Condensed Interim Consolidated Financial Statements of

GLACIER MEDIA INC.

Three months ended March 31, 2013

(Unaudited)

President's Message

Summary

Glacier Media Inc. ("Glacier" or the "Company") continued to generate strong revenue, profit and cash flows from a number of its operations and through its diversified base of information communications businesses. However, weaker economic conditions in the quarter adversely affected operating results. Business and trade information revenue weakened in some operations during the three months ended March 31, 2013 due to softness in key economic sectors, particularly those in which volatile commodity pricing affect business information activity. Community media revenue continued to be softer compared to the same period last year. Revenues and EBITDA in the community media operations were affected by weaker conditions in the general economy and by related national advertising softness, as well as digital competition. Consolidated EBITDA was also affected by operating resource expense investments made to strengthen some community media assets acquired from Postmedia, and increased digital investment including a new real estate information portal, amongst other things.

Many of the Company's business information operations continue to grow and provide attractive opportunities for future growth in both existing and new verticals through multi-platform offerings, including rich information products and solutions. Community media operations continue to offer a strong value proposition through local information they provide to readers and key marketing channels they provide in the small community markets they serve across complementary multi-media platforms. As mentioned, weaker economic conditions in the first quarter adversely affected national advertising revenues – a trend which appears to be largely cyclical. Digital competition exacerbated the weaker economic conditions in the larger urban markets, but has been less of a factor in the smaller regional markets.

Notwithstanding the current market softness, a variety of significant growth opportunities are still available. The Company's strategy is to invest cash flow generated from the community media operations and the business and trade information operations in both operational opportunities and acquisitions. In particular, the Company intends to increase capital allocated to business and trade information acquisitions and growth opportunities, which includes internal product development related technology investments. The Company also intends to provide returns to shareholders through increasing dividends as well as share buy-backs.

Key Financial Highlights and Change in Accounting Standards

As a result of a change in IFRS accounting policies effective January 1, 2013, the Company is now required to account for its joint ventures under the equity method. Previously, the Company's joint ventures were accounted for using proportionate consolidation. As a result of the change in accounting, the Company no longer presents the revenues, expenses, assets and liabilities of its share of these operations in the Company's results on a line by line basis. The Company now carries its interest as a net investment on its balance sheet and includes the net results from these operations in its statement of operations as earnings from joint ventures and associates.

Despite this accounting change, management believes that including its share of revenues and expenses in the Company's results (consistent with its prior accounting treatment) provides an important basis for assessing the overall operations of the Company. Therefore, segment reporting information presented in the financial statements remains unchanged. The table below adjusts the Company's reported results under IFRS to include the revenues and expenses of its joint ventures, consistent with its historical presentation. Management continues to base its operating decisions and performance evaluation using the adjusted results.

	Three months ended March 31, 2013			Three months ended March 31, 2012		
	Per IFRS	Joint Venture Adjustments	Adjusted	Per IFRS	Joint Venture Adjustments	Adjusted
Revenue	$ 70,526	$ 6,314	$ 76,840	$ 64,859	$ 11,562	$ 76,421
Gross profit (3)	$ 19,365	$ 2,908	$ 22,273	$ 19,657	$ 5,098	$ 24,755
Gross margin	27.5%		29.0%	30.3%		32.4%
EBITDA (1)	$ 6,232	$ 1,657	$ 7,889	$ 7,221	$ 3,657	$ 10,878
EBITDA margin (1)	8.8%		10.3%	11.1%		14.2%
EBITDA per share (1)	$ 0.07		$ 0.09	$ 0.08		$ 0.12
Net income attributable to common shareholders	$ (368)	$ (62)	$ (430)	$ 2,746	$ 168	$ 2,914
Net income attributable to common shareholders per share	$ 0.00		$ 0.00	$ 0.03		$ 0.03
Cash flow from operations (1)(2)(4)	$ 5,685	$ 1,346	$ 7,031	$ 5,757	$ 3,674	$ 9,431
Cash flow from operations per share (1)(2)(4)	$ 0.06		$ 0.08	$ 0.06		$ 0.11
Total assets	$ 606,455	$ 15,783	$ 622,238	$ 552,132	$ 36,535	$ 588,667
Weighted average shares outstanding, net	89,243,102		89,243,102	89,358,410		89,358,410

(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.
(2) 2013 excludes $0.7 million of restructuring expense and $0.4 million of transaction and transition costs.
(3) Gross profit for these purposes excludes depreciation and amortization.
(4) For non-recurring items excluded in the prior period, refer to previously reported financial statements.

- For the three months ended March 31, 2013, Glacier's adjusted consolidated revenue increased 0.5% to $76.8 million from $76.4 million in the prior period. This increase was primarily due to the acquisition of control of Alta Newspaper Group Limited Partnership ("ANGLP") completed on April 1, 2012 as well as growth in a number of the Company's business information operations, offset by continued weakness in community media operations;

- Adjusted consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 27.5% to $7.9 million from $10.9 million;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) decreased 25.4% to $7.0 million;

- Adjusted net income attributable to common shareholders was $(0.4) million compared to net income of $2.9 million;

- Adjusted EBITDA per share decreased 27.5% to $0.09 from $0.12 for the period compared to the same period in the prior year and net income attributable to common shareholders per share decreased to $0.00 from $0.03 for the same period last year;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) per share decreased to $0.08 per share from $0.11 for the same period last year;

- The Company's adjusted results for the quarter were affected by the acquisition of control of ANGLP on April 1, 2012; whereby the adjusted results for the three months ended March 31, 2012 only include the Company's previous percentage ownership; and

- Glacier became a 50% partner in a new venture, Weather INnovations ("WIN") Consulting – created as the result of merging WeatherFarm (a former Canadian Wheat Board asset acquired by Glacier in late 2012) and Weather INnovations Inc. (an agricultural meteorology information business), of which Glacier acquired an interest in subsequent to March 31, 2013.

For the three months ended March 31, 2013, excluding its share of revenues and expenses from its joint ventures and in accordance with IFRS, consolidated revenues were $70.5 million, an increase of 8.7% over the same period in the prior year; EBITDA was $6.2 million, a decrease of $1.0 million or 13.7%; and cash flow from operations was $5.7 million, a decrease of $0.1 million or 1.3%. On a per share basis, EBITDA decreased $0.01 for the three months ended March 31, 2013, and cash flow from operations was $0.06, the same as the prior year. Under IFRS, the results of ANGLP are included in the statement of operations as earnings from joint ventures and associates for the three months ended March 31, 2012.

Business and Trade Information Sales Performance & Review

Many of Glacier's business and trade information operations continued to deliver growth, with revenue increases generated across a wide variety of verticals – driven by a diverse variety of product and information innovations. While in some verticals this growth was slower than the prior year, the various products and services still outperformed peer groups active in those sectors.

To the degree revenues have been adversely affected by general economic malaise, a number of growth initiatives are being pursued and are generating strong sales results, especially those associated with sectors of the economy which are experiencing relatively stable conditions in a pan-Canadian context. This is a result of a stronger inter-divisional collaboration framework created between the various operations.

In particular, Glacier's business and trade information operations enjoyed growth in the energy, environmental risk, environmental compliance networks, medical and financial information sectors as a result of targeted initiatives designed to align with growth areas within those sectors. Glacier's business and trade information portfolio contains many brands that have decades of service in their respective sectors. The intrinsic equity associated with these brands is a key competitive advantage as the products evolve and extend.

In addition to core business and trade information print and digital sales, management is focused on strategies designed to offer customers increasingly richer value propositions. These include multi-platform solutions – with a key focus on mobile offerings – designed to integrate more seamlessly with customer decision-making processes, thus ensuring heightened levels of decision dependency on specific information tools. Such dependence is enhanced through a focus on effective pricing and targeted timing. Consequently, these information tools are increasingly integrated in customer decision-making and as a result sales efficiency, renewal and retention improves. This includes a focus on advertising solutions that are underpinned by a strong economic development framework. As a result, Glacier expects to develop increased business with non-traditional customers.

Key efforts are under way to distinguish different types of digital content, advertising and subscriptions based on research designed to highlight individual industry sector needs. Premium subscription and related products are being enhanced and developed with a particular focus on essential content, data, search, interpretation, contextualization and analytics. A consistent focus on various ways of enriching content results in improved rates for advertising positioned alongside rich information.

Based on momentum that accelerated in 2012, the first quarter produced several initiatives which highlighted how sharper focus on sector and customer needs facilitates efficient product development. These developments are intended to play important mid-term and long-term roles.

These initiatives include:

- New product and service platforms for the pharmaceutical and medical communities – and a new brand – from Inceptus Media (formerly CD-Pharma).
- Groundwork was laid for the launch of new content marketing and reselling services to provide customers with access to specialized in-depth content that they will be permitted to reuse under certain licencing conditions.
- A new series of innovative product e-newsletters that target highly specific sub-sectors of the Canadian manufacturing industry.
- A new partnership agreement with purchasing professionals and their association to amalgamate their annual conference with Glacier's National Buyer Seller Forum (oilsands supply chain event) which will strengthen the overall conference to make it one of the most important gathering of industry buyers and sellers in North America.
- Successful investment in two specialized weather services to complement the growing range of rich information offerings to the Canadian farm and agri-business sectors. These services

will enhance Glacier's expanding range of deep operationally relevant data tools for Canadian farmers.

Management is paying close attention to key provincial and federal policy initiatives. Important developments in areas of energy and climate change, as well as international trade with Pacific Rim and European markets offer opportunity for new information products. As well, these markets offer new advertising frontiers for Canadian customers seeking to expand internationally. Such enhanced distribution highlights the quality and integrity of Canadian goods and services, particularly when aligned with content that contextualizes Canada's increasingly important role in a global economy. In particular, management is monitoring federal negotiations with the European Union that in 2013 may well result in Comprehensive Economic and Trade Agreement (CETA) – the second largest free trade agreement in Canadian history after NAFTA.

In 2012, key alignments further developed with provincial and federal trade staffers in various embassies and consulates. This outreach continues in 2013. Through these relationships various Glacier business and trade information products are available to trade and commercial officials whose responsibility it is to develop Canada's business interests globally. For advertisers, framing their products and services in an economic development framework offers enhanced access to their marketing messages. For example, Glacier's energy group continued its outreach into Chinese oilfield service markets in the first quarter and as a result, is being asked to play a larger role in delivering environmental innovation solutions to the Chinese energy markets.

