribers activating their digital accounts
- Improve the conversion rate of digital non-subscribers into print or digital-only subscribers

Supporting Activities

Improve and Expand Digital Product Portfolio

- Completely overhaul Dallasnews.com to improve the user experience
- Re-design Guidelive.com
- Expand *neighborsgo* to digital microsites
- Launch a new tablet product
- Develop additional niche iPhone and Android apps and e-books
- Simplify the process that print subscribers use to activate their digital accounts online
- Initiate new marketing campaigns to remind print subscribers to activate their digital accounts
- Complete a new price elasticity study to identify the optimal home delivery and digital bundle price points and the cross-elasticities between them
- Simplify the process that digital non-subscribers use to sign up for print or digital-only subscriptions

Subscriber Content: 2012 Objectives

Objectives

- Monetize digital audiences
- Support these initiatives and others with \$4 million of marketing investment in 2012

Supporting Activities

Increase Banner Advertising Revenue

- Increase the availability of Dallasnews.com inventory to premium ad networks
- Increase content and inventory in high-demand categories (e.g., entertainment, finance, travel)
- Continue to monetize the growth in smartphone and tablet traffic
- Increase sales of third party ad inventory (e.g., inventory on Yahoo! websites)

Increase Revenue From Other Products

- Sell into the re-designed real estate portal
- Hire sales specialists for search engine marketing, video, email and social media marketing
- Drive sales at 508 Digital, *The Morning News'* digital marketing solutions business for small and medium businesses

- Brand marketing campaigns
- Targeted marketing campaigns

Digital Subscription Options

Subscription

- Dallasnews.com
- eEdition (Web, iPad)
- iPad
- iPhone
- Android
- Digital bundle

Description

- *The Dallas Morning News*' main website
- Digital replica of the print version of *The Morning News*
- News app specifically designed for the iPad
- News app specifically designed for the iPhone
- News app specifically designed for Android devices
- Digital subscription with access to Subscriber Content across all supported devices

Subscriber Content: Milestones in 2011

- Increased 7-day home delivery price from \$30.00 to \$33.95 per month beginning in January 2011
- Implemented Subscriber Content initiative across Dallasnews.com, eEdition, iPad and iPhone apps in March 2011. The Android app came later in the year
- For new subscribers, the 7-day home delivery price increased from \$33.95 to \$36.95 per month in October 2011. The majority of this incremental revenue is attributable to *The Dallas Morning News* beginning to charge new home delivery subscribers \$1.85 per month for the digital bundle

Subscriber Content: Good News

- Objective #1: Determine the number of our print newspaper subscribers that value our digital products by requiring these subscribers to activate their online accounts by entering their print newspaper subscription information online (i.e., “authenticating”)

As of March 8, 2012

- Unique authenticated digital accounts: Approximately 91K (or approximately 40% of the print subscription base for the six-month period ended March 31, 2012)

Subscriber Content: Good News

- Objective #2: Determine if limiting access to our proprietary content online, in our eEditions, and in our apps, improves print subscription acquisition and/or retention rates

For the 55 weeks ended March 31, 2012

- The retention rate for subscribers who authenticate is running more than 50% higher than the retention rate for subscribers who do not authenticate

Subscriber Content: Good News

- Objective #3: Determine the willingness of consumers to purchase digital subscriptions

As of March 8, 2012

- Approximately 49K paid digital subscriptions

Dallasnews.com: Monthly Averages

	<u>Actual</u> (year ended March 31, 2011)	<u>Actual</u> (year ended March 31, 2012)
• Unique visitors	• 5.0 million	• 3.8 million
• Page views	• 39 million	• 30 million
 <u>Engagement</u> (approximate)		
• Frequency of use	• 2.1	• 2.0
• Session length (minutes)	• 8.6	• 15.0
• Minutes per user	• 18.0	• 30.5

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