

Investor Day

May 3, 2011



A. H. BELO CORPORATION

David Gross
Vice President/Investor Relations & Strategic Analysis



A. H. BELO CORPORATION

Safe Harbor Statement and Non-GAAP Measures

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, 2010 and other public disclosures and filings with the Securities and Exchange Commission.

Non-GAAP Measures: This presentation includes non-GAAP financial measures. The Company believes that non-GAAP financial measures, including but not limited to EBITDA and Adjusted EBITDA, provide useful supplemental information to assist investors in determining performance comparisons to our peers. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are provided in the appendix of this presentation, the Company's May 2, 2011 press release and the Company's website (ahbelo.com) under the "Investor Relations" section.

Today's Agenda

- Welcome/Overview of Day
- First Quarter 2011 Financial Results
- Financial Strategy
- Break
- Operating Strategy
- Real Estate Strategy
- Break
- Question & Answer
- Concluding Remarks

Welcome/Overview of Day

Robert Decherd

Chairman, President and Chief Executive Officer



A. H. BELO CORPORATION

A. H. Belo's Management Committee

- Robert Decherd, Chairman, President and Chief Executive Officer
- Ali Engel, Senior Vice President/Chief Financial Officer and Treasurer
- Jim Moroney, Executive Vice President of A. H. Belo Corporation
Publisher and Chief Executive Officer of *The Dallas Morning News*
- John McKeon, President and General Manager of *The Dallas Morning News*
- Dan Blizzard, Senior Vice President and Secretary

Today's Goals

- Report on first quarter 2011 financial results
- Outline the potential upside in this business and the challenges that we face
- Answer your questions

Context for Today's Discussion

- It has only been six quarters since the Company paid down its credit facility. The level of cash generation and accumulation in 2010 exceeded expectations
- A. H. Belo ended the first quarter of 2011 with \$52M of cash and cash equivalents and zero debt. We have the flexibility to opportunistically respond to a wide range of scenarios
- We view our unfunded defined benefit pension obligation as debt
- The strength and durability of the economic recovery are not certain or guaranteed
- The entire newspaper industry is transitioning to a digital operating platform. It will take time for winning business models to become apparent

First Quarter 2011 Financial Results

Ali Engel

Senior Vice President/Chief Financial Officer and Treasurer



A. H. BELO CORPORATION

First Quarter 2011: Earnings

- Net loss of \$0.31 per share is an improvement of \$0.13 per share compared to the prior year. We beat our internal Financial Plan by \$0.06 per share
- EBITDA was \$2.8M, an increase of 22.6% compared to the prior year
- Adjusted EBITDA was \$4.5M, a decrease of \$3.1M compared to the prior year. Higher newsprint and marketing expense offset decreased pension expense related to the Company's move from multi-employer to single-employer accounting effective January 1, 2011
- The Company anticipates full-year 2011 Adjusted EBITDA will be in the \$45 to \$50M range, about flat to 2010 when real estate gains are excluded in both periods

First Quarter 2011: Revenue

- Total revenue was \$112.2M, a decrease of 3.1% compared to 2010. This rate of decline is 300 basis points less than the decline in the fourth quarter
- *The Dallas Morning News'* total revenue decreased only 0.4%, a 340 basis point improvement in the rate of decline compared to the fourth quarter
- Advertising revenue, including print and digital revenue, decreased 5.9%. At *The Morning News*, advertising revenue declined only 1.4%
- Digital revenue was \$8.8M, an increase of 5.4% compared to the prior year
- Circulation revenue was \$35.1M, a decrease of 1.5%. Circulation revenue increased 0.3% at *The Dallas Morning News*
- Printing and distribution revenue increased in all three markets. Overall printing and distribution revenue increased 15% to \$9.2M

First Quarter 2011: Expense

- Consolidated operating expense was \$119.5M, a decrease of 3.6% compared to the prior year. Excluding the effect of pension expense in both periods, operating expense in the first quarter was \$117.9M, a decrease of 0.7% compared to the prior year
- Newsprint expense was \$10.8M, an increase of 27.4% compared to the prior year, as newsprint cost increased 21.4 % and consumption increased 4.9%. The primary drivers of higher newsprint consumption were increased demand for:
 - commercial printing in Providence
 - advertising in *Briefing* and *The Press-Enterprise*

First Quarter 2011: Balance Sheet

(as of 3/31/11)

- Total assets were \$367M on March 31, 2011
- The Company had \$52M of cash and cash equivalents, had no borrowings under its bank credit facility, and remained in compliance with bank covenants
- The Company and its banks amended the Company's revolving credit facility effective May 2, 2011
- First quarter capital expenditures (CAPEX) totaled \$1.5M. Total CAPEX for 2011 will likely be in the \$13 to \$15M range

Amended Credit Facility

- Permits dividends and share repurchases without restriction so long as the line remains undrawn
- Eliminates restrictions on capital expenditures
- Reduces administrative requirements
- Extends maturity date from September 30, 2012 to September 30, 2014
- If borrowing availability is less than \$7.5M, then a fixed charge coverage ratio of 1:1 applies
- Other usual and customary covenants were carried forward

First Quarter 2011: Cash Flow

- Net operating cash flow was \$(33.9M) due to pension contributions
- During the first quarter, the Company made required contributions of \$14.0M to defined benefit pension and pension transition supplement plans
 - The \$14.0M consists of \$8.7M related to defined benefit pension plans and \$5.3M to the Company's pension transition supplement plan
 - The Company's former parent, Belo Corp., applied \$3.4M that it held on behalf of the Company towards the \$8.7M, and the Company funded the remaining \$10.6M for the defined benefit pension and pension transition supplement plans
- The Company also made the previously announced additional contribution of \$30M to its defined benefit pension plans

Financial Strategy

Robert Decherd

Chairman, President and Chief Executive Officer



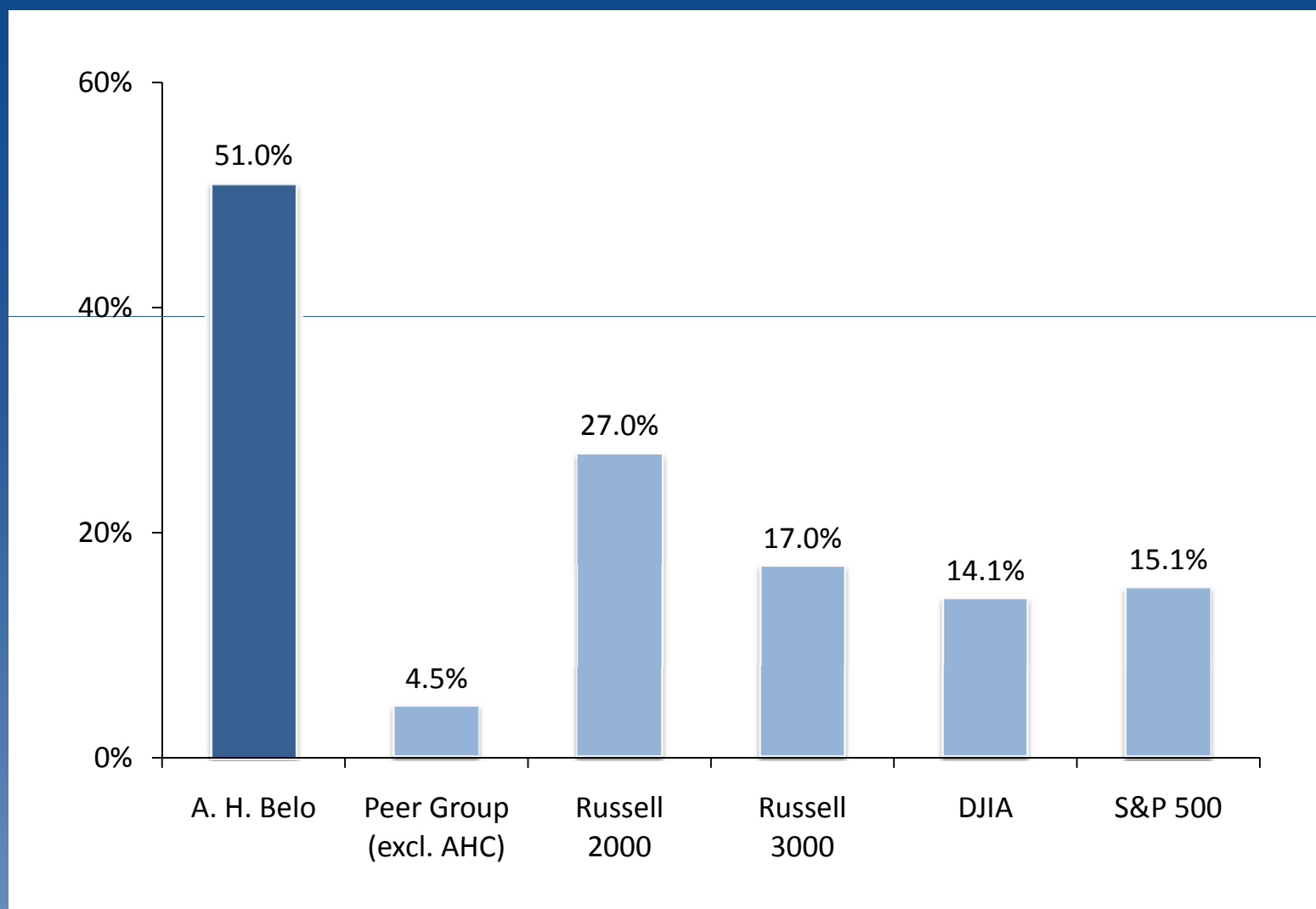
A. H. BELO CORPORATION

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 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

Total Shareholder Returns in 2010

A. H. Belo vs. Benchmarks



Source: Thomson Reuters

Note: Total shareholder return (TSR) figures include re-invested dividends; Peer Group performance is the average of the changes in stock price for each of A. H. Belo's peers