Many of Glacier's business and trade information units are located in key Western Canadian business centres. New organizational alignments between the units are resulting in innovative cross-sector marketing initiatives that help create new opportunities for brand exposure, as well as new revenue streams in the west. Similar initiatives with the Company's Toronto-based business units are resulting in new national opportunities and in the first quarter, new initiatives were outlined in the area of clean technology, for example, which will result in new products within 2013.

Digital revenues now represent more than a quarter of Glacier's business and trade information revenues and are growing steadily. Significant focus and related investment will continue to be made to enhance Glacier's digital business and trade information verticals, through both organic development and new business acquisition. These acquisitions will be targeted to expand the markets that Glacier covers, extend the breadth of information products and marketing solutions provided, and to enrich Glacier's digital media staff, technology and other relevant resources – all focused on consistently enhancing "decision dependence".

Overall, the business and trade information operations and various markets offer attractive opportunities for growth with high levels of profitability – particularly when aligned with Glacier's leading position in key sectors. An integration framework which permits management teams in various verticals to remain entrepreneurial and market-focused will enhance the Company's ability to service its key customers with more integrated solutions.

Community Media Sales Performance & Review

Glacier's community media operations continue to experience weaker revenue performance in a number of markets, primarily the result of softer national advertising. The B.C. markets were affected by weaker economic conditions in Victoria, the Lower Mainland and a variety of Vancouver Island and Northern Interior markets. National advertising revenues were weaker in most markets, which appear to be the result of cautiousness due to prevailing economic conditions, as financial and government revenues have been significantly lower. Digital competition also affected print spending levels, although this trend primarily affected larger urban markets. Local advertising revenues were resilient in both the existing markets where Glacier has operated and in some of the Lower Mainland and Vancouver Island markets acquired from Postmedia – although the Victoria market continues to struggle.

Operating expense investments are being made to improve the strength and resources of the community media assets acquired from Postmedia in order to increase competitiveness and sales effectiveness. Operating investments have been partially offset by savings in overhead costs as a result of operational alignments with Glacier's existing infrastructure. While it will take time to strengthen and revitalize operations, it is encouraging that direct revenue increases are being realized as investments are made. Digital investments are also being made to exploit revenue opportunities of the larger markets, with a specific focus on content delivery and advertising effectiveness.

While economic and market challenges have affected the community media operations, management believes that these businesses remain strong and will continue to generate solid cash flow given the nature of the markets in which Glacier operates. This cash flow can be used to fund growth through both internal investment and acquisition of digital business and trade information and digital community media assets, as well as debt repayments, dividend payments and share repurchases.

Glacier's small market community media operations offer a unique selling proposition and competitive advantage through the local information that they provide – of which they are a primary source – and the primary advertising and marketing channels they offer. The value of community content is provided to readers in print and online, by tablet and smartphone platforms. As described above, a number of new digital sales products and strategies have been introduced, and new digital sales and product staff are being hired and technology investments are being made to drive these growth initiatives. Given that the demand for local community information is expected to exist for the long term, Glacier expects to be able to monetize the information and marketing value. As 85% of Glacier's local newspaper distribution is free, this also provides for a more durable reach of readership for advertisers over time wherein total market coverage can always be provided. The attributes of these community media operations are significantly different and stronger than larger metropolitan paid daily newspapers, which have been reflected in the financial performance of Glacier's community media group. An important advantage is that being local often means being integrally rooted in the fabric of a community and Glacier's community media management and staff work assiduously to remain tied to the rhythms of the markets they serve.

Operational Performance

As stated, adjusted consolidated EBITDA decreased $3.0 million or 27.5% to $7.9 million compared to $10.9 million in the same period last year. While adjusted consolidated revenues showed a slight increase on an overall dollar basis, due to the acquisition of control of ANGLP, the economic environment and related softness resulted in lower same-store revenue and EBITDA in certain trade information businesses and in the community media operations.

Glacier's adjusted consolidated EBITDA margin decreased to 10.3% for the three months ended March 31, 2013 from 14.2% for same period last year as a result of softness in both community media and some business information operations. Management will seek to improve these margins and profit performance through improved print and digital sales effectiveness, cost efficiency and other initiatives.

In accordance with IFRS, Glacier's EBITDA was $6.2 million for the three months ended March 31, 2013, a decrease of $1.0 million or 13.7% and its EBITDA margin decreased to 8.8% from 11.1% for the same period in the prior year. As discussed above, the economic environment and related softness resulted in a lower same-store revenue and EBITDA in certain trade information businesses and in the community media operations.

EBITDA was also impacted by higher pension and post-retirement benefit costs, accounting changes relating to certain business directory digital revenue recognition, increased operating infrastructure investment made in digital media management, staff, information technology and related resources, development of a new real estate information portal, as well as other content and quality related areas. These investments were made consistent with Glacier's complementary media platform and product strategy and business and trade information strategies.

Additional cost reduction measures are being implemented consistently with management's strategy of maintaining strong product and editorial quality while reducing operating costs where possible through initiatives that do not impact quality, sales capacity or market and competitive positions.

Management is being careful to maintain appropriate levels of resources in staff and technology as well as business development in order to facilitate long-term revenue growth.

The complementary media platform and product strategy addresses both the risks that digital media represents to the traditional print platform and the opportunities digital media offers in Glacier's local community and business and trade information markets. The strategy's premise is that customer utility and value should drive platform utilization and product design and functionality. Online, mobile, tablet and other information delivery devices will be fully utilized, while print content and design quality will also be fully maintained. While digital platforms offer many attractive new opportunities, print platforms continue to offer effective utility to both readers and advertisers. Maintaining strong print products also maintains strong brand image and awareness, which increases the likelihood of success online. Studies of time spent across media platforms and reader satisfaction support the complementary platform and product strategy. Management expects that customer utility will vary over time and will be affected by what Glacier and other media providers can creatively provide. Management believes the complementary platform and product strategy will be prudent for the foreseeable future, and will maximize revenue and profit generation.

As indicated, the business and trade information strategies are focused on increasing the value provided to customers through richer content, data and analytic value and heightening customer decision dependence of Glacier's products and services. This dependence moves Glacier's products and services further up the value ladder, with the higher revenue, profitability and recurring cash flow that this value proposition provides.

Financial Position

On an adjusted basis to include the Company's share of its joint ventures, Glacier's consolidated debt net of cash outstanding before deferred financing charges and other expenses was 2.55x trailing 12 months EBITDA as at March 31, 2013.

Including Glacier's joint ventures, the Company invested $2.1 million of capital expenditures during the period primarily on its new printing facility at 50% owned GWNLP and software related to the transition of the digital assets from Postmedia. The investment capital expenditures are being made to generate direct revenue and cash flow improvements and payback consistent with Glacier's targeted return on investment, as well as quality improvements and other benefits.

The Company (excluding its joint ventures) repaid $2.5 million of debt during the three months ended March 31, 2013. Glacier's consolidated debt net of cash outstanding before deferred financing charges was $118.5 million as at March 31, 2013.

As previously reported, in March 2013, an affiliate of the Company received correspondence from Canada Revenue Agency ("CRA") proposing to issue a notice of reassessment with respect to the utilization of non-capital losses by the affiliate, pertaining to taxation years 2008 to 2011. The Company believes that it has reported its tax position appropriately and believes the Company's affiliate has substantial defences to the matters raised by the CRA; however, should the proposed reassessment by CRA ultimately be upheld against the Company's affiliate, the resulting payment would materially affect the Company's financial statements and cash flows. Notwithstanding, the Company's affiliate has the financial capacity to pay such amounts, if any. The likely timing to resolve this matter may take years.

Acquisitions

Glacier continued its strategy of acquiring businesses that provide high-value data and information by becoming a 50% partner in a new venture, Weather INnovations ("WIN") Consulting – created as the result of merging WeatherFarm (a former Canadian Wheat Board asset acquired by Glacier in late 2012) and Weather INnovations Inc. (an agricultural meteorology business), of which Glacier acquired an interest in subsequent to March 31, 2013. The partnership blends two key weather information provision systems that enable farmers and other crop producers to make near real-time decisions for operations such as seeding, spraying and harvesting. As well, the partnership will provide predictive modeling tools to manage disease and pest threats. The new business will operate closely with Glacier's existing agriculture portfolio of products and services.

Outlook and Summary

While economic conditions have adversely impacted some community media operations and business and trade information verticals and digital competition is stronger in the larger community media markets, management expects that growth will continue in most of Glacier's business and trade information operations, as well as a variety of community media markets where local market conditions are stronger. In this regard, management will continue to closely monitor economic conditions in various markets and verticals to ensure appropriate decisions are made in a timely fashion.

Management will focus in the short-term on a balance of reducing certain operating expenses where appropriate, paying down debt, integrating the operations acquired, enhancing existing operations, targeting select acquisition opportunities and returning value to shareholders.

Given continued significant cash flow resulting from operations and acquisitions as indicated, an increasing portion of cash generated can also be returned to shareholders through increased dividends. In January 2013, the Board of Directors reviewed the Company's dividend policy and announced a 33% increase in the annual dividend to $0.08 from $0.06 per share – to be paid quarterly instead of semi-annually, the first dividend of which was paid on April 5, 2013. The second quarterly dividend of $0.02 per share has been declared on May 14, 2013, to shareholders of record on June 14, 2013 and payable on July 5, 2013.

As indicated, significant focus and related investment will continue to be made to enhance Glacier's business and trade information verticals, through both organic development and acquisition. These acquisitions will be targeted to expand markets that Glacier covers; expand the breadth of information products and marketing solutions; and expand Glacier's digital media staff, technology and related resources.

Management will continue to seek a balance of maintaining debt at manageable levels and delivering growth through both operations and acquisitions. In particular, management will seek to time investment in the acquisition and organic growth opportunities to allow cash flow from operations to be used to pay down the increased borrowings incurred in the fourth quarter of 2011.

Jonathon J.L. Kennedy
President and Chief Executive Officer

First Quarter 2013 Management's Discussion & Analysis ("MD&A")

Forward Looking Statements

In this MD&A, Glacier Media Inc. and its subsidiaries are referred to collectively as "Glacier", "us", "our", "we" or the "Company" unless the context requires otherwise.

The information in this report is as at May 14, 2013.

Glacier Media Inc.'s first quarter 2013 Interim Report, including this MD&A, contains forward-looking statements that relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and can generally be identified by the use of statements that include phrases such as "believe", "expect", "anticipate", "intend", "plan", "likely", "will", "may", "could", "should", "would", "suspect", "outlook", "estimate", "forecast", "objective", "continue" (or the negative thereof) or similar words or phrases. These forward-looking statements include, among other things, statements under the headings "Significant Developments in 2013 and Outlook" and "First Quarter Results and Overview of Operating Performance" and the headings "Business and Trade Information Sales Performance & Review", "Community Media Sales Performance & Review", "Operational Performance", "Financial Position" and "Outlook and Summary" in the accompanying President's Message, and statements relating to our expectations regarding our revenues, expenses, cash flows and future profitability, including our expectations that growth will continue in a number of Glacier's business segments, our expectations as to organic revenue and profitability growth, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures and debt service requirements, to monetize our information and content, that debt will be maintained at manageable levels, that cost savings will be realized, that annual dividends are expected to be declared, and that the Company expects to repurchase shares.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements are based on certain assumptions, including continued economic growth and recovery and those assumptions described under the headings "Significant Developments in 2013 and Outlook" and "First Quarter Results and Overview of Operating Performance" and the headings "Business and Trade Information Sales Performance & Review", "Community Media Sales Performance & Review", "Operational Performance", "Financial Position" and "Outlook and Summary" in the accompanying President's Message, and are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements. Important factors that could cause actual results to differ materially from these expectations are listed in our annual MD&A under the heading "Business Environment and Risks" and in our Annual Information Form under the heading "Risk Factors", many of which are out of our control. These factors include, but are not limited to, the ability of the Company to sell advertising and subscriptions related to its publications, foreign exchange rate fluctuations, the seasonal and cyclical nature of the agricultural industry, discontinuation of the Department of Canadian Heritage's Canada Periodical Fund, general market conditions in both Canada and the United States, changes in the prices of purchased supplies including newsprint, the effects of competition in the Company's markets, dependence on key personnel, integration of newly acquired businesses, technological changes, tax risk, and financing and debt service risk.

The forward-looking statements made in the Company's Interim Report, including this MD&A, relate only to events or information as of the date on which the statements are made in the report and this MD&A. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The Interim Report and this MD&A and the documents to which we refer herein should be read completely and with the understanding that our actual future results may be materially different from what we expect.

Basis of Discussion and Analysis

The following management discussion and analysis of the financial condition and results of operations of the Company and other information is dated as at May 14, 2013 and should be read in conjunction with the Company's condensed interim consolidated financial statements and notes thereto as at and for the three months ended March 31, 2013. These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These condensed interim consolidated financial statements include only significant events and transactions affecting the Company during the current fiscal period and do not include all disclosures normally provided in the Company's annual financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2012. The Company's consolidated financial statements for the year ended December 31, 2012 and related MD&A can be obtained on the Company's web site: www.glaciermedia.ca and on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Interim results are not necessarily indicative of the results expected for the fiscal year.

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization, ("EBITDA"), EBITDA margin, EBITDA per share, cash flow from operations, cash flow from operations per share, net income attributable to common shareholders before non-recurring items and net income attributable to common shareholders before non-recurring items per share are not generally accepted measures of financial performance under IFRS. Management utilizes these financial performance measures to assess profitability and return on equity in its decision making. In addition, the Company and its lenders and investors use EBITDA to measure performance and value for various purposes. Investors are cautioned, however, that EBITDA should not be construed as an alternative to net income attributable to common shareholders determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating these financial performance measures may differ from other companies and, accordingly, they may not be comparable to measures used by other companies. A quantitative reconciliation of these non-IFRS measures is included in the section entitled EBITDA, Cash Flow from Operations and Net Income Attributable to Common Shareholders before Non-recurring Items Reconciliation in this MD&A.

Refer to **Change in Accounting Policy and Adjusted Operating Results** for discussion of the accounting change and a reconciliation of the adjusted results to the results in accordance with IFRS (including adjusted non-IFRS measures).

All financial references are in millions of Canadian dollars unless otherwise noted.

Overview of the Business

Glacier Media Inc. is an information communications company focused on the provision of primary and essential information and related services through print, electronic and online media. Glacier is pursuing this strategy through its core business segments: the community media, trade information and business and professional information sectors.

The operations in the community media and trade information group include the agricultural information group (which includes Western Producer Publications, Farm Business Communications and Canada's Outdoor Farm Show), the JuneWarren/Nickle's Energy Group, the Business in Vancouver Media Group, the Business Information Group and the Glacier community media group, which includes direct, joint venture and other interests in community and local daily newspapers and related publications, websites and digital products in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Rhode Island.

Glacier's operations in the business and professional information group include Specialty Technical Publishers, Inceptus Media, Eco Log, and a 50% joint venture interest in Fundata, which is presented within investments in joint ventures and associates.

For additional information on Glacier's operations see the Company's Annual Information Form as filed on SEDAR (www.sedar.com).

Significant Developments in 2013 and Outlook

As a result of a change in IFRS accounting policies effective January 1, 2013, the Company is now required to account for its joint ventures under the equity method. Previously, the Company's joint ventures were accounted for using proportionate consolidation. As a result of the change in accounting, the Company no longer includes the revenues, expenses, assets and liabilities of its share of these operations in the Company's results on a line by line basis. The Company now carries its interest as a net investment on its balance sheet and includes the net results from these operations in its statement of operations as earnings from joint ventures and associates.

Despite this accounting change, management believes that including its share of revenues and expenses in the Company's results (consistent with its prior accounting treatment) provides an important basis for assessing the overall operations of the Company. Additional information on the impact of the change in accounting policies and a reconciliation adjusting the Company's reported results under IFRS to include the revenues and expenses of its joint ventures, consistent with its historical presentation is included under the heading **Change in Accounting Policy and Adjusted Operating Results**.

The increase in revenues in the three months ended March 31, 2013 was the result of the acquisition of control of Alta Newspaper Group Limited Partnership ("ANGLP") on April 1, 2012, organic growth in a number of Glacier's trade information and business and professional operations, offset by a decrease in some of the Company's operations. Revenue growth came from both print and digital media sources, and is directly attributable to Glacier's operational, business segment and complementary media platform and product strategies. New revenues were generated in a wide variety of areas including online, mobile, tablet, electronic product and lead generation developments, special publishing initiatives, special features, supplements, new community magazines, production and promotion of community events, custom publishing, sponsored industry specific research studies, educational offerings, conferences and tradeshows, new directories, and a number of other initiatives. Efforts continue to be made to leverage and monetize content across channels and platforms, particularly mobile applications. Efforts are also being made to improve inter-divisional marketing and branding collaboration to create new organic growth and market opportunities.

Management expects that growth will continue in a number of Glacier's various business segments. While economic conditions have remained strong across many of Glacier's verticals including energy, agriculture, environmental risk, environmental compliance networks, medical and financial information, revenue continues to be softer in community media and in some business information verticals. In 2012 and the first quarter of 2013, weaker economic conditions continued to adversely affect both national and local revenues – a trend which appears to be largely cyclical. Digital competition exacerbated the weaker economic conditions in the larger urban markets, but has been less of a factor in the smaller regional markets. Customer demand for Glacier's electronic information and other digital products continues to grow.

The softness in community media revenues combined with operating investments in the Company's community media assets has resulted in lower operating results for the three months ended March 31, 2013. Cost reduction measures continue to be implemented consistent with management's strategy of maintaining strong product and editorial quality while reducing operating costs where possible through initiatives that do not impact quality, sales capacity or market and competitive positions. Management is being careful to maintain appropriate levels of resources in staff and technology as well as business development in order to facilitate long-term revenue growth.

Despite the current community media softness, significant growth opportunities are available to Glacier in a variety of business segments. Consequently, the Company's strategy is to invest cash flow generated from the community media and the business information operations in both operational opportunities and acquisitions. In particular, the Company intends to increase capital allocated to business information acquisitions and other growth opportunities. The Company also intends to provide returns to shareholders through increasing dividends as well as share buy-backs.

Operational Performance

Revenue for the first quarter of 2013 was 8.7% higher than revenue in the same period of 2012. The increase in revenue came primarily from the acquisition of control of ANGLP on April 1, 2012. Excluding ANGLP, revenues were generally lower due to weaker advertising revenues at both the national and retail levels and in some business information verticals, reflecting overall uncertainty in the economy.

EBITDA decreased 13.7% to $6.2 million for the first quarter of 2013 from $7.2 million for the same period in 2012. The general softness in the advertising sales in community media and certain trade information sectors had a direct impact on EBITDA which more than offset the additional revenues and EBITDA from the ANGLP acquisition of control. EBITDA was also impacted by operating expense investments made to strengthen some community media assets acquired from Postmedia, as well as operating expense investments made in a new digital real estate information business.

First Quarter Results and Overview of Operating Performance

Selected Financial Data

The following outlines selected financial statistics and performance measures for Glacier for the three months ended March 31, 2013 and 2012:

thousands of dollars *except share and per share amounts*	Three months ended March 31, 2013	Three months ended March 31, 2012
Revenue	$ 70,526	$ 64,859
Gross profit [3]	$ 19,365	$ 19,657
Gross margin	27.5%	30.3%
EBITDA [1]	$ 6,232	$ 7,221
EBITDA margin [1]	8.8%	11.1%
EBITDA per share [1]	$ 0.07	$ 0.08
Interest expense, net	$ 1,233	$ 1,420
Net income attributable to common shareholders before non-recurring items [(1)(2)(4)]	$ 729	$ 3,300
Net income attributable to common shareholder before non-recurring items per share [(1)(2)(4)]	$ 0.01	$ 0.04
Net income attributable to common shareholders	$ (368)	$ 2,746
Net income attributable to common shareholders per share	$ 0.00	$ 0.03
Cash flow from operations before non-recurring items [(1)(2)(4)]	$ 5,685	$ 5,757
Cash flow from operations per share before non-recurring items [(1)(2)(4)]	$ 0.06	$ 0.06
Investment capital expenditures	$ 615	$ 1,301
Sustaining capital expenditures	$ 516	$ 435
Total assets	$ 606,455	$ 552,132
Total non-current financial liabilities	$ 116,214	$ 111,507
Debt net of cash outstanding before deferred financing charges and other expenses	$ 118,494	$ 111,167
Equity attributable to common shareholders	$ 348,905	$ 343,288
Dividends paid [5]	$ -	$ 2,770
Dividends paid per share [5]	$ -	$ 0.03
Weighted average shares outstanding, net	89,243,102	89,358,410

Notes:
(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.
(2) 2013 excludes $0.7 million of restructuring expense and $0.4 million of transaction and transition costs.
(3) Gross profit for these purposes excludes depreciation and amortization.
(4) For non-recurring items excluded in the prior period, refer to previously reported financial statements.
(5) Dividends totalling $1.8 million were declared in January 2013 and paid on April 5, 2013.