Tangible Tactics

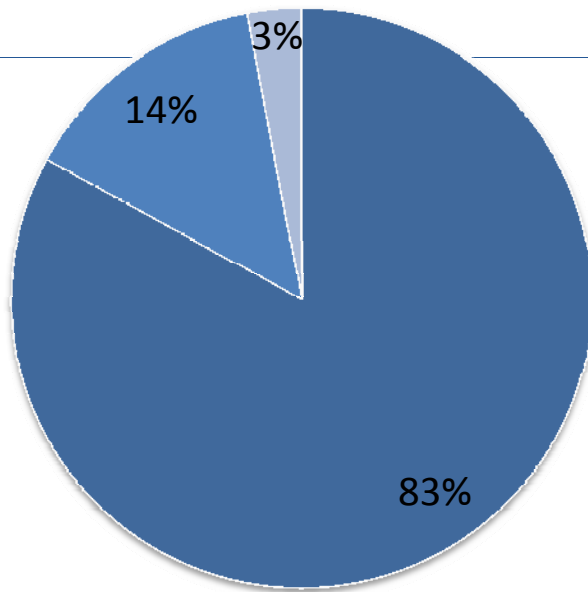
**Stabilize
Revenue**

**Manage
Expenses**

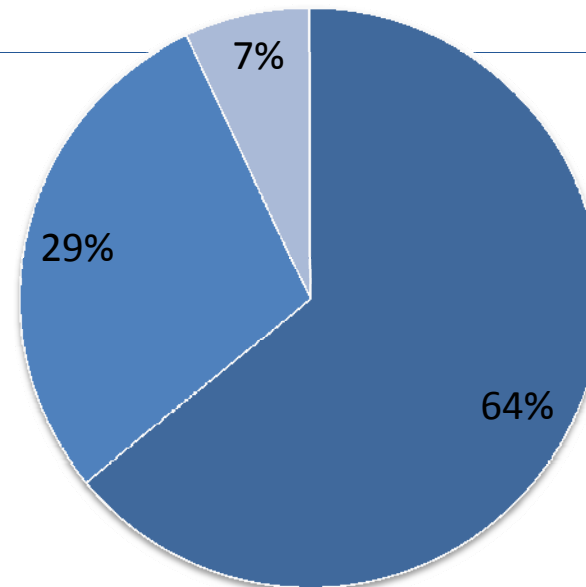
Diversifying Revenue Mix

- Advertising
- Consumer
- Printing & Distribution

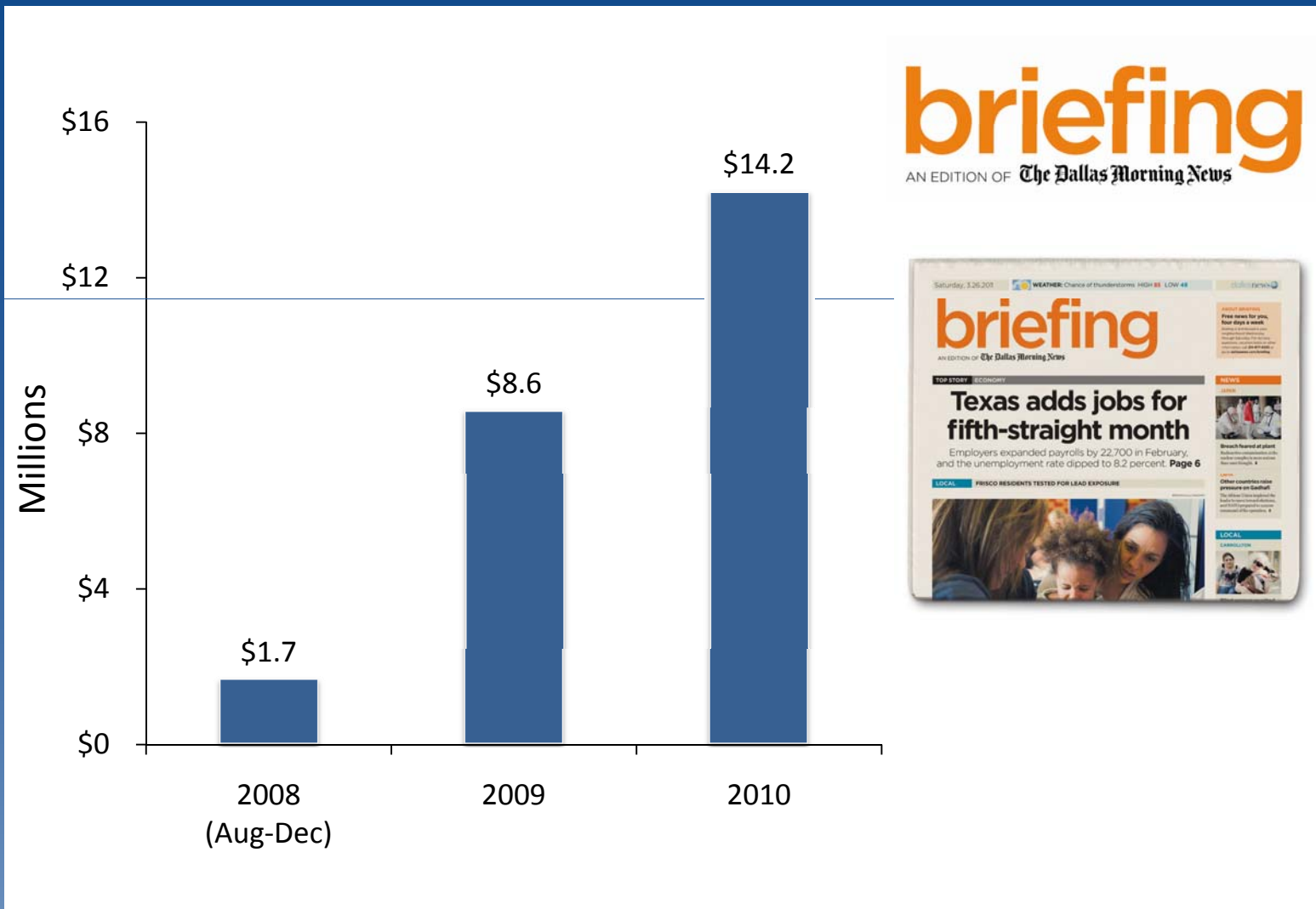
2006 Revenue = \$818M



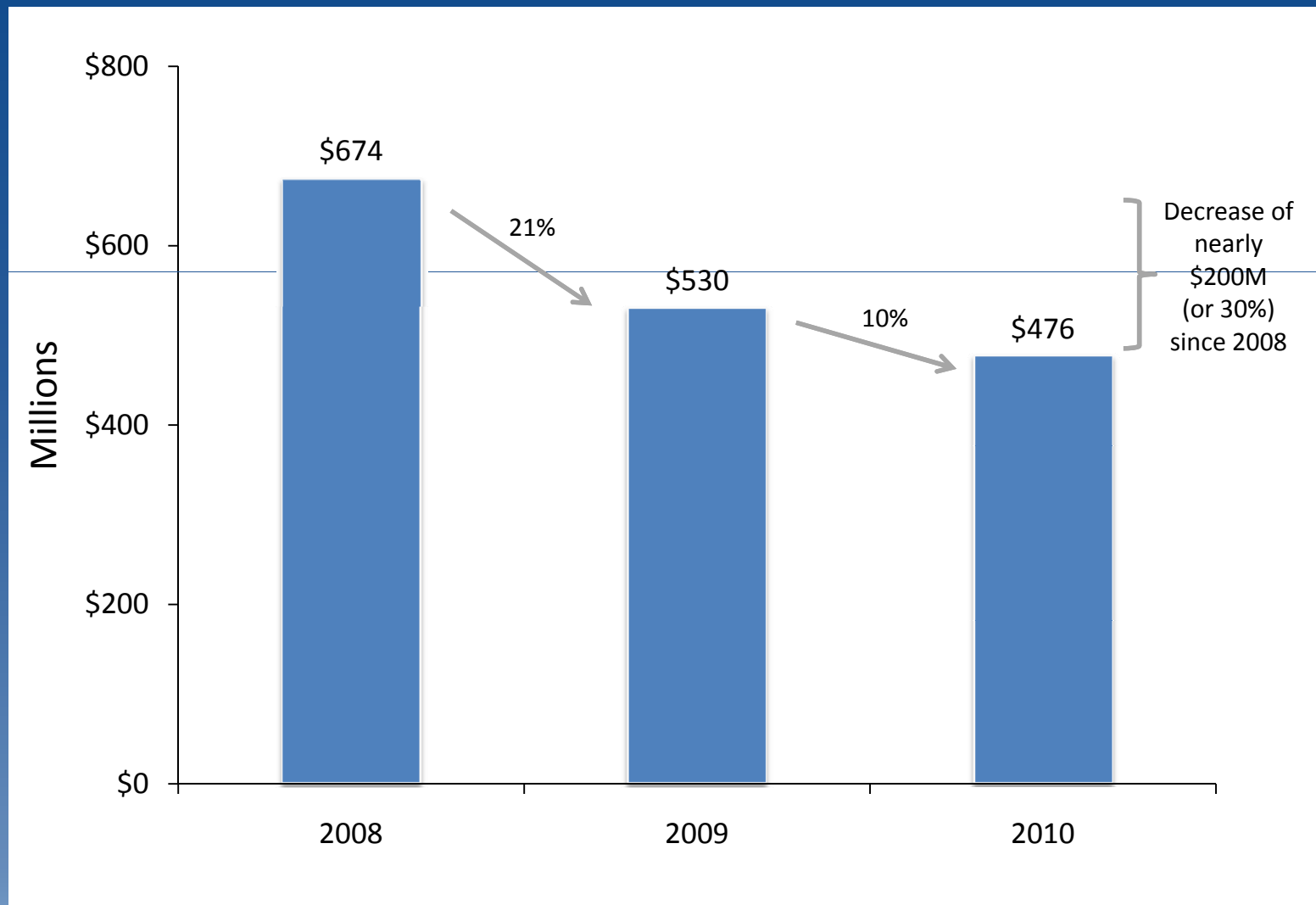
2010 Revenue = \$487M



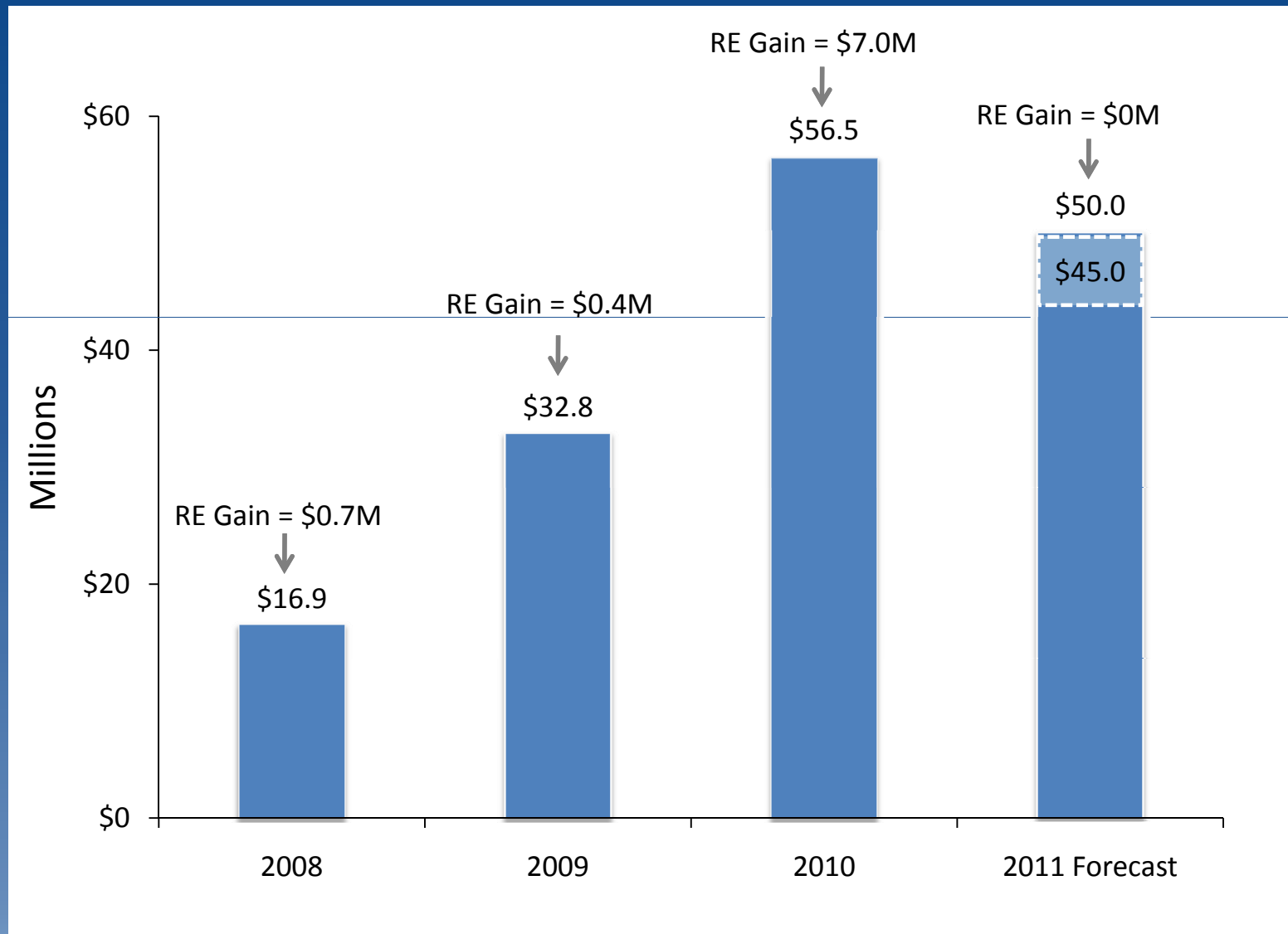
Briefing Revenue



Expense Reduction and Containment (excluding pension and impairment expenses)

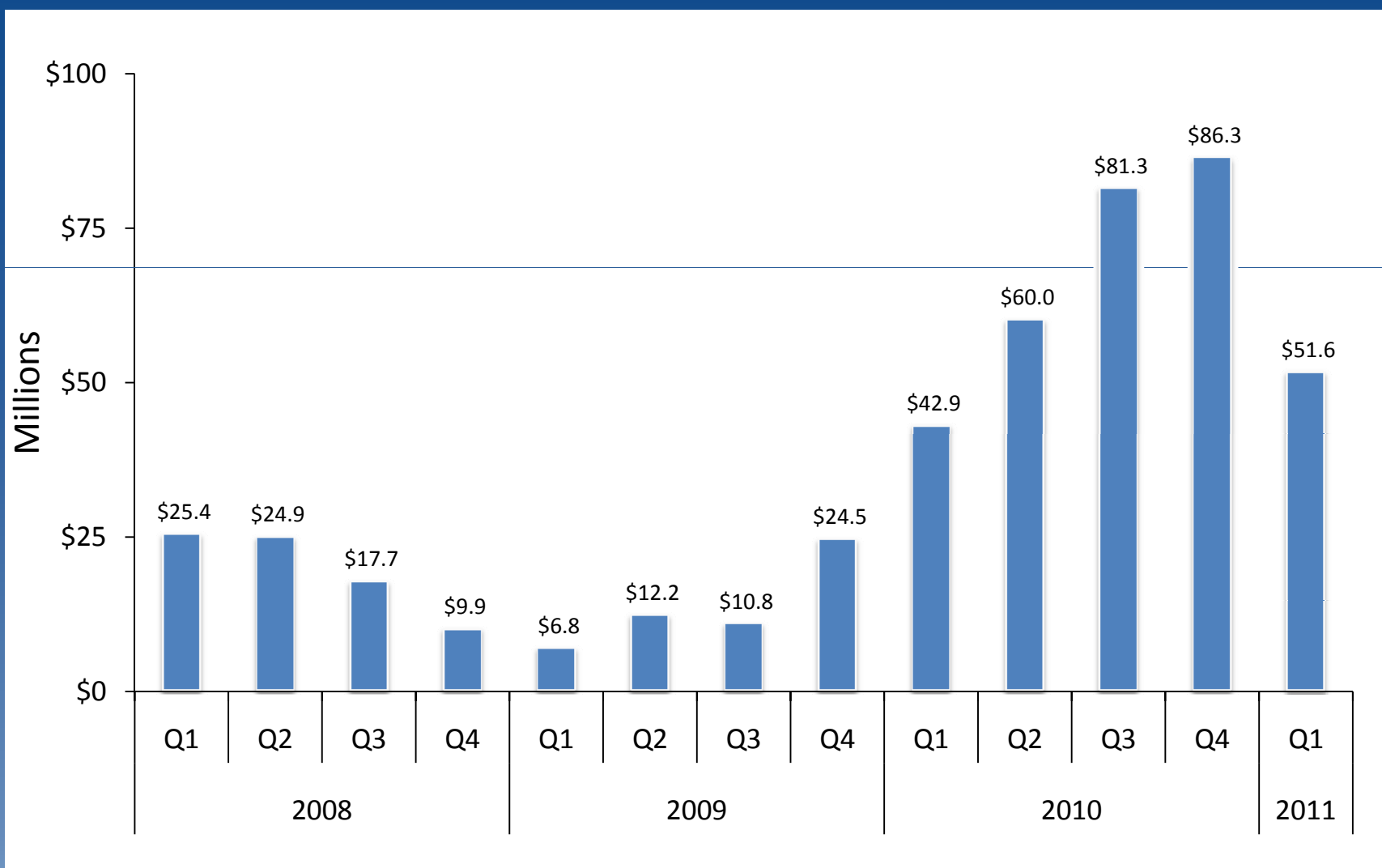


Improving Adjusted EBITDA

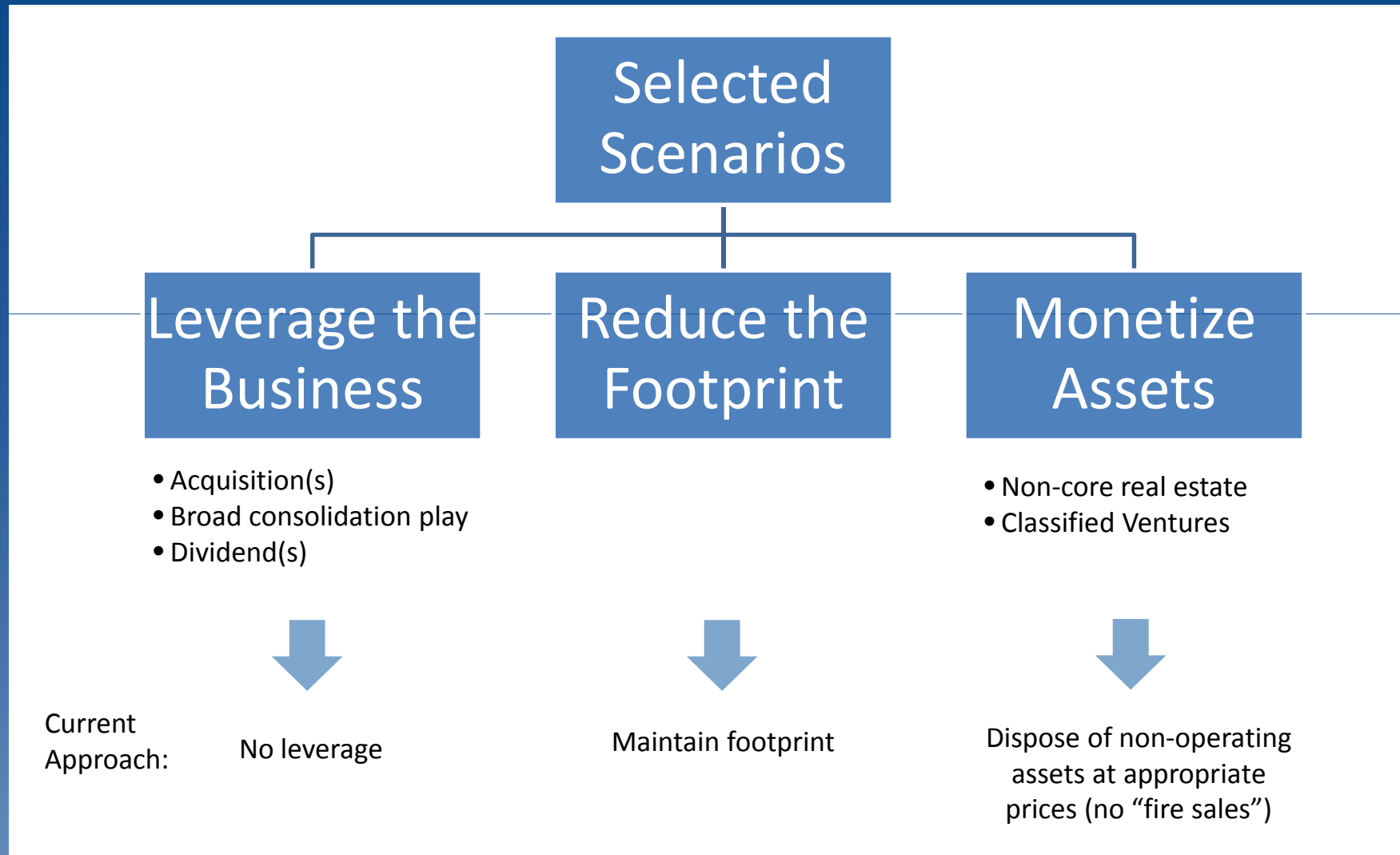


Note: RE = real estate

Cash and Cash Equivalents (at end of quarter)



Balance Sheet Scenarios



Non-Core Real Estate

Situation

- In 2010, pre-tax proceeds totaled nearly \$10M from dispositions
- Estimated market value of our non-core real estate portfolio is \$23M to \$37M
- Potential pre-tax proceeds of \$21M to \$33M at some point in the future

Opportunities

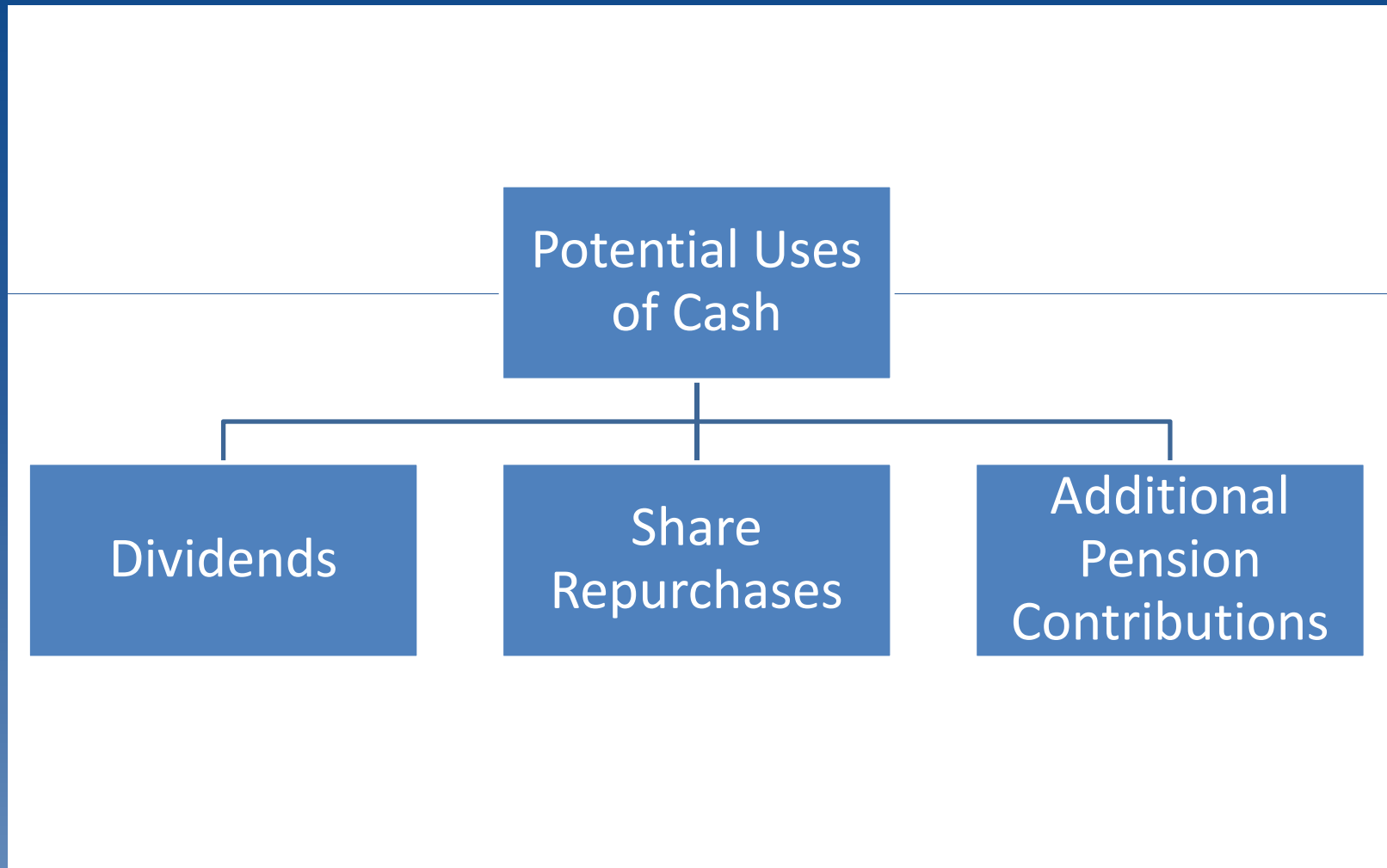
- Outright sales
- Subleasing
- Sale-leasebacks
- Partnerships with developers
- Other scenarios

Classified Ventures

- A. H. Belo owns 3.3 percent
- Received \$3.1M dividend in 2010
- Consolidation opportunities (buy and sell-sides)



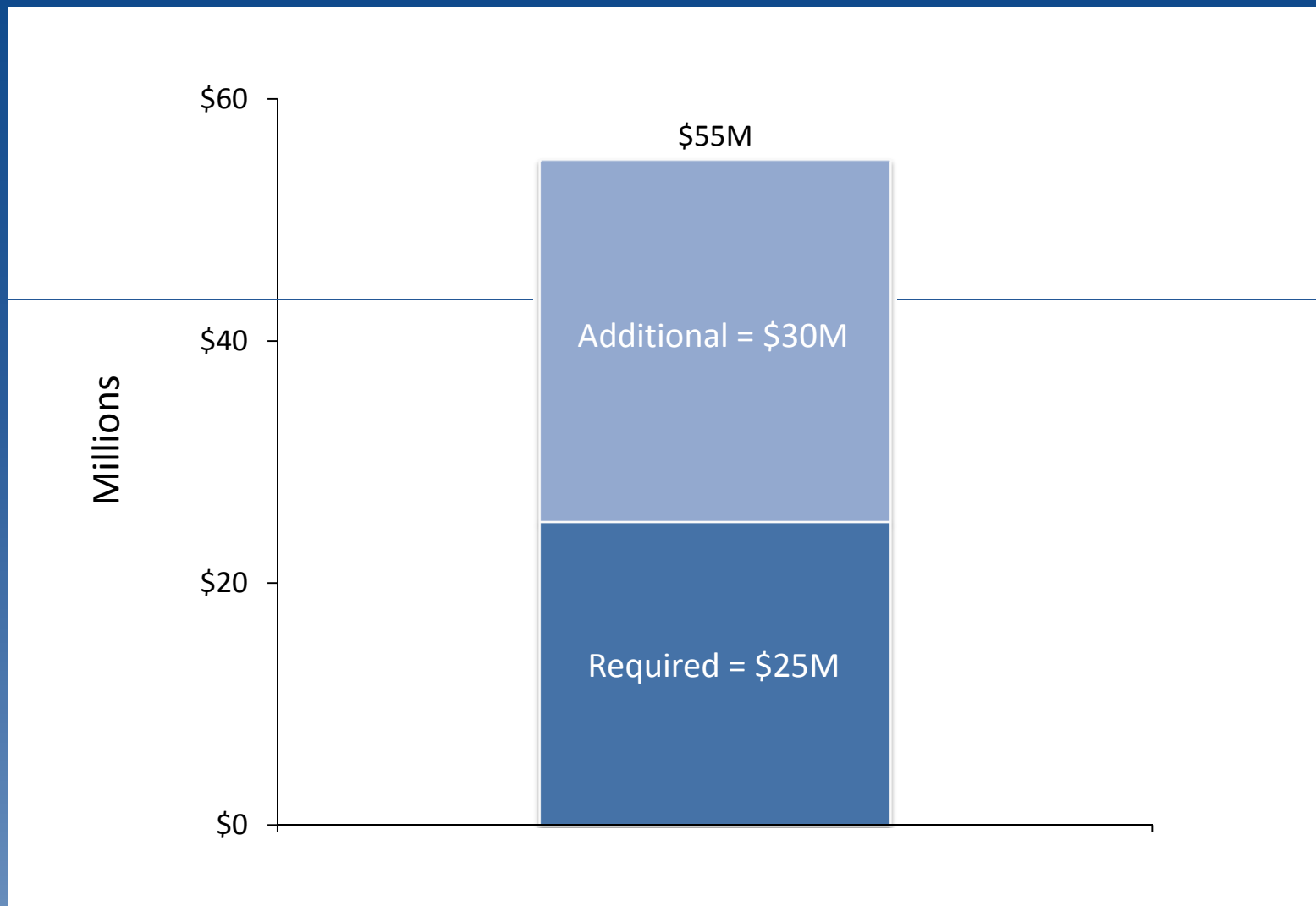
Framework for Potential Uses of Cash



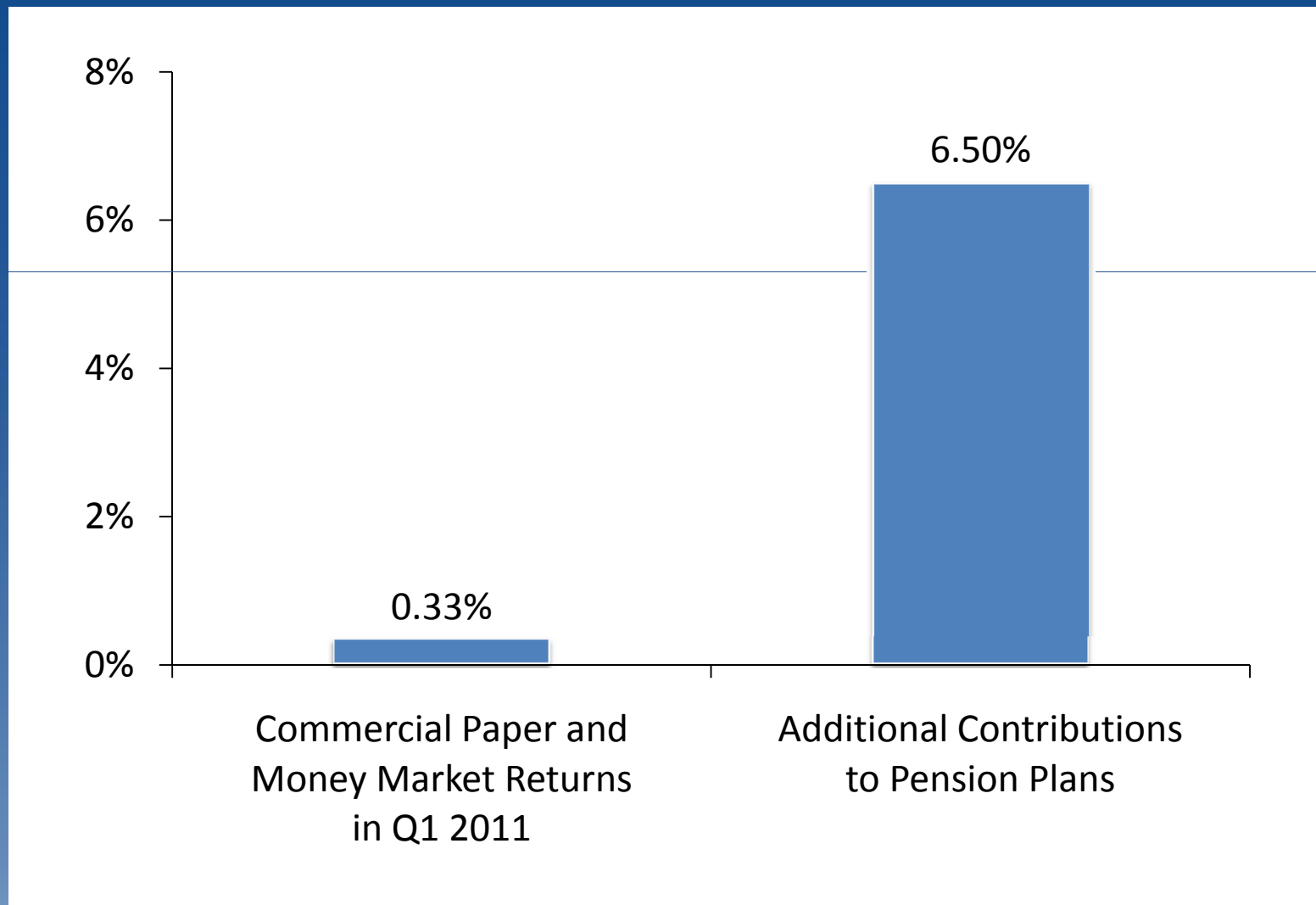
Quarterly Dividend

- After considering a range of potential dividends that maxed out at \$0.06 per share, the Board approved a \$0.06 per share quarterly dividend
- Under the new dividend policy approved by the Board on May 2, 2011, the Company intends to pay a recurring quarterly dividend of \$0.06 per share, or \$0.24 per share on an annualized basis
- The first quarterly dividend of \$0.06 per share will be paid on June 3, 2011 to shareholders of record at the close of business on May 16, 2011
- The Company anticipates three quarterly dividends of \$0.06 per share in calendar year 2011. As is customary at dividend-paying companies, the two remaining dividends for 2011 and all future dividends are each subject to Board approval