The main factors affecting the comparability of the results for the quarter:

- Operating performance of the Company's various business units and general market conditions during the reported periods;
- The additional revenues and expenses due to the acquisition of control of ANGLP;
- Restructuring expenses including severance payments and transition costs for new acquisitions; and
- The seasonal nature of certain of Glacier's businesses.

Revenue

Glacier's consolidated revenue for the quarter ended March 31, 2013 was $70.5 million compared to $64.9 million in the same period last year.

Community Media and Trade Information

The community media and trade information group generated $67.9 million of revenue for the quarter ended March 31, 2013, as compared to $62.6 million for the same period last year. The increase in revenue during the period compared to the same period in the prior year was the result of the acquisition of control of ANGLP on April 1, 2012 which results in additional revenues as its results were previously included in earnings from joint ventures and associates. This increase was partially offset by softer revenues in the Company's existing businesses in both the community media and certain business information verticals.

Energy, medical, environmental and many of Glacier's other business and trade verticals continued to experience revenue growth and profitability. Agricultural information revenue was slightly lower for the quarter primarily due to the near record revenue levels achieved in 2012 and due to the weather conditions on the Prairies which have delayed agricultural advertising in 2013. Glacier's community media operations continued to experience a general softness in revenues throughout their various markets, particularly in national advertising, resulting in a same store revenue decrease in Glacier's community media markets. A wide array of digital media initiatives resulted in growth in online and digital revenues.

Business and Professional Information

The business and professional group (which includes STP, Inceptus Media [formerly CD-Pharma], and Eco Log) generated revenues of $2.6 million for the quarter ended March 31, 2013, as compared to $2.3 million for the same period last year. The Company's business and professional information operations all experienced growth during the quarter compared to the same period in the prior year. STP's growth came from increased sales of multi-user digital publications and the launch of its online store. Glacier's interactive medical education business generated increased revenues for the period as compared to the same period in the prior year, primarily as a result of new tablet based medical education products. The environmental health and safety information business also had strong growth in its products for the quarter.

Gross Profit

Glacier's consolidated gross profit, being revenues less direct expenses, for the three months ended March 31, 2013 was $19.4 million compared to $19.7 million in the same period last year. The decrease in gross profit is largely attributable to revenue decreases in the Company's trade information businesses and community media operations partially offset by the acquisition of control of ANGLP.

Gross profit as a percentage of revenues ("gross profit margin") for the quarter ended March 31, 2013 decreased to 27.5% from 30.3% in the quarter ended March 31, 2012 primarily as a result of operating resource expense investments made to strengthen the Postmedia community media assets acquired, increased digital operating expenses, accounting changes relating to certain business directory digital revenue recognition, operating expense investments made in a new digital real estate information business, and the overall general softness in revenues. The Company is in the process of implementing significant sales effectiveness and cost efficiency initiatives related to the newly acquired assets and community media operations in general that are intended to improve the operating margin going forward.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $13.1 million for the quarter ended March 31, 2013 as compared to $12.4 million in the same period last year. The increase primarily relates to the administration costs of ANGLP for the three months ended March 31, 2013, higher pension and post-retirement benefit costs and increased operating infrastructure investment made in digital media management, staff, and information technology and related resources.

EBITDA

EBITDA was $6.2 million for the period ended March 31, 2013 as compared to $7.2 million for the same period in the prior year. The decrease in EBITDA was due to the reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

Net Interest Expense

Glacier's consolidated net interest expense for the quarter ended March 31, 2013 was $1.2 million as compared to $1.4 million for the same period in the prior year, a decrease of $0.2 million. The decrease reflects debt repayments made in 2012.

Depreciation and Amortization

Depreciation of property, plant and equipment for the quarter ended March 31, 2013 increased $0.2 million as compared to the same period in the prior year primarily as a result of the additional assets from the ANGLP acquisition of control on April 1, 2012. Amortization of intangible and other assets increased $0.3 million for the quarter ended March 31, 2013 as compared to the same period in the prior year as a result of including ANGLP's operations in 2013.

Other Expenses

Other expenses for the quarter ended March 31, 2013 increased by $0.6 million compared to the same period in the prior year. Other expenses include restructuring costs, transaction and transition costs, foreign exchange, and gains or losses on disposal of assets.

Earnings from Joint Ventures and Associates

Earnings from joint ventures and associates ("equity earnings") which include the Company's share of Continental Newspapers Ltd. ("Continental"), certain assets acquired from Postmedia in November 2011, Infomine Inc. ("Infomine"), Great West Newspapers Limited Partnership ("GWNLP"), Fundata Canada Inc. ("Fundata"), and Rhode Island Suburban Newspapers ("RISN"), decreased $1.8 million as compared to the same period in the prior year.

The results for ANGLP are also included in the earnings from joint ventures and associates for the three months ended March 31, 2012 and the result is a decrease in equity earnings, as ANGLP's results are consolidated and therefore are included in revenues and expenses for the three months ended March 31, 2013.

Operating results for the Company's joint ventures and associates at the Company's proportionate share of the results are as follows:

(thousands of dollars)	**As at March 31, 2013**	As at December 31, 2012
	$	$
Assets	**111,781**	113,244
Liabilities	**46,323**	48,167
Net assets	**65,458**	65,077

	For the three months ended March 31,	
(thousands of dollars)	**2013**	2012
	$	$
Revenues	**17,240**	22,085
Net income (loss) for the period	**674**	2,194
Other comprehensive income (loss)	**520**	20

Overall combined results from the Company's equity investments for the three months ended March 31, 2013 also declined due to the overall softness in community media advertising. Net income was also impacted by the lower revenues.

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders decreased by $3.1 million compared to the first quarter of 2012. The change resulted from i) decreased operating results, ii) increased depreciation and amortization expenses of $0.4 million, iii) increased other expenses of $0.6 million, iv) lower earnings from joint ventures and associates of $1.8 million and v) non-controlling interest increased by $0.6 million. These decreases partially were offset by i) lower interest costs of $0.2 million, ii) lower income tax expense of $1.0 million and iii) increased other income of $0.1 million.

Cash Flow from Operations

Glacier's consolidated cash flow from operations decreased to $5.7 million (before changes in non-cash operating accounts and non-recurring items) for the quarter ended March 31, 2013 from $5.8 million for the same period last year. The decrease in cash flow from operations is primarily due to decreased operating results for the period as stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**.

Capital expenditures were $1.1 million for the quarter ended March 31, 2013 compared to $1.7 million in the same period in the prior year. $0.6 million of these capital expenditures were investment capital expenditures, the majority of which relate to new printing equipment, new office space and software. These investment capital expenditures are expected to result in attractive direct revenues and cash flow improvements and payback consistent with Glacier's targeted return on investment. Sustaining capital expenditures for the period were $0.5 million.

See "**Summary of Financial Position, Financial Requirements and Liquidity**" for further details.

Summary of Selected Quarterly Results

The following outlines the significant financial performance measures for Glacier for the last eight quarters:

thousands of dollars *except share and per share amounts*	IFRS Q1 2013	Previous IFRS [4] Q4 2012	Previous IFRS [4] Q3 2012	Previous IFRS [4] Q2 2012
Revenue	$ 70,526	$ 83,962	$ 78,245	$ 91,388
EBITDA [1]	$ 6,232	$ 12,570	$ 9,815	$ 17,130
EBITDA margin [1]	8.8%	15.0%	12.5%	18.7%
EBITDA per share [1]	$ 0.07	$ 0.14	$ 0.11	$ 0.19
Interest expense, net	$ 1,233	$ 1,586	$ 1,304	$ 1,607
Net income attributable to common shareholders before non-recurring items [1][2][3]	$ 729	$ 5,058	$ 3,302	$ 6,444
Net income attributable to common shareholders before non-recurring items per share [1][2][3]	$ 0.01	$ 0.06	$ 0.04	$ 0.07
Net income attributable to common shareholders	$ (368)	$ (5,015)	$ 5,630	$ 6,892
Net income attributable to common shareholders per share	$ 0.00	$ (0.06)	$ 0.06	$ 0.08
Cash flow from operations [1][2][3]	$ 5,685	$ 11,536	$ 7,934	$ 15,360
Cash flow from operations per share [1][2][3]	$ 0.06	$ 0.13	$ 0.09	$ 0.17
Capital expenditures	$ 1,131	$ 4,341	$ 2,667	$ 6,890
Debt net of cash outstanding before deferred financing charges and other expenses	$ 118,494	$ 127,107	$ 131,482	$ 137,003
Equity attributable to common shareholders	$ 348,905	$ 348,015	$ 351,219	$ 347,229
Weighted average shares outstanding, net	89,243,102	89,354,650	89,358,410	89,358,410

	IFRS Q1 2012	Previous IFRS [4] Q4 2011	Previous IFRS [4] Q3 2011	Previous IFRS [4] Q2 2011
Revenue	$ 64,859	$ 73,019	$ 61,955	$ 71,712
EBITDA [1]	$ 7,221	$ 12,555	$ 10,572	$ 15,281
EBITDA margin [1]	11.1%	17.2%	17.1%	21.3%
EBITDA per share [1]	$ 0.08	$ 0.14	$ 0.12	$ 0.17
Interest expense, net	$ 1,420	$ 1,028	$ 1,002	$ 1,278
Net income attributable to common shareholders before non-recurring items [1][3]	$ 3,300	$ 6,633	$ 4,211	$ 7,930
Net income attributable to common shareholders before non-recurring items per share [1][3]	$ 0.04	$ 0.07	$ 0.05	$ 0.09
Net income attributable to common shareholders [4]	$ 2,746	$ 12,221	$ 3,721	$ 7,048
Net income attributable to common shareholders per share [4]	$ 0.03	$ 0.14	$ 0.04	$ 0.08
Cash flow from operations [1][3]	$ 5,757	$ 11,177	$ 9,880	$ 13,932
Cash flow from operations per share [1][3]	$ 0.06	$ 0.13	$ 0.11	$ 0.15
Capital expenditures	$ 1,736	$ 7,124	$ 4,079	$ 2,752
Debt net of cash outstanding before deferred financing charges and other expenses	$ 111,167	$ 131,413	$ 91,971	$ 97,868
Equity attributable to common shareholders	$ 343,288	$ 340,416	$ 332,108	$ 335,058
Weighted average shares outstanding, net	89,358,410	89,358,410	89,383,682	90,611,432

Notes:
[1] Refer to "**Non-IFRS Measures**" section for calculation of non-IFRS measures used in this table.
[2] 2013 excludes $0.7 million of restructuring expense and $0.4 million of transaction and transition costs
[3] For non-recurring items in the prior quarters, refer to the prior quarter management discussion & analysis.
[4] Previous IFRS refers to International Financial Reporting Standards prior to the implementation of the new accounting standards on January 1, 2013. Refer to *Change in Accounting Standards* for more information.