Defined Benefit Plans: Estimated Cash Contributions in 2011



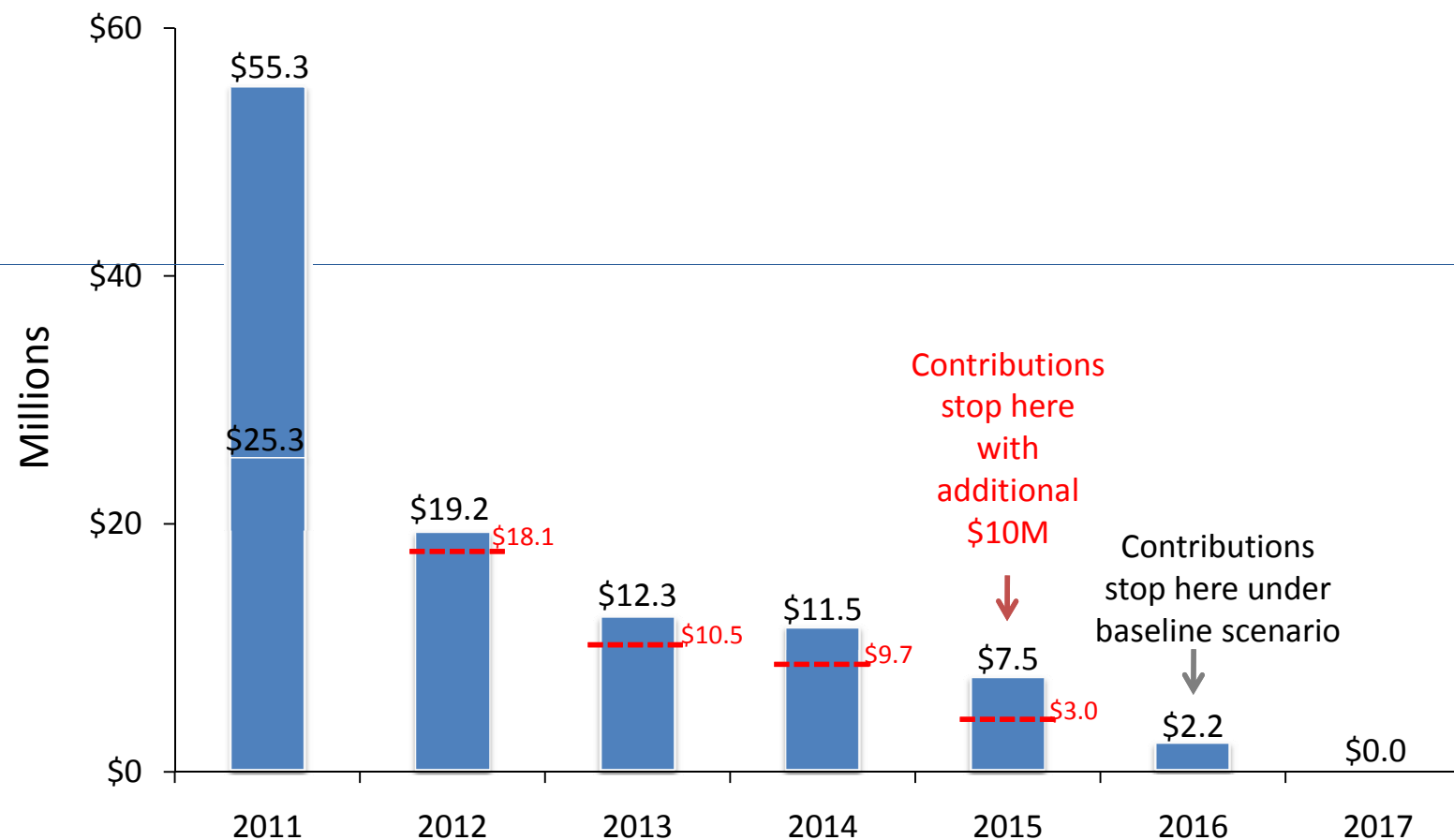
Projected Annual Rate of Return



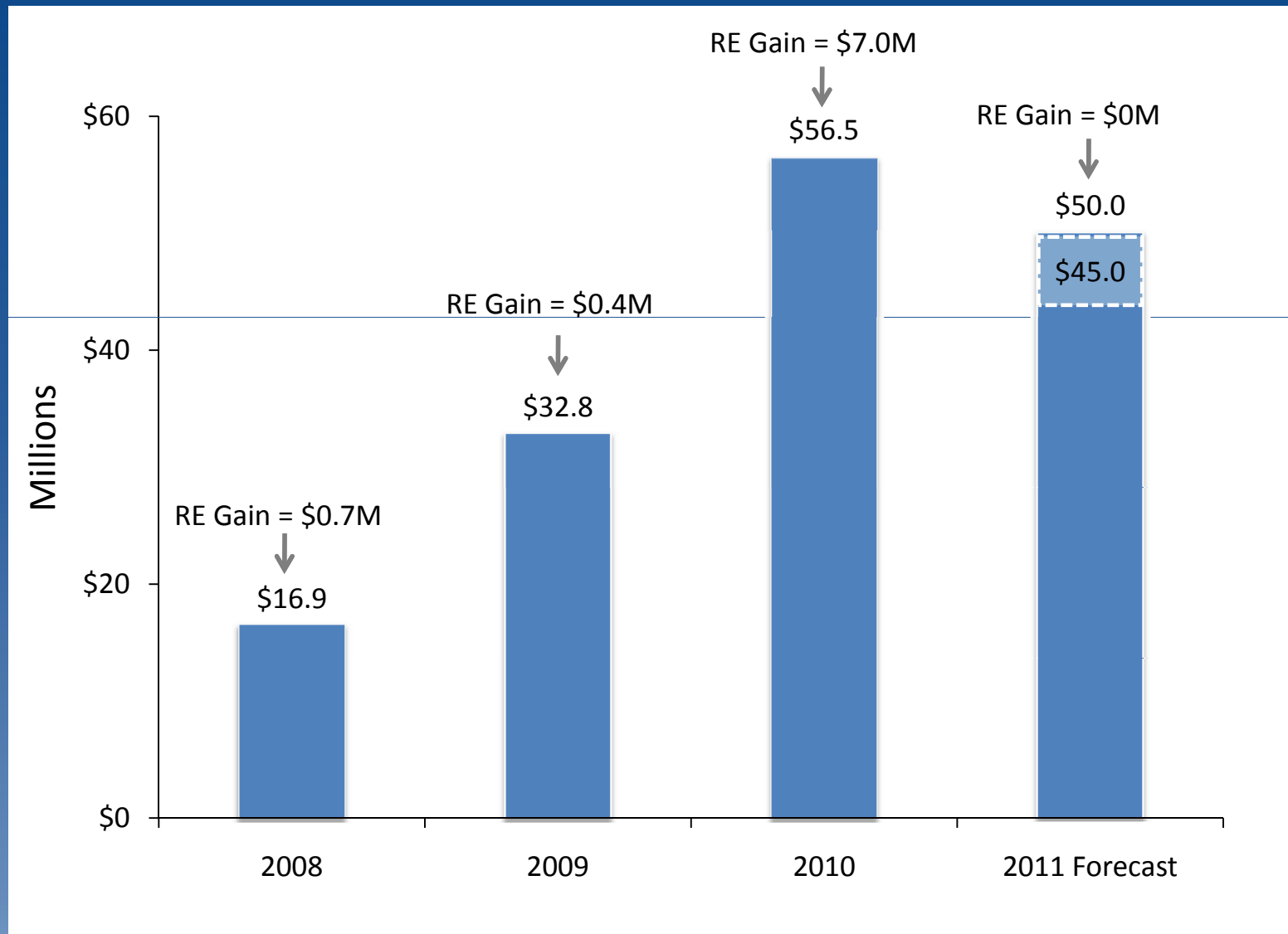
Defined Benefit Plans: Sensitivity Table

Discount Rate	Accounting Unfunded Amount as of 12/31/10
5.00%	\$147M
5.33%	\$132M
5.66%	\$118M
6.00%	\$105M

Defined Benefit Plans: Projected Cash Contributions



Improving Adjusted EBITDA



Note: RE = real estate

Break



A. H. BELO CORPORATION

Operating Strategy

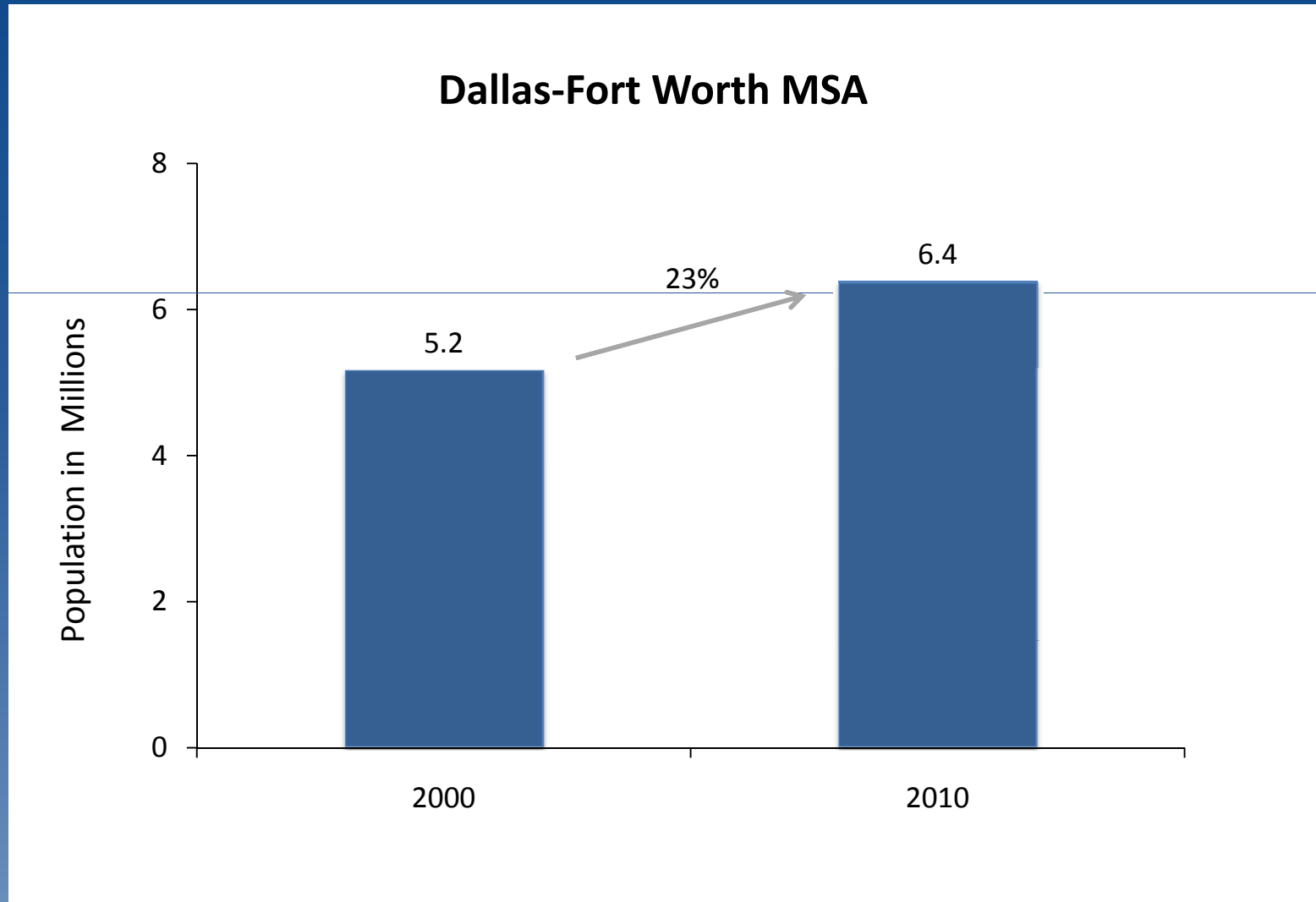
Jim Moroney

*Executive Vice President of A. H. Belo Corporation
Publisher and Chief Executive Officer of The Dallas Morning News*



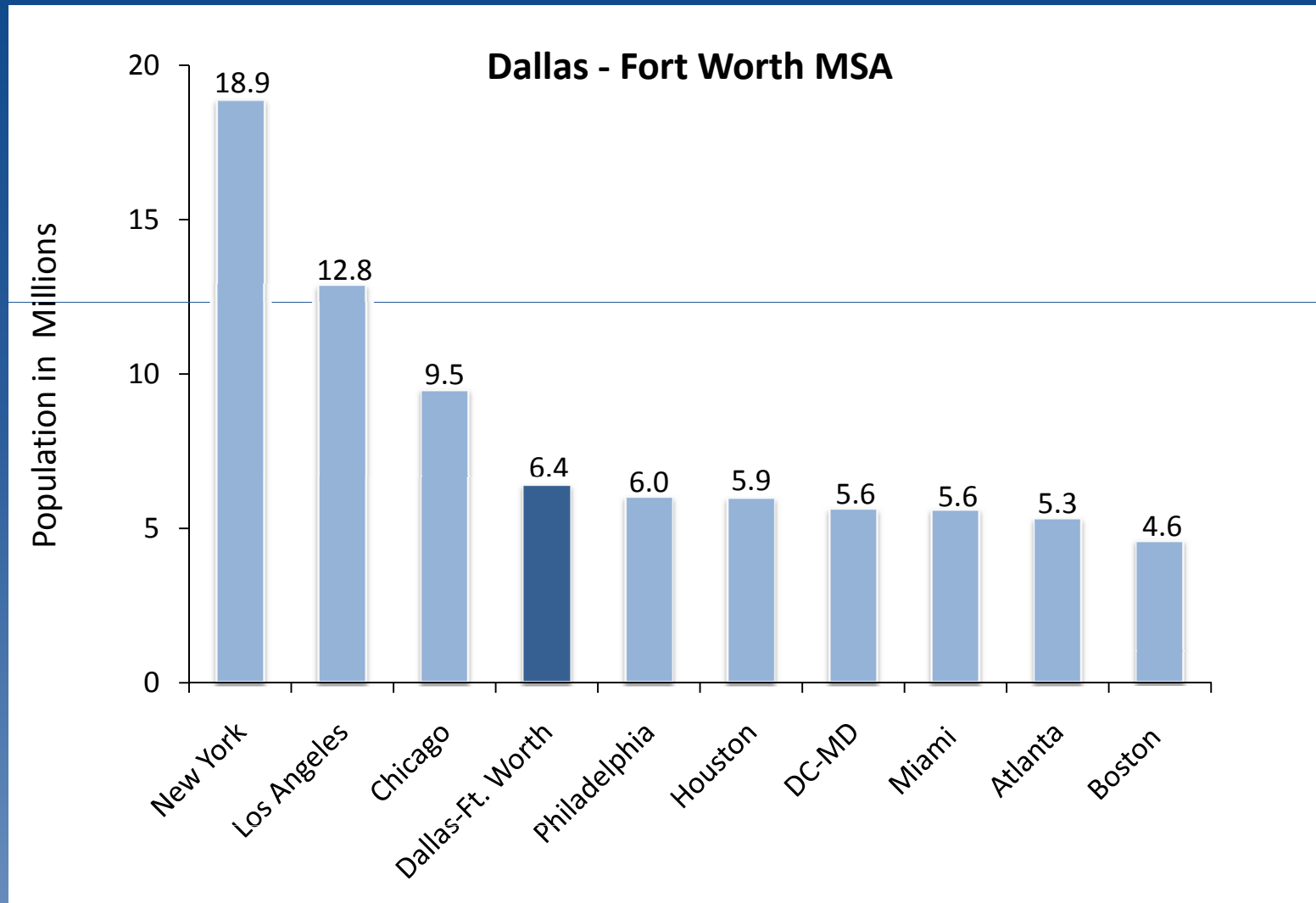
A. H. BELO CORPORATION

Market Overview



Source: U. S. Department of Commerce

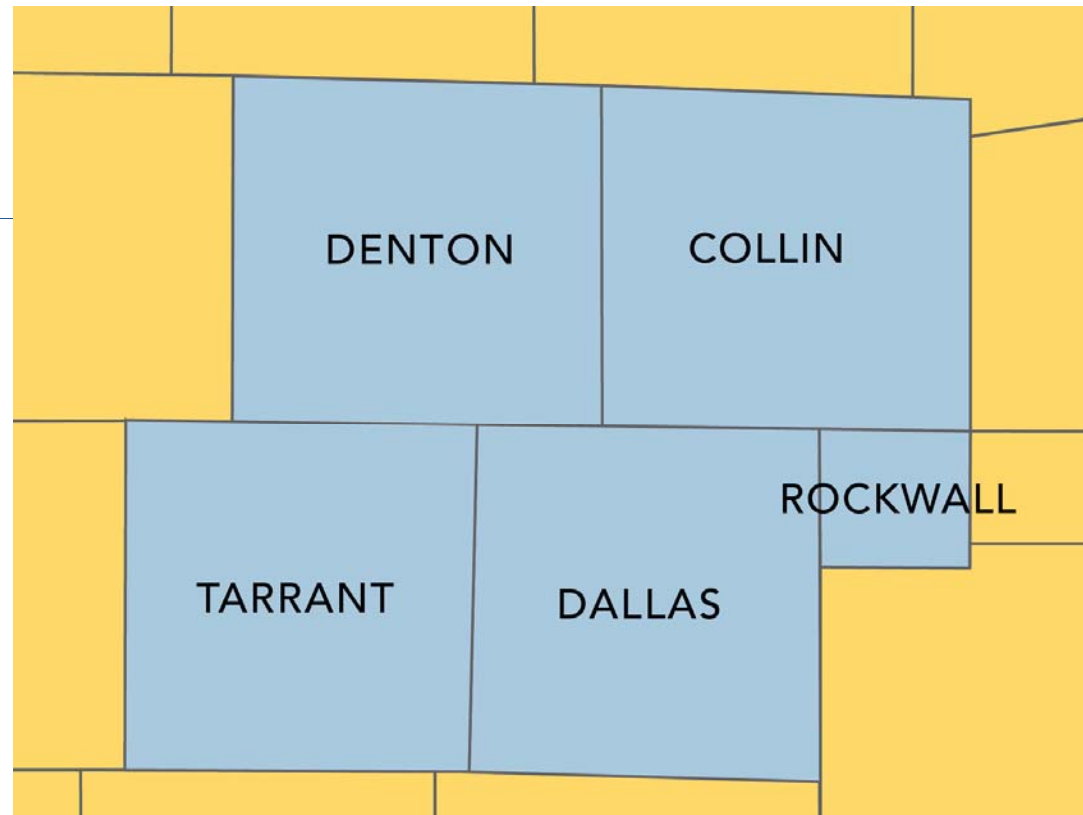
Market Overview



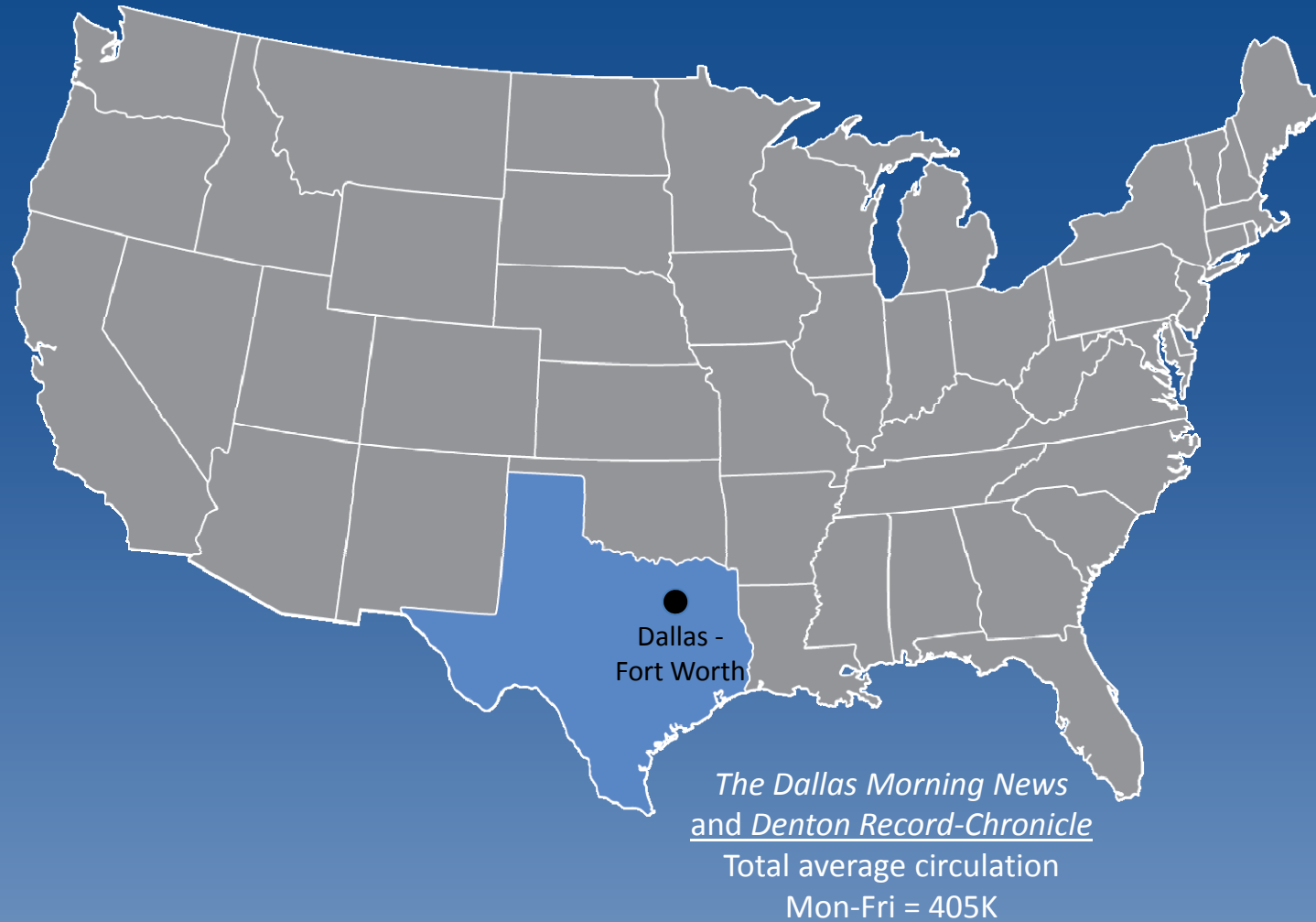
Source: Nielsen Claritas

Market Overview

Dallas - Fort Worth Designated Market Area (DMA)

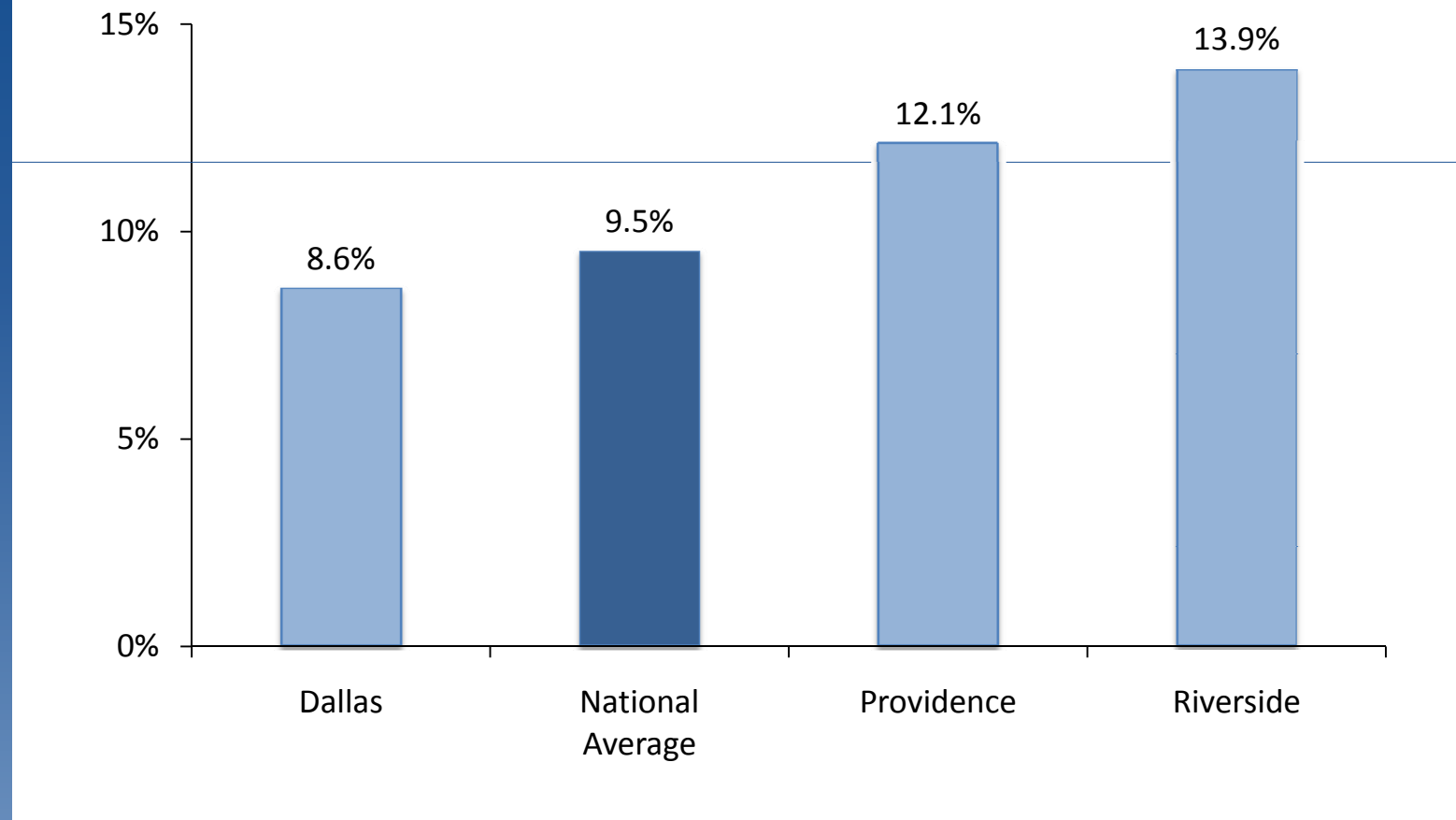


A. H. Belo's Daily Newspapers



Market Overview

Unemployment Rates (unadjusted for seasonality)



Source: U. S. Department of Labor

A. H. Belo's Daily Newspapers

Providence

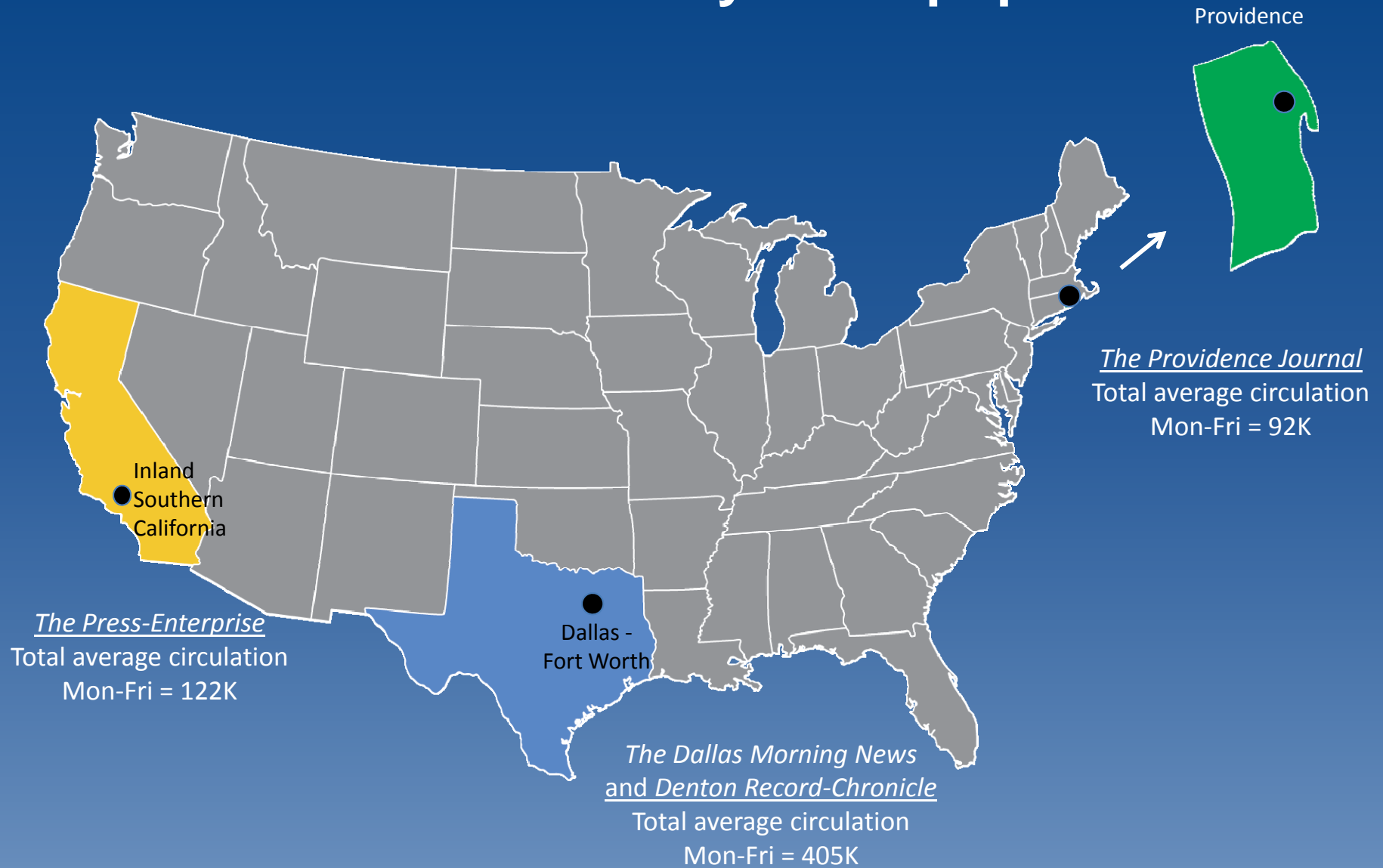


The Providence Journal
Total average circulation
Mon-Fri = 92K

Dallas -
Fort Worth

The Dallas Morning News
and Denton Record-Chronicle
Total average circulation
Mon-Fri = 405K

A. H. Belo's Daily Newspapers



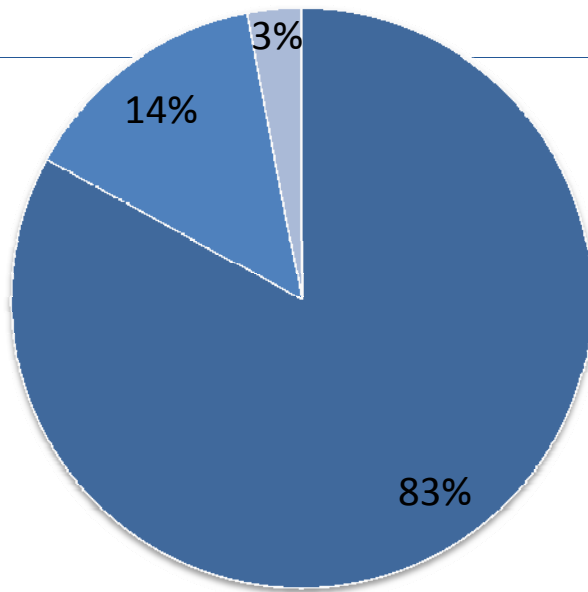
Diversifying Revenue Mix

- Driving consumer revenue
- Attenuating advertising revenue declines
- Uncovering commercial printing and distribution opportunities (“printing and distribution”)

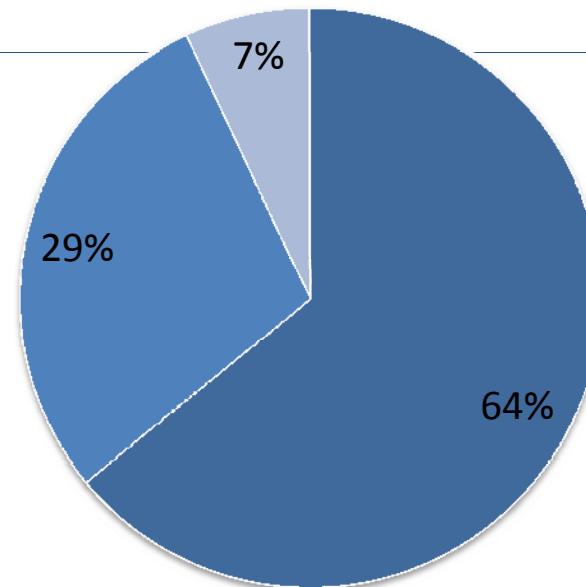
Diversifying Revenue Mix

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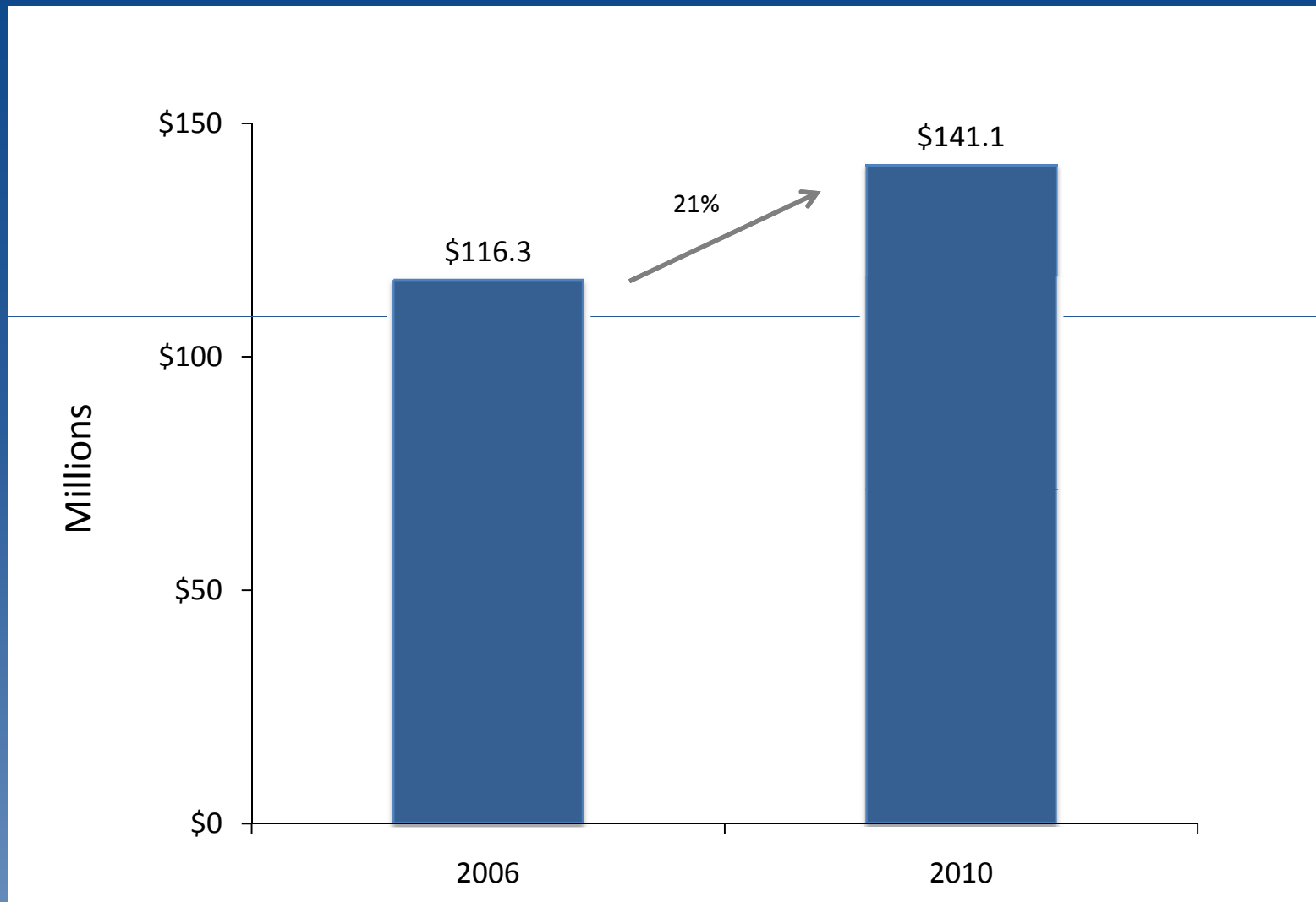
2006 Revenue = \$818M