The main factors affecting comparability of results over the last eight quarters are:

- The adoption of new international accounting standards which require previously proportionately consolidated joint ventures to be equity accounted for in the first quarter of 2013 and 2012;
- Operating performance of the Company's various business units and general market conditions during the reported periods;
- The acquisitions and dispositions made during the second and fourth quarters of 2011, and the second quarter of 2012;

- Restructuring expenses in 2011 and 2012;
- Transaction and transition costs of $1.1 million in the fourth quarter of 2011, and $0.1 million, $0.3 million, $0.6 million and $1.1 million in the first, second, third and fourth quarters of 2012 respectively, and $0.4 million in the first quarter of 2013;
- A goodwill and intangible assets impairment charge of $0.7 million in the second quarter of 2011, $8.5 million in the fourth quarter of 2011 and $8.5 million in the fourth quarter of 2012;
- A one-time gain in earnings from associates of $15.1 million in the fourth quarter of 2011;
- Other income of $3.1 million in the third quarter of 2012 related to the redemption of miscellaneous investments received in connection with the 2008 Sun Times settlement;
- Gain on acquisition of $1.1 million in the second quarter of 2012 related to the acquisition of control of ANGLP; and
- The seasonal nature of some of Glacier's businesses.

Change in Accounting Policy and Adjusted Operating Results

In May 2011, the IASB issued the following standards: IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IAS 27, *Separate Financial Statements* (IAS 27), IFRS 13, *Fair Value Measurement* (IFRS 13) and amended IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). These standards are referred to collectively as "the new accounting standards" in these financial statements.

The new accounting standards were applied effective January 1, 2013 and require retrospective application. Therefore the prior year comparative balances have been restated to present the Company's new accounting policies resulting from the implementation of the new standards.

In accordance with IFRS 11, the Company classifies its joint arrangements as joint ventures and accounts for them using the equity method of accounting. Under the equity method of accounting the Company records its investment in its joint ventures as an investment asset on the Company's balance sheet and records its share of the net earnings on the Company's statement of operations.

Previously, the Company accounted for its joint ventures using proportionate consolidation and recorded i) the Company's share of the assets that it controls jointly and the liabilities for which it is jointly responsible, ii) the Company's share of the income and expenses of the jointly controlled entity and iii) eliminated all transactions between the Company and its joint venture.

In accordance with the transitional provisions of the new accounting standards, on January 1, 2012 (the beginning of the restated comparative period), the Company recognized its initial investment in each of its joint ventures as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated.

Despite this accounting change, management believes that including its share of revenues, expenses and cash flows in the Company's results (consistent with its prior accounting treatment) provides an important basis for assessing the overall operations of the Company. The table below adjusts the Company's reported results under IFRS to include the revenues and expenses of its joint ventures, consistent with its historical presentation. Management continues to base its operating decisions and performance evaluation using the adjusted results.

	Three months ended March 31, 2013			Three months ended March 31, 2012		
	Per IFRS	**Joint Venture Adjustments**	**Adjusted**	Per IFRS	Joint Venture Adjustments	Adjusted
Revenue	$ 70,526	$ 6,314	$ 76,840	$ 64,859	$ 11,562	$ 76,421
Gross profit [3]	$ 19,365	$ 2,908	$ 22,273	$ 19,657	$ 5,098	$ 24,755
Gross margin	27.5%		29.0%	30.3%		32.4%
EBITDA [1]	$ 6,232	$ 1,657	$ 7,889	$ 7,221	$ 3,657	$ 10,878
EBITDA margin [1]	8.8%		10.3%	11.1%		14.2%
EBITDA per share [1]	$ 0.07		$ 0.09	$ 0.08		$ 0.12
Net income attributable to common shareholders	$ (368)	$ (62)	$ (430)	$ 2,746	$ 168	$ 2,914
Net income attributable to common shareholders per share	$ 0.00		$ 0.00	$ 0.03		$ 0.03
Cash flow from operations [1][2][4]	$ 5,685	$ 1,346	$ 7,031	$ 5,757	$ 3,674	$ 9,431
Cash flow from operations per share [1][2][4]	$ 0.06		$ 0.08	$ 0.06		$ 0.11
Total assets	$ 606,455	$ 15,783	$ 622,238	$ 552,132	$ 36,535	$ 588,667
Weighted average shares outstanding, net	89,243,102		89,243,102	89,358,410		89,358,410

(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.

(2) 2013 excludes $0.7 million of restructuring expense and $0.4 million of transaction and transition costs.

(3) Gross profit for these purposes excludes depreciation and amortization.

(4) For non-recurring items excluded in the prior period, refer to previously reported financial statements.

- For the three months ended March 31, 2013, Glacier's adjusted consolidated revenue increased 0.5% to $76.8 million from $76.4 million in the same period last year. This increase was primarily due to the acquisition of control of ANGLP completed on April 1, 2012 as well as growth in a number of the Company's business information operations, offset by continued weakness in community media operations and in some business information verticals;

- Adjusted consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 27.5% to $7.9 million from $10.9 million;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) decreased 25.4% to $7.0 million;

- Adjusted net income attributable to common shareholders was $(0.4) million compared to net income of $2.9 million;

- Adjusted EBITDA per share decreased 27.5% to $0.09 from $0.12 for the period compared to the same period in the prior year and net income attributable to common shareholders per share decreased to $0.00 from $0.03 for the same period last year;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) per share decreased to $0.08 per share from $0.11 for the same period last year; and

- The Company's adjusted results for the quarter were affected by the acquisition of control of ANGLP on April 1, 2012; whereby the adjusted results for the three months ended March 31, 2012 only include the Company's previous percentage ownership.

EBITDA, Cash Flow from Operations and Net Income Attributable to Common Shareholders before Non-recurring Items Reconciliation

The following table reconciles the Company's net income attributable to common shareholders as reported under IFRS to EBITDA, cash flow from operations and net income attributable to common shareholders before non-recurring items.

thousands of dollars *except share and per share amounts*		**Three months ended March 31, 2013**		Three months ended March 31, 2012
EBITDA [1]				
Net income attributable to common shareholders	**$**	**(368)**	$	2,746
Add (deduct):				
Non-controlling interest	**$**	**1,145**	$	602
Depreciation of property, plant and equipment	**$**	**1,553**	$	1,372
Amortization of intangible and other assets	**$**	**2,037**	$	1,786
Income tax expense	**$**	**146**	$	1,100
Interest	**$**	**1,233**	$	1,420
Share of losses (earnings) from associates	**$**	**(500)**	$	(2,315)
Other income	**$**	**(89)**	$	-
Other expenses	**$**	**1,075**	$	510
EBITDA [1]	**$**	**6,232**	$	7,221
Cash flow from operations before non-recurring items [1]				
Net income attributable to common shareholders	**$**	**(368)**	$	2,746
Add (deduct):				
Non-controlling interest	**$**	**1,145**	$	602
Depreciation and amortization	**$**	**3,590**	$	3,158
Employee future benefits	**$**	**324**	$	(51)
Deferred income taxes	**$**	**146**	$	1,098
Non cash interest	**$**	**63**	$	43
Share of losses (earnings) from associates	**$**	**(500)**	$	(2,315)
(Gain) loss on disposal of assets	**$**	**(4)**	$	198
Other non-cash expenses	**$**	**188**	$	(78)
Restucturing costs	**$**	**684**	$	279
Transaction and transition costs	**$**	**417**	$	77
Cash flow from operations [1]	**$**	**5,685**	$	5,757
Net income attributable to common shareholders before non-recurring items [1]				
Net income attributable to common shareholders	**$**	**(368)**	$	2,746
Add (deduct):				
(Gain) loss on disposition of assets	**$**	**(4)**	$	198
Restructuring costs	**$**	**684**	$	279
Transaction and transition costs	**$**	**417**	$	77
Net income attributable to common shareholders before non-recurring items [1]	**$**	**729**	$	3,300
Weighted average shares outstanding, net		**89,243,102**		89,358,410
EBITDA per share [1]	**$**	**0.07**	$	0.08
Net income attributable to common shareholders before non-recurring items per share [1]	**$**	**0.01**	$	0.04
Net income attributable to common shareholders per share	**$**	**0.00**	$	0.03
Cash flow from operations per share [1]	**$**	**0.06**	$	0.06

Notes:
[1] Refer to "**Non-IFRS Measures**" section for calculation of non-IFRS measures used in this table.

Summary of Financial Position, Financial Requirements and Liquidity

Glacier generates sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements.

As at March 31, 2013, Glacier had consolidated cash and cash equivalents of $3.9 million, current and long-term debt of $122.4 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $29.2 million excluding deferred revenue. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to quarterly updates, renewals and newspaper subscriptions that have been paid for by subscribers but not yet delivered, and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities and Glacier receives cash revenue on an ongoing basis that offsets the deferred revenue liability.

Capital expenditures were $1.1 million for the quarter ended March 31, 2013 compared to $1.7 million for the same period last year, $0.6 million of these capital expenditures were investment capital expenditures, the majority of which relate to the new press equipment, new office facilities and software. Sustaining capital expenditures for the quarter were $0.5 million.

Changes in Financial Position

	For the three months ending	
(thousands of dollars)	**March 31, 2013**	March 31, 2012
Cash generated from (used in)		
Operating activities	**5,654**	6,301
Investing activities	**(11)**	104
Financing activities	**(2,968)**	(7,417)
Increase (Decrease) in cash	**2,675**	(1,012)

The changes in the components of cash flows during the 2013 and 2012 are detailed in the consolidated statements of cash flows of the Financial Statements. The more significant changes are discussed below.