2010 Revenue = \$487M



Consumer Revenue



Consumer Revenue: Home Delivery Prices

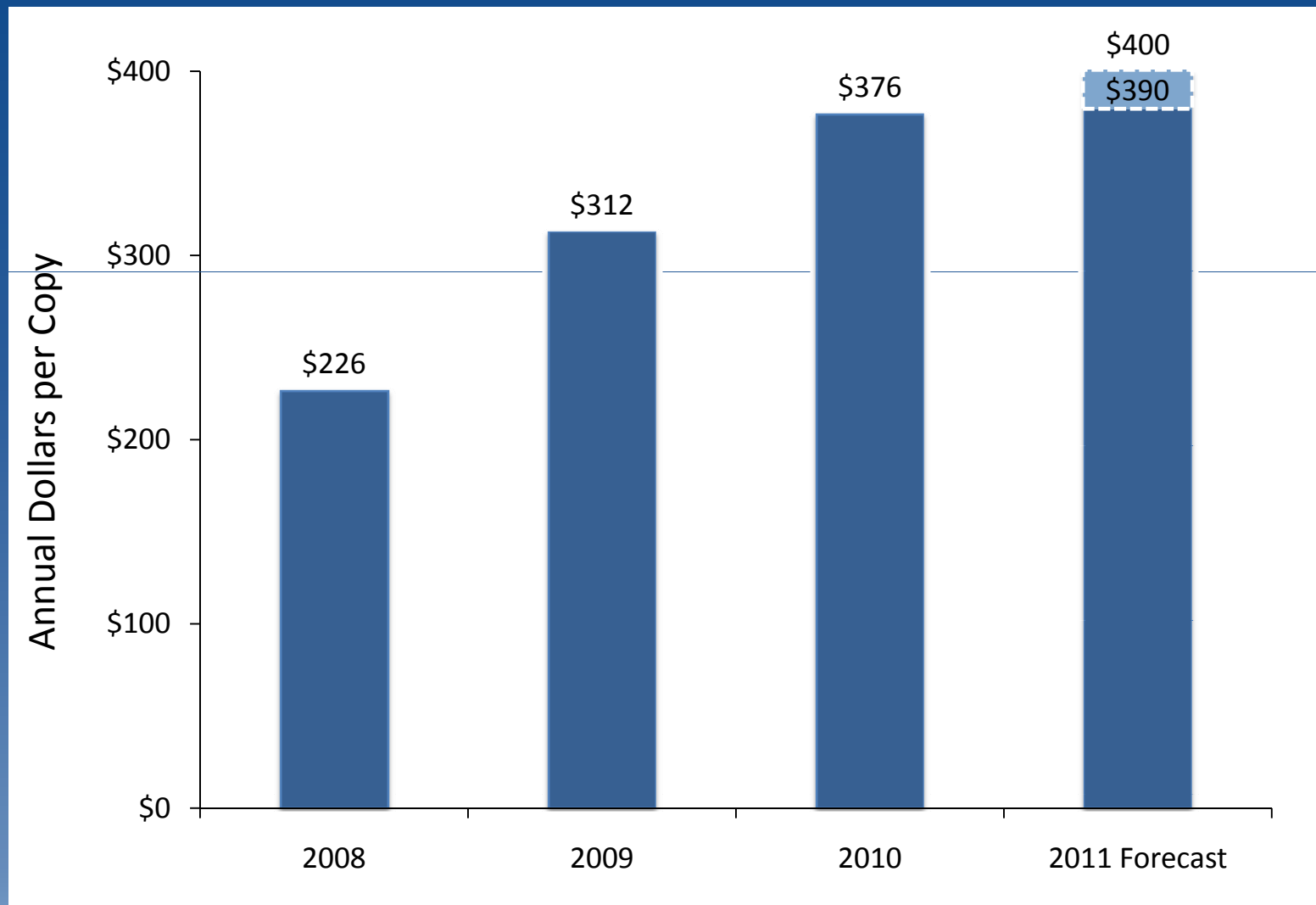
Single Copy - Daily		
	2007	2011 (Present)
TDMN	\$0.50	\$1.00
PJC	\$0.50	\$1.00
PEC	\$0.25	\$0.50

Single Copy - Sunday		
	2007	2011 (Present)
TDMN	\$1.50	\$3.00
PJC	\$2.00	\$3.00
PEC	\$1.00	\$1.50

7-Day Home Delivery		
	2007	2011 (Present)
TDMN	\$18.00	\$33.95
PJC	\$17.80	\$32.00
PEC	\$12.72	\$15.92

Note: TDMN = *The Dallas Morning News*; PJC = *The Providence Journal*; and PEC = *The Press-Enterprise*; For PJC and PEC, assumes a 4-week month

The Dallas Morning News Consumer Revenue per Copy



Note: Only includes circulation revenue from *The Dallas Morning News*' daily print newspaper. The *Denton Record-Chronicle* and digital replicas are not included

Condensed News Products



- Launched in August 2008
- Published Wednesday through Saturday
- Delivered to homes of non-subscribers in key zip codes
- Average daily circulation: ~200K

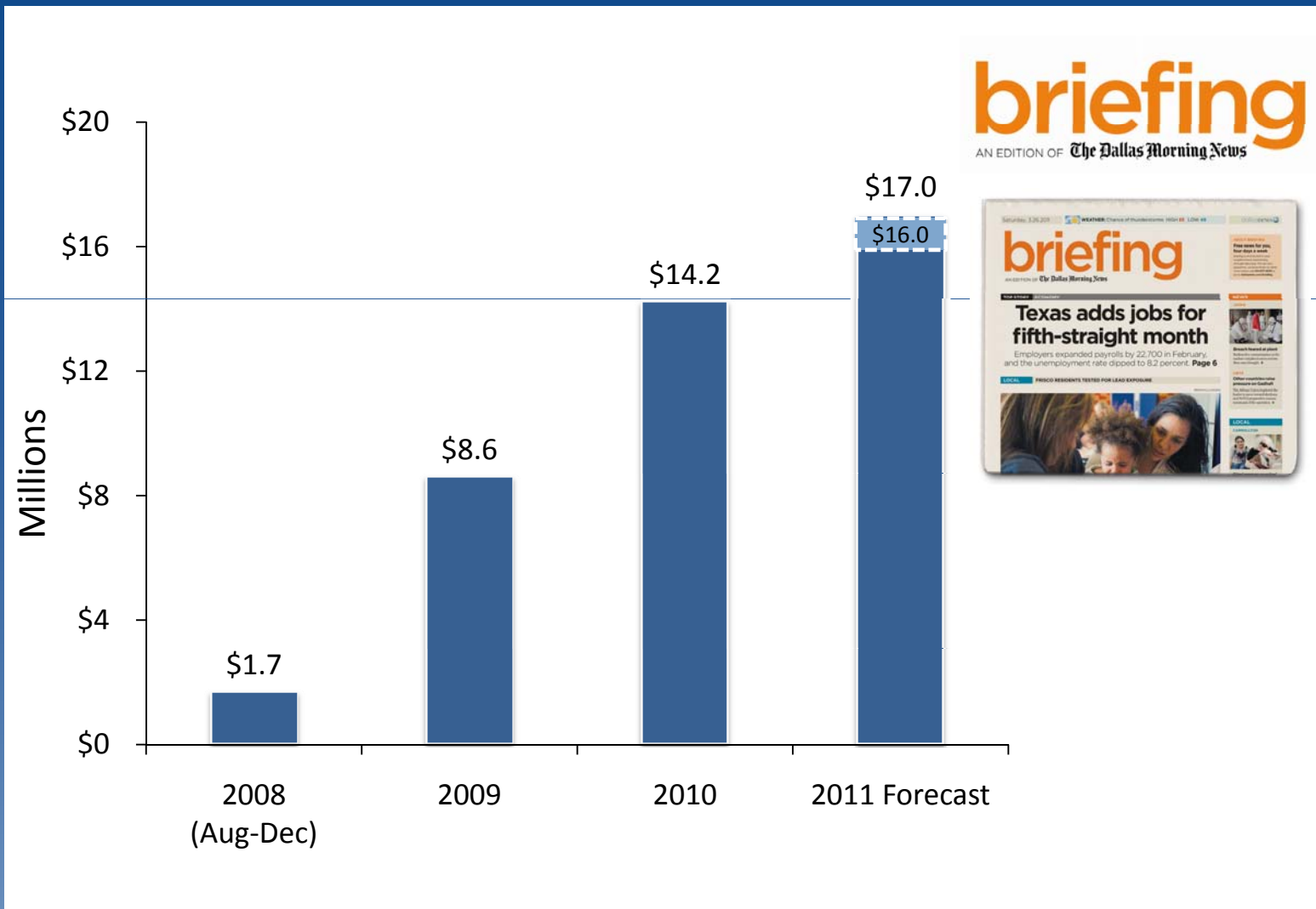


- Launched in 2009



- Launched in 2010

Briefing Revenue



Other Publications



- Spanish language newspaper published on Wednesday and Friday
- Circulation
 - Wednesday: 98K
 - Saturday: 122K



- Community newspaper
- Published on Friday
- 17 print editions are delivered to about 40 communities

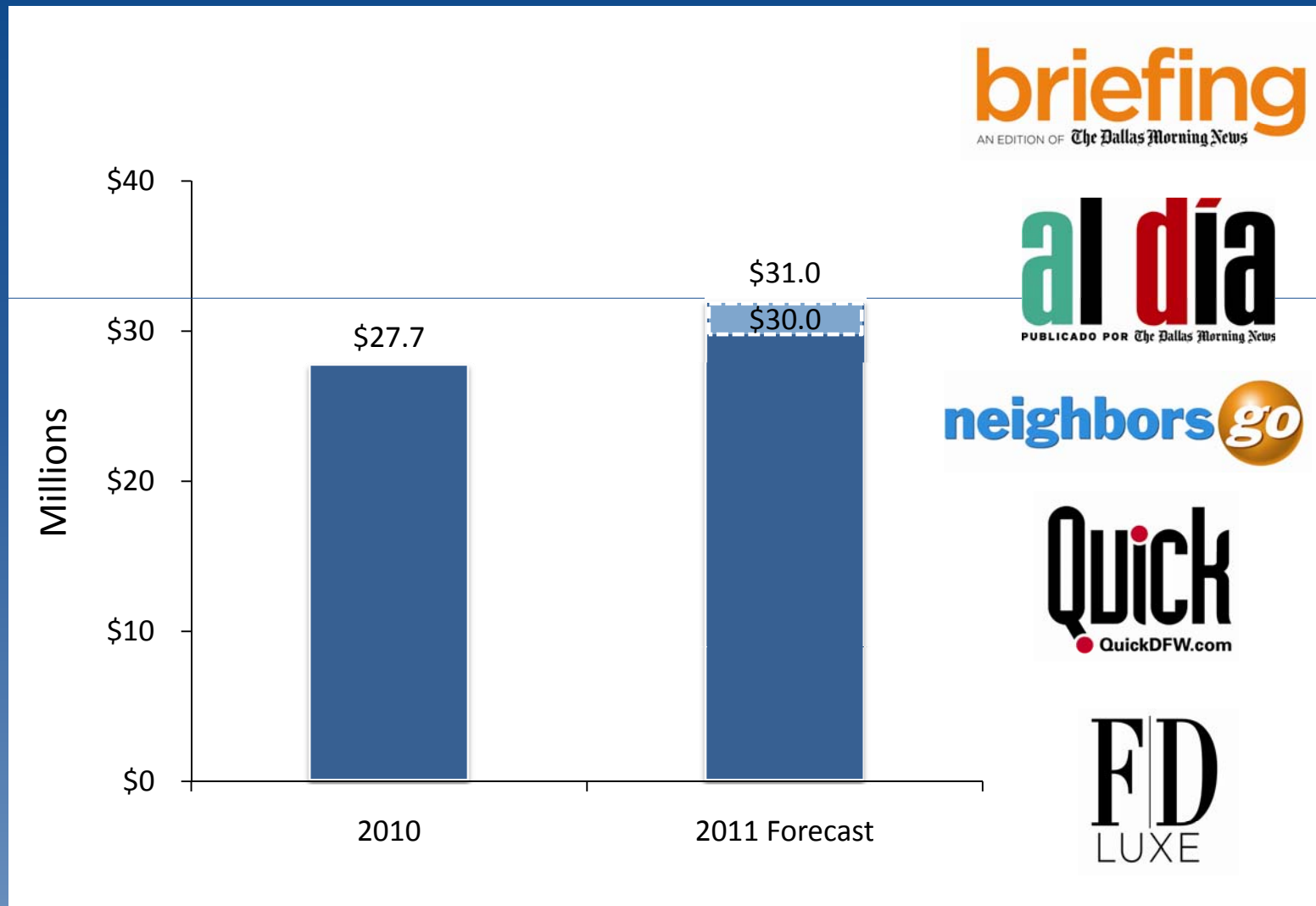


- Weekly “quick-read” newspaper, designed to provide a digest of the day’s top news stories for young readers on the run
- Published on Thursday



- Style magazine, targets college-educated women and men between the ages of 25 and 54 with annual household income over \$160K
- Published monthly (1st Thursday)

Briefing and Other Publication Revenue



Advertising: Go-To-Market Strategy

- Re-organized entire sales team into a customer-focused organization
- Implemented new sales force structure centered on 11 business segments
- Zero-based the sales organization
- Re-defined positions and required skills
- Solution-based selling and testing
- Professional recruiting firms identified qualified external candidates
- General Managers with P&L responsibility lead each segment