Operating Activities

Glacier generated cash from operations before non-recurring items and changes in non-cash operating accounts of $5.7 million compared to $5.8 million in the same period in the prior year. The decrease was primarily due to the decreased operating results for the period. Cash from operations before non-recurring items and after change in non-cash working capital was $6.8 million compared to $6.7 million in the same period in the prior year.

Investing Activities

Cash used in investing activities totalled $ nil for the quarter ended March 31, 2013 compared to $0.1 million generated by the same period in 2012. Investing activities included $0.6 million of investment capital expenditures, $0.5 million of sustaining capital expenditures, dividends and distributions received and other investing activities.

Financing Activities

Cash used for financing activities was $3.0 million for the quarter ended March 31, 2013 compared to $7.4 million in the same period in 2012. The Company made net debt repayments of $2.5 million for the three months ended March 31, 2013 compared to $4.6 million in the same period in the prior year. In the three months ended March 31, 2013, the Company distributed $0.5 million to its minority partners (non-controlling interests). For the three months ended March 31, 2012, the Company also paid dividends of $2.8 million.

Outstanding Share Data

As at March 31, 2013, there were 89,243,102 common shares, 475,000 share purchase options and 1,115,000 share purchase warrants outstanding. The options have an exercise price of $2.44 per share and expire on March 29, 2014. The warrants outstanding allow the holder to purchase one common share per warrant at $4.48 per share. The warrants expire on June 28, 2014, unless extended.

At May 14, 2013, there were 89,243,102 common shares, 475,000 share purchase options and 1,115,000 share purchase warrants outstanding.

Contractual Agreements

As at March 31, 2013, Glacier has agreements with a syndicate of major Canadian banks whereby the lenders provided a single revolving loan facility with no required principal repayments during its term. There were no changes to the Company's banking agreements during the three months ended March 31, 2013.

The Company also has additional long term debt with a major international bank which is held by ANGLP and is non-recourse to the Company.

In May 2012, the Company entered into a foreign exchange contract to sell US$100,000 per month commencing June 2012 at rates of CAD$1.030 to $1.036, which expired on May 1, 2013.

The Company has also entered into operating leases for premises and office equipment, which expire on various dates up to 2019.

In summary, the Company's contractual obligations excluding the U.S. dollar foreign exchange contract, due over the next five calendar years, are as follows:

(thousands of dollars)	Total	2013	2014	2015	2016	2017	Thereafter
Long term debt	121,707	5,429	6,762	103,270	5,581	79	586
Finance leases	277	277	-	-	-	-	-
Operating leases	21,184	3,888	4,052	3,141	2,672	2,442	4,989
	143,168	9,594	10,814	106,411	8,253	2,521	5,575

Under various financing arrangements with its banks, the Company, its subsidiaries, and its affiliates are required to meet certain covenants. The Company, its subsidiaries, and its affiliates were in compliance with these covenants at March 31, 2013 and 2012.

Financial Instruments

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, interest rate risk, and liquidity risk.

A small portion of the Company's products are sold at prices denominated in U.S. dollars or based on prevailing U.S. dollar prices while the majority of its operational costs and expenses are incurred in Canadian dollars. An increase in the value of the Canadian dollar relative to the U.S. dollar reduces the revenue in Canadian dollar terms realized by the Company from sales made in U.S. dollars. The Company also has investments in self-sustaining operations in the United States, whose net assets are exposed to foreign currency translation risk.

As indicated, the Company currently hedges a portion of its foreign exchange exposure with financial forward contracts. During the quarter ended March 31, 2012, Glacier had foreign exchange forward contracts to sell U.S. $125,000 per month at a rate of CAD$1.162, which expired in April 2012. In June 2012, the Company entered into foreign exchange forward contracts to sell U.S.$100,000 per month at rates between CAD$1.030 and CAD$1.036, which expired on May 1, 2013.

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks associated with the customer and other relevant information. The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity.

The Company's interest rate risk mainly arises from the interest rate impact on cash and floating rate debt. The Company actively manages its interest rate risk through ongoing monitoring of market interest rates and the overall economic situation. In the past, the Company had entered into five year amortizing interest rate swap contracts with fixed interest rates and variable acceptance fees.

The fair value of exchange contracts represents an estimate of the amount that the Company would receive or pay if the contracts were closed out at a market price on the balance sheet date. The Company concluded that those contracts do not qualify for hedge accounting; therefore, changes in fair value of the contracts are recorded in the statement of operations each period.

The Company is exposed to liquidity risk with respect to trade payables, long-term debt, derivatives and contractual obligations. The Company manages liquidity by maintaining adequate cash balances and by having appropriate lines of credit available. In addition, the Company continuously monitors and reviews both actual and forecasted cash flows. Management believes that future cash flows from operations and the availability under existing banking arrangements will be adequate to support its financial liabilities.

The carrying value of certain financial instruments maturing in the short-term approximates their fair value. These financial instruments include cash and cash equivalents, trade receivables, trade payables, dividends payable, and other current liabilities. The fair value of the other financial instruments is determined essentially by discounting cash flows or quoted market prices. The fair values calculated approximate the amounts for which the financial instruments could be settled between consenting parties, based on current market data for similar instruments. Consequently, as estimates must be used to determine fair value, they must not be interpreted as being realizable in the event of an immediate settlement of the instruments. For fair value estimates relating to derivatives and available-for-sale securities, the Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements. The fair value of all of the Company's available for sale financial instruments was determined using quoted prices in active markets.

Business Environment and Risks

A comprehensive discussion of Risks and Uncertainties was included in the 2012 Annual Report and can be found on SEDAR.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board.

The Company did not make any changes to its internal controls over financial reporting ("ICFR") during the most recent period ended March 31, 2013 which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Future accounting policies

In November 2009, the IASB issued IFRS 9, Financial Instruments, which becomes effective for annual periods beginning on or after January 1, 2015. The Company is in the process of assessing the impact of the new standard.

Critical Accounting Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts recorded in the financial statements. Management regularly reviews these estimates, including those related to useful lives for depreciation and amortization, impairment of long-lived assets, certain trade receivables, pension and other employee future benefit plans based on currently available information. While it is reasonably possible that circumstances may arise which cause actual results to differ from these estimates, management does not believe it is likely that any such differences will materially affect Glacier's financial position.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
Three months ended March 31, 2013 and 2012

(Expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

	Three months ended March 31,	
	2013	2012
	$	$
Revenue	**70,526**	64,859
Expenses before depreciation and amortization		
Direct expenses (Note 14)	**51,161**	45,202
General and administrative (Note 14)	**13,133**	12,436
	6,232	7,221
Interest expense, net	**1,233**	1,420
Depreciation of property, plant and equipment	**1,553**	1,372
Amortization of intangible and other assets	**2,037**	1,786
Other income	**(89)**	-
Other expenses	**1,075**	510
Share of (earnings) from joint ventures and associates (Note 7)	**(500)**	(2,315)
Net income before income taxes	**923**	4,448
Income tax expense (Note 13)	**146**	1,100
Net income for the period	**777**	3,348
Net income (loss) attributable to:		
Common shareholders	**(368)**	2,746
Non-controlling interest	**1,145**	602
Earnings per share attributable to common shareholders		
Basic and diluted	**0.00**	0.03
Weighted average number of common shares		
Basic and diluted	**89,243,102**	89,358,410

See accompanying notes to these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three months ended March 31, 2013 and 2012

(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three months ended March 31,	
	2013	2012
	$	$
Net income for the period	**777**	3,348
Other comprehensive income (loss) (net of tax) (Note 12)		
Actuarial gains on defined benefit pension plans	**2,411**	461
Unrealized (loss) on investments classified as available-for-sale	**(171)**	(7)
Share of other comprehensive income from joint ventures and associates (Note 7)	**667**	20
Other comprehensive income, net of tax	**2,907**	474
Total comprehensive income	**3,684**	3,822
Total comprehensive income attributable to:		
Common shareholders	**2,448**	3,203
Non-controlling interest	**1,236**	619

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED BALANCE SHEETS
As at March 31, 2013 and 2012

(Expressed in thousands of Canadian dollars)
(Unaudited)

	As at March 31, 2013	As at December 31, 2012
	$	$
Assets		
Current assets		
Cash and cash equivalents	**3,908**	1,233
Trade and other receivables	**54,440**	55,121
Inventory	**6,430**	5,538
Prepaid expenses	**2,158**	3,268
	66,936	65,160
Non-current assets		
Investments in joint ventures and associates (Note 7)	**114,897**	114,723
Other investments	**3,653**	3,848
Other assets	**2,736**	2,591
Property, plant and equipment (Note 8)	**65,260**	66,261
Goodwill (Note 10)	**202,426**	202,180
Intangible assets (Note 9)	**150,547**	151,177
Total assets	**606,455**	605,940
Liabilities		
Current liabilities		
Trade and other payables	**26,904**	29,180
Dividends payable	**1,785**	-
Deferred revenue	**18,998**	15,824
Current portion of long-term debt (Note 11)	**7,373**	8,163
Other current liabilities	**1,700**	1,700
	56,760	54,867
Non-current liabilities		
Non-current portion of deferred revenue	**1,629**	736
Other non-current liabilities	**1,603**	1,491
Post-employment benefit obligation	**9,610**	12,484
Long-term debt (Note 11)	**114,611**	116,225
Deferred income taxes	**24,931**	23,836
Total liabilities	**209,144**	209,639
Equity		
Share capital	**198,962**	198,962
Contributed surplus	**8,844**	8,844
Accumulated other comprehensive loss (Note 12)	**(686)**	(520)
Retained earnings	**141,785**	140,956
Total equity attributable to common shareholders	**348,905**	348,242
Non-controlling interest	**48,406**	48,059
Total equity	**397,311**	396,301
Total liabilities and equity	**606,455**	605,940

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Three months ended March 31, 2013 and 2012

(Expressed in thousands of Canadian dollars, except share amounts)
(Unaudited)

	Attributable to common shareholders							
	Share capital			Accumulated other comprehensive			Non-controlling	Total
	Shares	Amount	Contributed surplus	loss	Retained earnings	Total	interests	equity
		$	$	$	$	$	$	$
Balance, December 31, 2012	89,243,102	198,962	8,844	(520)	140,956	348,242	48,059	396,301
Net income for the period	-	-	-	-	(368)	(368)	1,145	777
Other comprehensive income (loss) (net of tax):	-	-	-	(166)	2,982	2,816	91	2,907
Total comprehensive income (loss) for the period	-	-	-	(166)	2,614	2,448	1,236	3,684
Dividends declared on common shares	-	-	-	-	(1,785)	(1,785)	(56)	(1,841)
Non-controlling interest on acquisition	-	-	-	-	-	-	46	46
Distributions to non-controlling interests	-	-	-	-	-	-	(879)	(879)
Balance, March 31, 2013	**89,243,102**	**198,962**	**8,844**	**(686)**	**141,785**	**348,905**	**48,406**	**397,311**
Balance, December 31, 2011	89,358,410	199,216	8,792	(441)	132,517	340,084	14,108	354,192
Net income for the period	-	-	-	-	2,746	2,746	602	3,348
Other comprehensive income (net of tax):	-	-	-	(6)	463	457	17	474
Total comprehensive income (loss) for the period	-	-	-	(6)	3,209	3,203	619	3,822
Balance, March 31, 2012	89,358,410	199,216	8,792	(447)	135,726	343,287	14,727	358,014

See accompanying notes to these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, 2013 and 2012

(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three months ended March 31, 2013	2012
	$	$
Operating activities		
Net income	**777**	3,348
Items not affecting cash		
Depreciation of property, plant and equipment	**1,553**	1,372
Amortization of intangible and other assets	**2,037**	1,786
Loss on disposal of assets	**(4)**	198
Employee future benefit expense in excess of employer contributions	**324**	(51)
Deferred income taxes	**146**	1,098
Non-cash interest expense	**63**	43
Share of (earnings) from joint ventures and associates	**(500)**	(2,315)
Other non-cash expenses	**188**	(78)
Cash flow from operations before changes in non-cash operating accounts	**4,584**	5,401
Changes in non-cash operating accounts		
Trade and other receivables	**759**	4,192
Inventory	**(889)**	(1,276)
Prepaid expenses	**817**	(634)
Trade and other payables	**(3,662)**	(4,329)
Deferred revenue	**4,045**	2,947
Cash generated from operating activities	**5,654**	6,301
Investing activities		
Acquisitions, inclusive of bank indebtedness assumed and related financing liabilities	**(74)**	-
Net cash acquired on acquisitions	**132**	-
Investments in joint ventures and associates	**(45)**	(183)
Proceeds from disposal of assets	**-**	239
Distributions received from joint ventures and associates	**1,107**	1,784
Purchase of property, plant, equipment	**(574)**	(1,117)
Purchase of intangible assets	**(557)**	(619)
Cash (used in) generated from investing activities	**(11)**	104
Financing activities		
Distribution to non-controlling interests	**(506)**	-
Dividends paid	**-**	(2,770)
Repayment of long-term debt	**(2,462)**	(4,647)
Cash (used in) financing activities	**(2,968)**	(7,417)
Net cash inflow (outflow)	**2,675**	(1,012)
Cash and cash equivalents, beginning of period	**1,233**	3,105
Cash and cash equivalents, end of period	**3,908**	2,093

Supplemental information (Note 15)

See accompanying notes to these interim consolidated financial statements

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

1. General business description

Glacier Media Inc. ("Glacier" or the "Company") is an information communications company providing primary and essential information and related services through print, electronic and online media. Glacier is pursuing this strategy through its core business segments: the Community Media and Trade Information, and Business and Professional sectors.

The Company is incorporated under the Canada Business Corporations Act, with common shares listed on the Toronto Stock Exchange ("TSX"). The address of its head office is 1970 Alberta Street, Vancouver, British Columbia.

2. Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

These financial statements have been approved by the Board of Directors for issue on May 14, 2013.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2012 except for the implementation of new accounting standards as described in Note 4. The policies applied are based on the International Financial Reporting Standards issued and outstanding as at the date the board of directors approved these financial statements.

4. New accounting standards

In May 2011, the IASB issued the following standards: IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IAS 27, *Separate Financial Statements* (IAS 27), IFRS 13, *Fair Value Measurement* (IFRS 13), and amended IAS 28, *Investments in Associates and Joint Ventures* (IAS 28).

In 2011, IAS 19, *Employee Benefits*, was amended to include new guidance with respect to pension plans.

These standards are referred to collectively as "the new accounting standards" in these financial statements.

The new accounting standards were applied effective January 1, 2013 and require retrospective application. Therefore the prior period comparative balances have been restated to present the Company's new accounting policies resulting from the implementation of the new standards.

4. New accounting standards (continued)

The Company has made the following changes to its significant accounting policies as a result of implementing the new accounting standards:

Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company as at December 31, 2012 and the results of all controlled entities for the year then ended. Controlled entities are those entities over which the Company has i) the power to govern the financial and operating policies, ii) the right to receive benefits from that entity and iii) the ability to use its operating decisions to alter the benefits received. These criteria are met by having a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. In addition, for consolidation purposes factors may exist where one may consolidate without having more than 50% of the voting power through ownership or agreements, or in the circumstances of enhanced minority rights, as a consequence of *de facto* control. *De facto* control is control without the legal right to exercise unilateral control, and involves decision making ability that is not shared with others and the ability to give direction with respect to the operating and financial policies of the entity concerned. Where control of a subsidiary ceases during a financial year, its results are included up to the point in the year when control ceases.

All inter-company balances, transactions and unrealized profits resulting from inter-company transactions have been eliminated. Where control of an entity is acquired during a financial year, its results are included in the statement of operations from the date on which control commences.

Non-controlling interests
Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income (loss) and comprehensive income (loss) is recognized directly in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

There were no changes to the accounting for its subsidiaries as a result of implementing the new accounting standards.

Joint arrangements
Joint arrangements are entities over which the Company has joint control with one or more unaffiliated entities. The Company classifies its joint arrangements as Joint ventures and accounts for them using the equity method of accounting in accordance with the new standards. The Company records its investment in its joint ventures as follows:

- Investments are initially recognized at cost.
- The Company's share of its joint venture's post-acquisition profits or losses is recognized in the statement of operations.
- Dividends and distributions receivable from joint ventures reduce the carrying amount of the investment.
- The Company's liability with respect to its joint ventures is limited to its net investment and has no obligation to fund any subsequent losses should they arise.

4. New accounting standards (continued)

- Certain joint ventures are considered tax transparent entities and in accordance with IAS 12, the deferred taxes related to these entities are included in deferred income taxes on the Company's consolidated balance sheets and income tax expense in the Company's consolidated statements of operations.

Previously, the Company accounted for its joint ventures using proportionate consolidation and recorded i) the Company's share of the assets that it controls jointly and the liabilities for which it is jointly responsible, ii) the Company's share of the income and expenses of the jointly controlled entity and iii) eliminated all transactions between the Company and its joint venture.

The accounting policies of subsidiaries, associates and joint ventures were changed where necessary to ensure consistency with the policies adopted by the Company.

In accordance with the transitional provisions of the new accounting standards on January 1, 2012, the Company recognized its initial investment in each of its joint ventures as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated.

Associates

Associates are entities over which the Company has significant influence but not control. Generally, the Company has a voting shareholding of between 20% and 50% of the voting rights in its associates. Investments in associates are accounted for using the equity method as follows:

- Investments are initially recognized at cost.
- Associates include goodwill and intangibles identified on acquisition, net of any accumulated impairment loss.
- The Company's share of its associate's post-acquisition profits or losses is recognized in the statement of operations.
- Dividends and distributions receivable from associates reduce the carrying amount of the investment.
- The Company's liability with respect to its associates is limited to its net investment and has no obligation to fund any subsequent losses should they arise.

There were no changes to the accounting for its associates as a result of implementing the new accounting standards.

Employee Benefits

IAS 19 was amended to include new guidance with respect to pension plans. A number of these changes were previously optional under IFRS 19, *Employee Benefits,* and were implemented by the Company on initial adoption of IFRS on January 1, 2011. Additional changes were adopted on January 1, 2013. The implementation of the IAS 19 amendments required a change in the method of determining the annual pension expense and has been applied retrospectively. The change in accounting did not result in a material adjustment to the financial statements.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

4. New accounting standards (continued)

As a result of implementing the new accounting standards the Company made the following adjustments to its balance sheets at March 31, 2013, December 31, 2012 and January 1, 2012 as follows:

	As at March 31, 2013			As at December 31, 2012			As at January 1, 2012		
	Under previous IFRS	Adjustment	Under new IFRS Standards	Under previous IFRS	Adjustment	Under new IFRS Standards	Under previous IFRS	Adjustment	Under new IFRS Standards
Assets									
Current assets									
Cash and cash equivalents	9,728	(5,820)	3,908	5,216	(3,983)	1,233	9,206	(6,101)	3,105
Trade and other receivables	57,384	(2,944)	54,440	62,284	(7,163)	55,121	58,746	(9,939)	48,807
Inventory	6,746	(316)	6,430	5,722	(184)	5,538	5,431	(389)	5,042
Prepaid expenses	2,253	(95)	2,158	3,376	(108)	3,268	3,248	(466)	2,782
	76,111	(9,175)	66,936	76,598	(11,438)	65,160	76,631	(16,895)	59,736
Non-current assets									
Investments in joint ventures and associates	61,543	53,354	114,897	61,937	52,786	114,723	62,369	97,991	160,360
Other investments	3,653	-	3,653	3,953	(105)	3,848	3,970	(25)	3,945
Other assets	1,520	1,216	2,736	1,376	1,215	2,591	1,595	1,470	3,065
Property, plant and equipment	84,104	(18,844)	65,260	84,380	(18,119)	66,261	73,843	(14,205)	59,638
Goodwill	228,328	(25,902)	202,426	228,061	(25,881)	202,180	207,139	(65,876)	141,263
Intangible assets	166,979	(16,432)	150,547	167,732	(16,555)	151,177	166,209	(37,706)	128,503
Total assets	622,238	(15,783)	606,455	624,037	(18,097)	605,940	591,756	(35,246)	556,510
Liabilities									
Current liabilities									
Trade and other payables	27,565	(661)	26,904	32,159	(2,979)	29,180	34,080	(3,821)	30,259
Dividends payable	1,785	-	1,785	-	-	-	2,770	-	2,770
Deferred revenue	24,024	(5,026)	18,998	21,656	(5,832)	15,824	20,861	(6,078)	14,783
Current portion of long-term debt	13,718	(6,345)	7,373	13,749	(5,586)	8,163	10,724	(7,553)	3,171
Other current liabilities	1,700	-	1,700	1,700	-	1,700	2,748	-	2,748
	68,792	(12,032)	56,760	69,264	(14,397)	54,867	71,183	(17,452)	53,731
Non-current liabilities									
Non-current portion of deferred revenue	1,629	-	1,629	736	-	736	652	-	652
Other non-current liabilities	1,603	-	1,603	1,491	-	1,491	1,860	(4)	1,856
Post-employment benefit obligation	9,610	-	9,610	12,484	-	12,484	10,471	(41)	10,430
Long-term debt	116,499	(1,888)	114,611	118,108	(1,883)	116,225	129,272	(15,157)	114,115
Deferred income taxes	26,693	(1,762)	24,931	25,607	(1,771)	23,836	23,478	(1,944)	21,534
Total liabilities	224,826	(15,682)	209,144	227,690	(18,051)	209,639	236,916	(34,598)	202,318
Equity									
Share capital	198,962	-	198,962	198,962	-	198,962	199,216	-	199,216
Contributed surplus	8,844	-	8,844	8,844	-	8,844	8,792	-	8,792
Accumulated other comprehensive loss	(802)	116	(686)	(549)	29	(520)	(441)	-	(441)
Retained earnings	141,513	272	141,785	140,758	198	140,956	132,849	(332)	132,517
Total equity attributable to common shareholders	348,517	388	348,905	348,015	227	348,242	340,416	(332)	340,084
Non-controlling interest	48,895	(489)	48,406	48,332	(273)	48,059	14,424	(316)	14,108
Total equity	397,412	(101)	397,311	396,347	(46)	396,301	354,840	(648)	354,192
Total liabilities and equity	622,238	(15,783)	606,455	624,037	(18,097)	605,940	591,756	(35,246)	556,510