DMNmedia Video

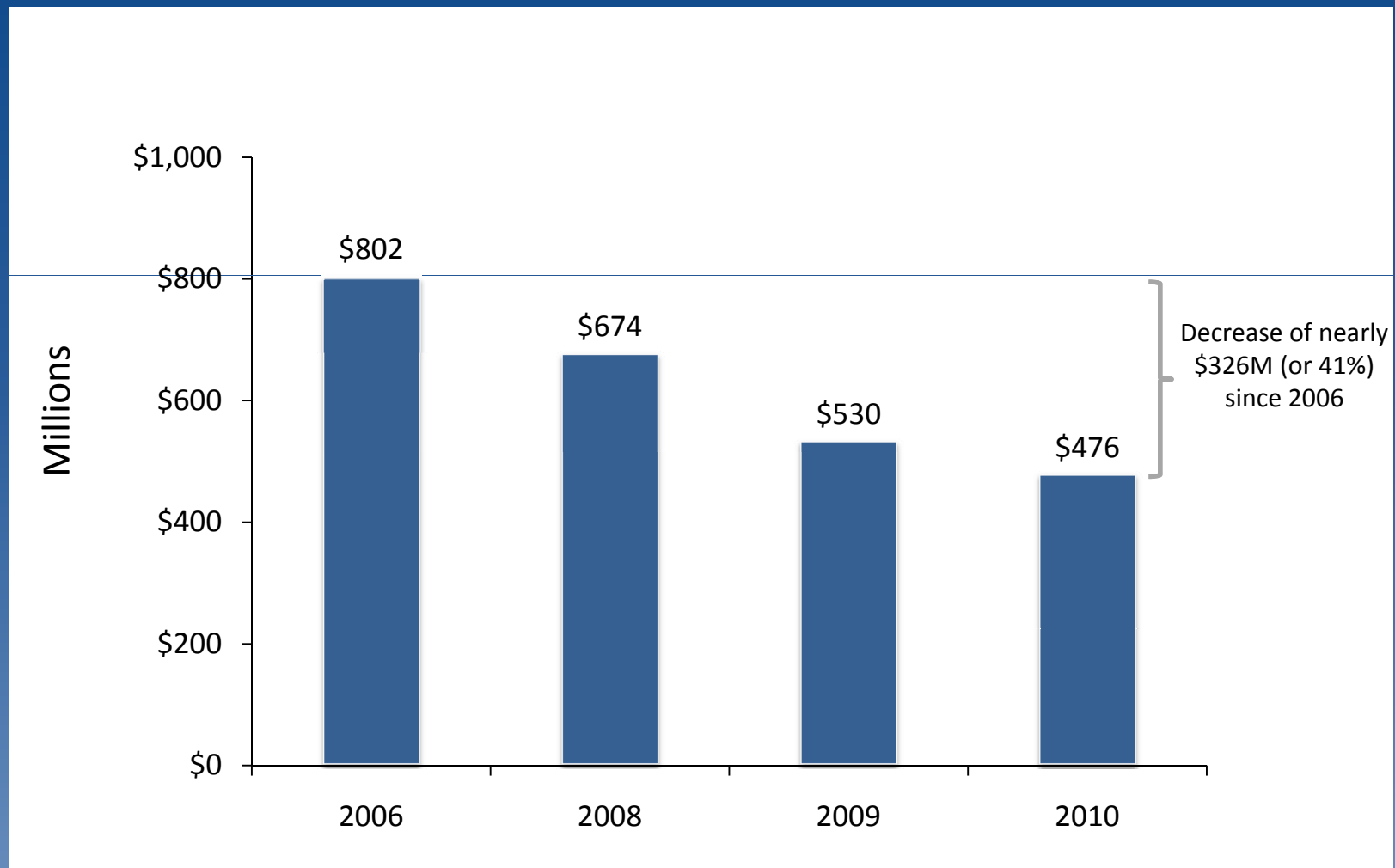


Diversifying Revenue Mix: Printing and Distribution Business

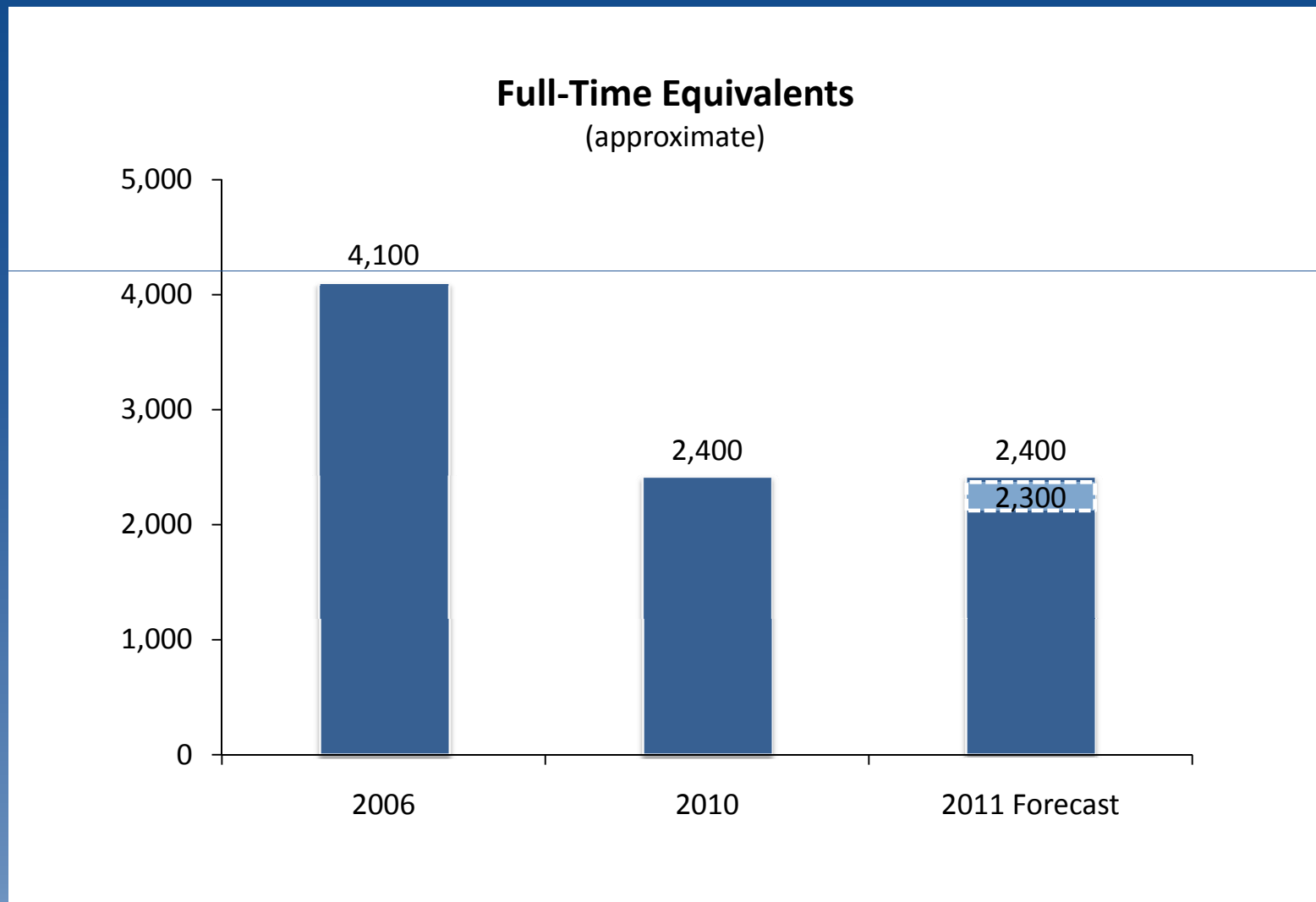
- Commercial printing services, primarily for national newspapers that require regional printing
- Home delivery and retail outlet distribution services for national newspapers
- Acquired commercial printing and distribution contracts in all three markets last year

Operating Costs

(excluding pension and impairment expenses)



Headcount Expense

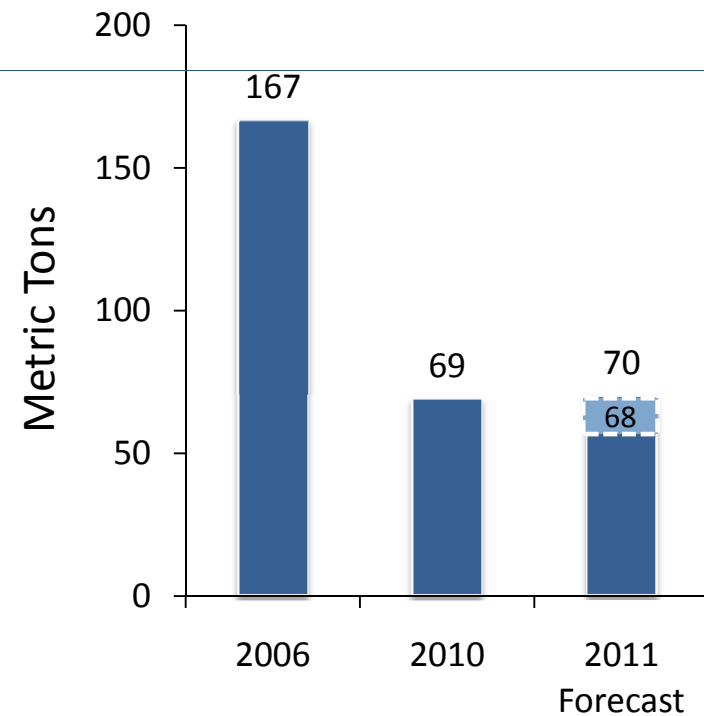


Newsprint

Newsprint Expense



Newsprint Consumption



Technology Solutions

- Print and Web content
- Sales and marketing
- Circulation

Selected Technology Implementations in 2011

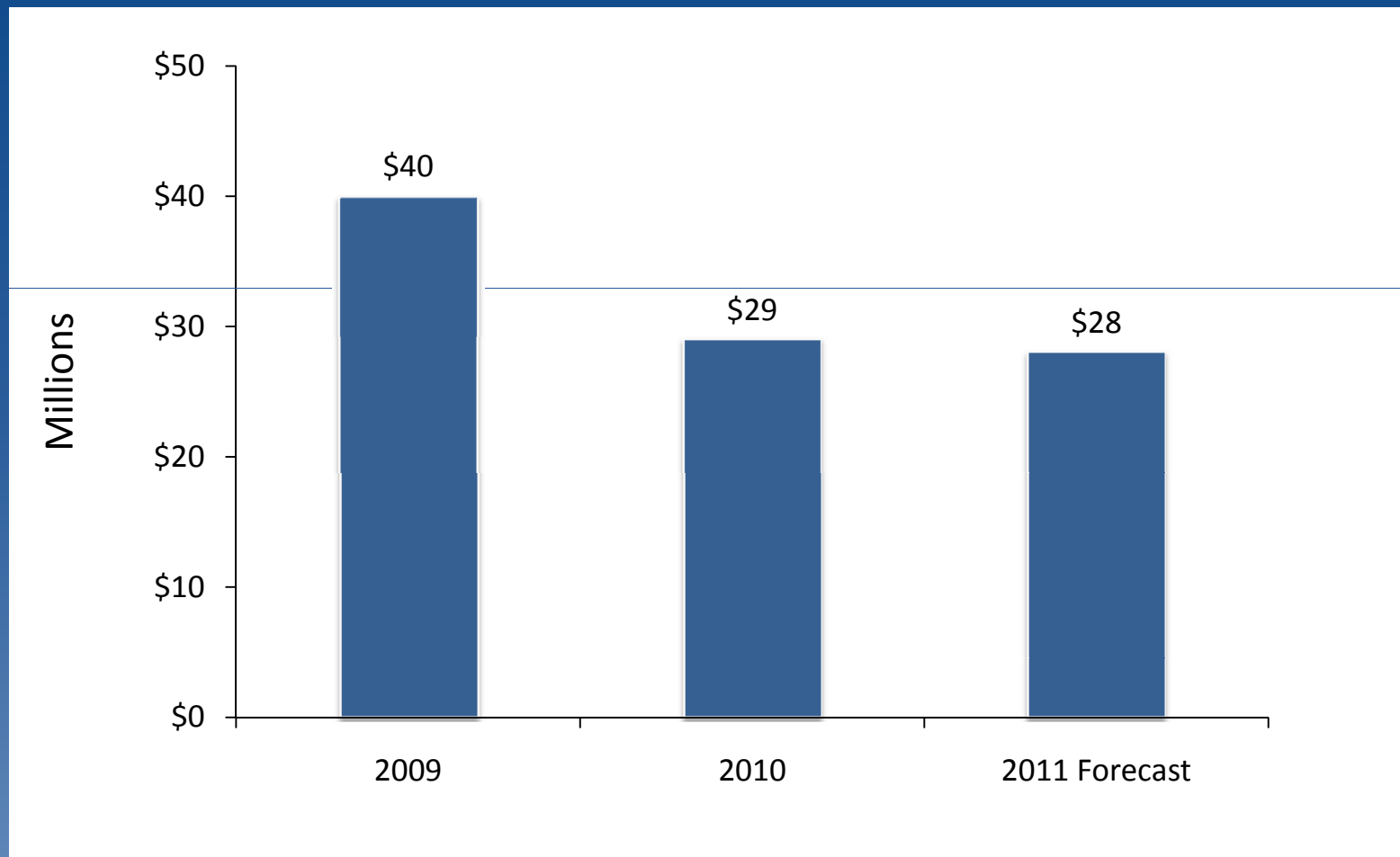
The Press-Enterprise

- Circulation: DSI
- Print and Web Marketing
 - CCI NewsGate
 - Edgil
 - Escenic
- Sales and Marketing
 - Atex
 - CNI AdDesk

The Providence Journal

- Print and Web Marketing
 - CCI NewsGate
 - Escenic

Technology Expense





Subscriber Content Strategy



Definition of Subscriber Content

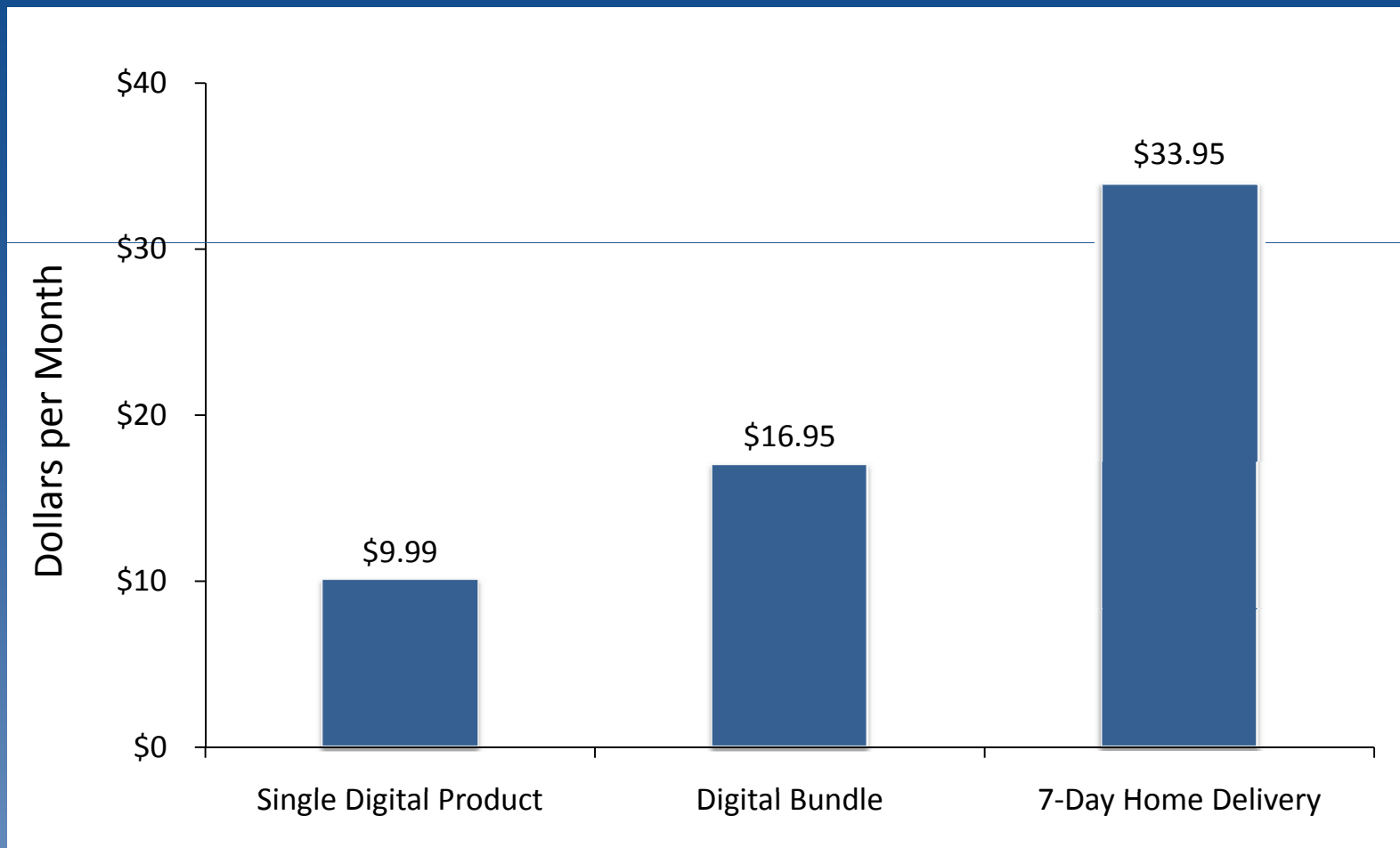


- Subscriber content is original and proprietary content, exclusive to, and generated by, *The Dallas Morning News*
- Subscriber content is only available in our newspaper, dallasnews.com, the mobile web and on our tablet and smart phone applications
- Award-winning newsroom staffed by over 300 journalists

Subscriber Content



Consumer Pricing Strategy: Subscriber Rates



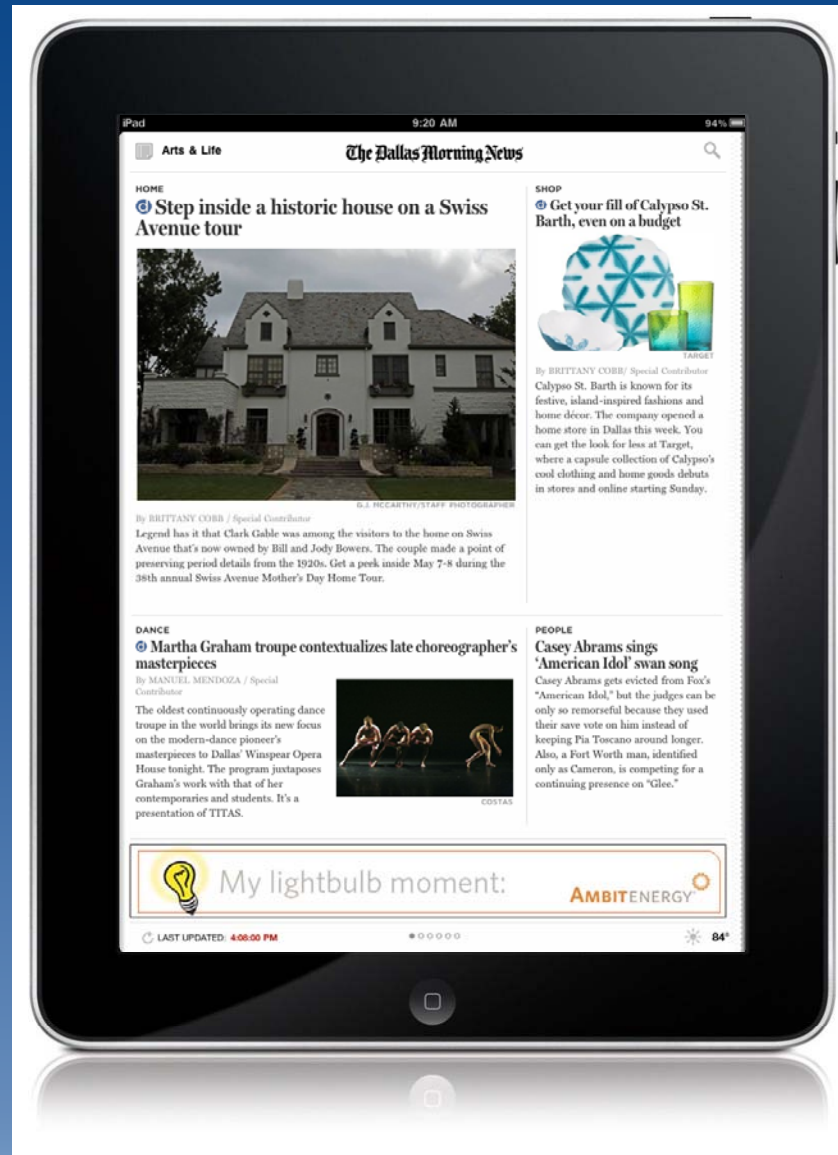
DallasNews.com



iPhone App



iPad App



Advertising Campaign Video





Subscriber Content Strategy



Subscriber Content Strategy: Next Steps

- Android Tablet release later this quarter
- *The Providence Journal* will roll out its subscriber content strategy in the second half of 2011
- *The Press-Enterprise* will roll out its subscriber content strategy in early 2012

Real Estate Strategy

Dan Blizzard

Senior Vice President and Secretary



A. H. BELO CORPORATION

Agenda

- Background on our real estate portfolio
- Our approach to monetizing real estate assets
- 2010 transactions
- Estimated market value and potential pre-tax proceeds from the sale of non-core real estate
- Listing of non-core real estate assets
 - Providence
 - Riverside
 - Dallas: *The Dallas Morning News*
 - Dallas: Belo Investment LLC (BINV)
- Core real estate used in operations

Our Approach to Monetizing Real Estate Assets

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

2010 Transactions

<u>Property</u>	<u>Location</u>	<u>Net Proceeds</u> (millions of dollars)	<u>Time on Market</u>
Washington Street Garage	Providence	\$5.7	20 Months
North Plant Excess Land	Plano, TX	\$2.5	18 Months
DFW Printing Company	Arlington, TX	\$0.8	18 Months
Denton Excess Land	Denton, TX	<u>\$0.5</u>	21 Months
		<u>\$9.5</u>	

Non-Core Real Estate Value and Potential Pre-Tax Proceeds

	<u>Range</u>	
	<u>Low</u>	<u>High</u>
Estimated Market Value	\$23M	\$37M
Potential Pre-Tax Proceeds (timing: 1-3 years)	\$21M	\$33M

Providence Non-Core Real Estate

Property

Status

Fountain Street Parking Lot

For sale

Eddy Street Parking Lot

For sale

Mathewson Street Lot

For sale

Inserting Facility

For sale

Riverside Non-Core Real Estate

<u>Property</u>	<u>Status</u>
Hemet News Bureau	For sale
Banning News Bureau	For sale

Dallas Non-Core Real Estate

Property Owned by TDMN

Status

Original South Plant Land

Under contract

South Plant

For sale

Garland News Bureau

For sale

Lewisville News Bureau

For sale

Dallas Non-Core Real Estate (continued)

Belo Investment LLC is jointly owned (50/50)
by A. H. Belo Corporation and Belo Corp.

Property Owned by BINV

Status

700 Commerce Street Parking Lot

For sale

806 Jackson/311 Lamar Street Parking Lot

For sale

WFAA Plaza

Exploring options

The Belo Building

Not listed for sale – used by Belo Corp.

Visitor Parking Lot

Not listed for sale – used by Belo Corp.

Lubben Plaza East Parking Lot

Not listed for sale – used by Belo Corp.

Break



A. H. BELO CORPORATION

Question & Answer



A. H. BELO CORPORATION

Concluding Remarks

Robert Decherd

Chairman, President and Chief Executive Officer



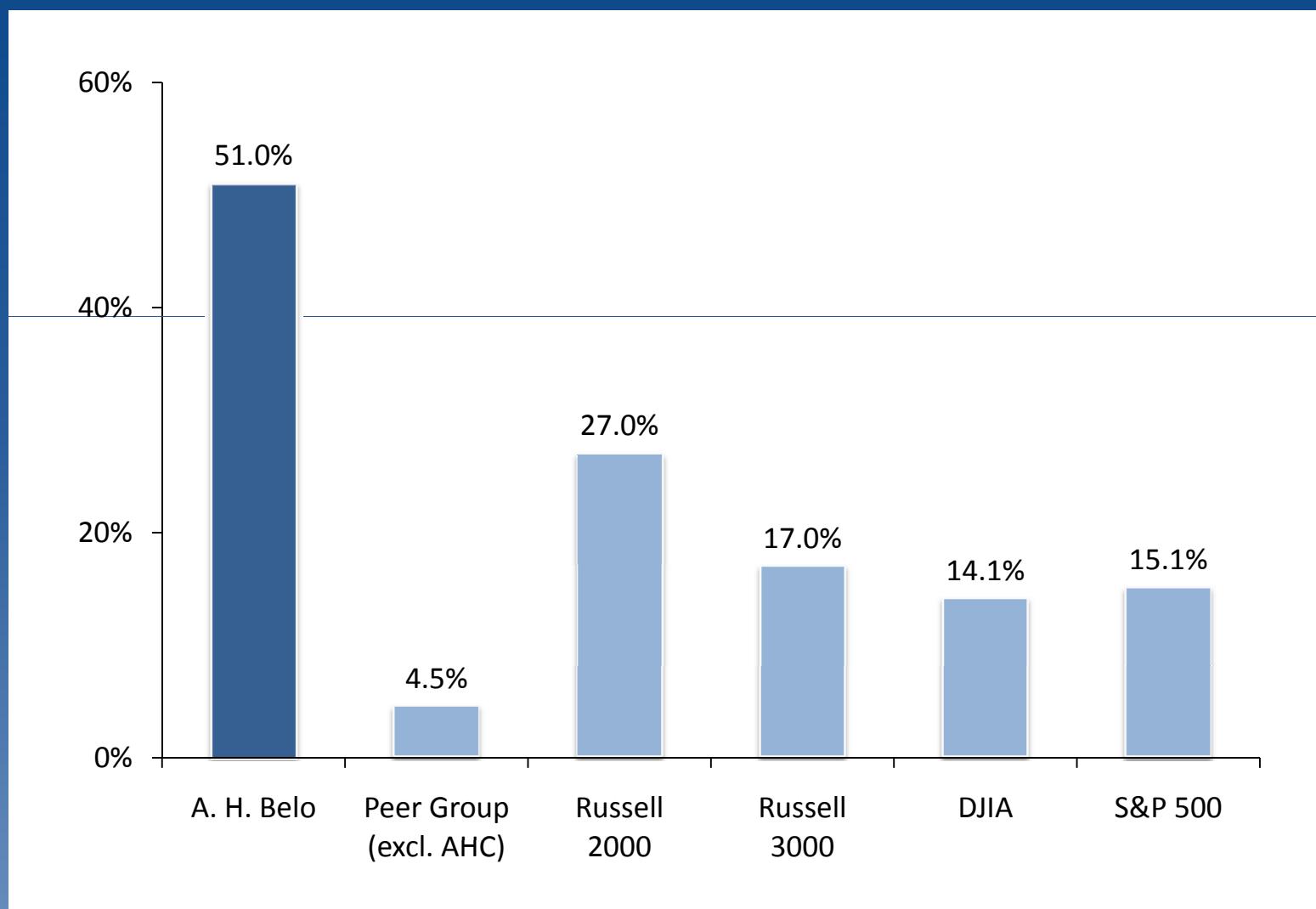
A. H. BELO CORPORATION

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- Consistently return cash to shareholders through dividends

Total Shareholder Returns in 2010

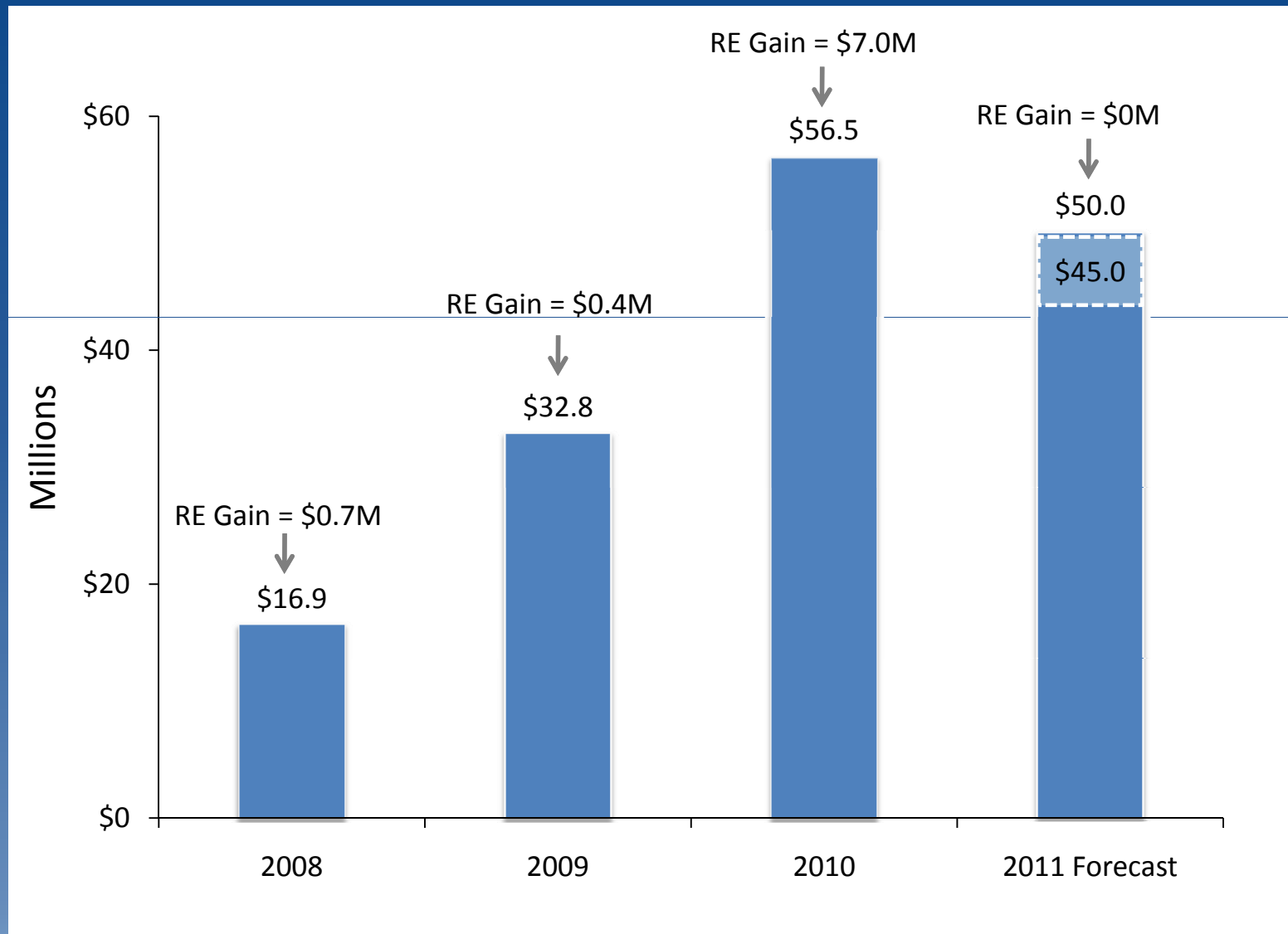
A. H. Belo vs. Benchmarks



Source: Thomson Reuters

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Improving Adjusted EBITDA



Note: RE = real estate

Investor Day

May 3, 2011



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Appendix



A. H. BELO CORPORATION

First Quarter 2011 Income Statement

A. H. Belo Corporation Condensed Consolidated Statements of Operations

	Three months ended March 31,	
<i>In thousands, except per share amounts (unaudited)</i>	2011	2010
Net Operating Revenues		
Advertising	\$ 67,936	\$ 72,186
Circulation	35,052	35,586
Printing and distribution	9,187	7,986
Total net operating revenues	112,175	115,758
Operating Costs and Expenses		
Salaries, wages and employee benefits	50,495	56,254
Other production, distribution and operating costs	45,652	46,030
Newsprint, ink and other supplies	14,502	11,222
Depreciation	7,583	9,164
Amortization	1,310	1,310
Total operating costs and expenses	119,542	123,980
Loss from operations	(7,367)	(8,222)
Other Income (Expense), Net		
Interest expense	(207)	(203)
Other income, net	1,267	25
Total other income (expense), net	1,060	(178)
Earnings		
Loss before income taxes	(6,307)	(8,400)
Income tax expense	420	728
Net loss	\$ (6,727)	\$ (9,128)
Net loss per share:		
Basic and diluted	\$ (0.31)	\$ (0.44)
Weighted average shares outstanding:		
Basic and diluted	21,383	20,767

First Quarter 2011 Balance Sheet

A. H. Belo Corporation Condensed Consolidated Balance Sheets

<i>In thousands (unaudited)</i>	March 31, 2011	December 31, 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 51,566	\$ 86,291
Accounts receivable, net	42,032	56,793
Other current assets	34,331	29,875
Total current assets	<u>127,929</u>	<u>172,959</u>
Property, plant and equipment, net	170,621	176,676
Intangible assets, net	45,461	46,771
Other assets	23,302	23,643
Total assets	<u>\$ 367,313</u>	<u>\$ 420,049</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 17,996	\$ 29,159
Pension liabilities	-	54,833
Accrued expenses	29,214	27,448
Advance subscription payments	24,768	23,057
Total current liabilities	<u>71,978</u>	<u>134,497</u>
Pension liabilities	94,113	77,513
Other liabilities	7,176	8,166
Total shareholders' equity	<u>194,046</u>	<u>199,873</u>
Total liabilities and shareholders' equity	<u>\$ 367,313</u>	<u>\$ 420,049</u>

First Quarter 2011 Reconciliation

A. H. Belo Corporation

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

	Three months ended March 31,	
<i>In thousands (unaudited)</i>	2011	2010
AS REPORTED		
Net Income/(Loss)	\$ (6,727)	\$ (9,128)
Addback/(Subtract):		
Depreciation and amortization	8,893	10,474
Interest expense	207	203
Income tax expense	420	728
EBITDA (1)	<u>2,793</u>	<u>2,277</u>
Addback/(Subtract):		
Pension expense	1,685	5,350
Adjusted EBITDA (1)	<u>\$ 4,478</u>	<u>\$ 7,627</u>

- (1) 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 pension expense and impairment expense recorded 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 a supplemental measure of the Company's financial performance and to assist with determining bonus achievement, performance comparisons against its peer group of companies, as well as capital spending and other investing decisions. EBITDA or similar measures are also common alternative measures of performance used by investors, financial analysts and rating agencies to evaluate financial performance. 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.