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

4. New accounting standards (continued)

As a result of implementing the new accounting standards the Company made the following adjustments to its statements of operations for the three months ended March 31, 2013 and 2012 as follows:

	For the three months ended March 31, 2013			For the three months ended March 31, 2012		
	Under previous IFRS	Adjustment	Under new IFRS Standards	Under previous IFRS	Adjustment	Under new IFRS Standards
Revenue	76,840	(6,314)	70,526	76,421	(11,562)	64,859
Expenses before depreciation and amortization						
Direct expenses	54,567	(3,406)	51,161	51,666	(6,464)	45,202
General and administrative	14,384	(1,251)	13,133	13,877	(1,441)	12,436
	7,889	(1,657)	6,232	10,878	(3,657)	7,221
Interest expense, net	1,292	(59)	1,233	1,577	(157)	1,420
Depreciation of property, plant and equipment	1,727	(174)	1,553	1,569	(197)	1,372
Amortization of intangible and other assets	2,239	(202)	2,037	2,389	(603)	1,786
Other income	(89)	-	(89)	-	-	-
Other expenses	988	87	1,075	489	21	510
Share of (earnings) losses from joint ventures and associates	823	(1,323)	(500)	138	(2,453)	(2,315)
Net income before income taxes	909	14	923	4,716	(268)	4,448
Income tax expense	349	(203)	146	1,248	(148)	1,100
Net income for the year	560	217	777	3,468	(120)	3,348
Net income attributable to:						
Common shareholders	(430)	62	(368)	2,914	(168)	2,746
Non-controlling interest	990	155	1,145	554	48	602
Earnings per share attributable to common shareholders						
Basic and diluted	0.00		0.00	0.03		0.03
Weighted average number of common shares						
Basic and diluted	89,243,102		89,243,102	89,358,410		89,358,410

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

4. New accounting standards (continued)

As a result of implementing the new accounting standards the Company made the following adjustments to its statements of cash flows for the three months ended March 31, 2013 and 2012 as follows:

	For the three months ended March 31, 2013			For the three months ended March 31, 2012		
	Under previous IFRS	Adjustment	Under new IFRS Standards	Under previous IFRS	Adjustment	Under new IFRS Standards
Operating activities						
Net income	560	217	777	3,468	(120)	3,348
Items not affecting cash						
Depreciation of property, plant and equipment	1,727	(174)	1,553	1,569	(197)	1,372
Amortization of intangible and other assets	2,239	(202)	2,037	2,389	(603)	1,786
Loss on disposal of assets	(4)	-	(4)	198	-	198
Employee future benefit expense in excess of employer contributions	324	-	324	305	(356)	(51)
Deferred income taxes	137	9	146	1,043	55	1,098
Non-cash interest expense	63	-	63	43	-	43
Share of (earnings) losses from joint ventures and associates	823	(1,323)	(500)	138	(2,453)	(2,315)
Other non-cash expenses	188	-	188	(78)	-	(78)
Cash flow from operations before changes in non-cash operating accounts	6,057	(1,473)	4,584	9,075	(3,674)	5,401
Changes in non-cash operating accounts						
Trade and other receivables	5,026	(4,267)	759	6,297	(2,105)	4,192
Inventory	(1,021)	132	(889)	(1,237)	(39)	(1,276)
Prepaid expenses	830	(13)	817	(2,389)	1,755	(634)
Trade and other payables	(5,764)	2,102	(3,662)	(4,541)	212	(4,329)
Deferred revenue	3,239	806	4,045	2,296	651	2,947
Cash generated from (used in) operating activities	8,367	(2,713)	5,654	9,501	(3,200)	6,301
Investing activities						
Acquisitions, inclusive of bank indebtedness assumed and related financing liabilities	(74)	-	(74)	-	-	-
Net cash acquired on acquisitions	132	-	132	-	-	-
Investments in joint ventures and associates	(45)	-	(45)	(183)	-	(183)
Other investing activities	-	-	-	-	-	-
Proceeds from disposal of assets	-	-	-	239	-	239
Distrubtions received from joint ventures and associates	457	650	1,107	417	1,367	1,784
Purchase of property, plant, equipment	(1,473)	899	(574)	(2,346)	1,229	(1,117)
Purchase of intangible assets	(636)	79	(557)	(628)	9	(619)
Cash generated from (used in) investing activities	(1,639)	1,628	(11)	(2,501)	2,605	104
Financing activities						
Proceeds from long-term debt	764	(764)	-	559	(559)	-
Distribution to non-controlling interests	(518)	12	(506)	-	-	-
Dividends paid	-	-	-	(2,770)	-	(2,770)
Repayment of long-term debt	(2,462)	-	(2,462)	(5,795)	1,148	(4,647)
Cash generated from (used in) financing activities	(2,216)	(752)	(2,968)	(8,006)	589	(7,417)
Net cash inflow (outflow)	4,512	(1,837)	2,675	(1,006)	(6)	(1,012)
Cash and cash equivalents, beginning of period	5,216	(3,983)	1,233	9,206	(6,101)	3,105
Cash and cash equivalents, end of period	9,728	(5,820)	3,908	8,200	(6,107)	2,093

5. Accounting standards issued but not yet applied

In November 2009, the IASB issued IFRS 9, *Financial Instruments*, which becomes effective for annual periods beginning on or after January 1, 2015.

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income.

Requirements for financial liabilities were added in October 2010 and they substantially carried forward existing requirements under IAS 39, except that fair value changes due to credit risk for liabilities designated as fair value through profit and loss would generally be recorded in other comprehensive income.

The Company is in the process of assessing the impact of these new standards and determining if it will adopt the standards early.

6. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2012.

7. Investments in joint ventures and associates

Investments in joint ventures and associates include the following investments:

(a) A 59% equity interest in a private holding company. The Company does not have control over this investment as it does not have a majority of members on the Board of Directors nor does it have voting control over the company.

(b) A 50% equity interest in Fundata Canada Inc. ("Fundata"), which owns and operates information services to the mutual fund industry.

(c) A 50% equity interest in Great West Newspapers Limited Partnership ("GWNLP"), which owns community media operations in Alberta.

(d) A 50% equity interest in Rhode Island Suburban Newspapers ("RISN") which owns community media operations in Rhode Island.

(e) A 50% equity interest in InfoMine Inc. ("InfoMine") which operates online and digital services to the mining industry.

(f) A 49% equity interest in a community newspaper.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

7. Investments in joint ventures and associates (continued)

(g) A 28% equity interest in Continental Newspapers Ltd. ("Continental"), which owns and operates newspapers in British Columbia and Ontario. Continental has a March 31 year end.

The investment in its various joint ventures and associates consists of the following:

(thousands of dollars)	**As at and for the three months ended March 31, 2013**	As at and for the year ended December 31, 2012
	$	$
Balance, beginning of year	**114,723**	160,360
Investments in (derecognition of) joint ventures and associates	**114**	(48,815)
Share of earnings for the period	**500**	7,497
Share of other comprehensive income (loss) income for the period	**667**	942
Distributions and dividends received and other equity movements	**(1,107)**	(5,261)
Balance, end of year	**114,897**	114,723

The following summarizes financial information about the assets, liabilities, revenues, net income (loss), and other comprehensive income (loss) of the Company's joint venture and associate entities and are reported at the Company's share of each entity. The amounts disclosed include adjustments made to the carrying amount of assets and liabilities of the joint ventures and associates on acquisition if applicable.

(thousands of dollars)	**As at March 31, 2013**	As at December 31, 2012
	$	$
Assets	**111,781**	113,244
Liabilities	**46,323**	48,167
Net assets	**65,458**	65,077

	For the three months ended March 31,	
(thousands of dollars)	**2013**	2012
	$	$
Revenues	**17,240**	22,085
Net income (loss) for the period	**674**	2,194
Other comprehensive income (loss)	**520**	20

The Company also owns a 59% equity interest in Alta Newspaper Group Limited Partnership ("ANGLP") which owns community media operations in Southern Alberta and Quebec. The Company acquired control of this operation on April 1, 2012 and effective April 1, 2012, records ANGLP's results on a consolidated basis. Consequently, the operations of ANGLP are only included in the results for joint ventures and associates for the period ended March 31, 2012.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

8. Property, plant and equipment

	As at March 31, 2013		
(thousands of dollars)	**Cost**	**Accumulated depreciation**	**Carrying amount**
	$	**$**	**$**
Land	15,596	-	15,596
Buildings	20,247	(1,988)	18,259
Production equipment	47,993	(24,397)	23,596
Office equipment and leaseholds	24,458	(16,649)	7,809
	108,294	**(43,034)**	**65,260**

	As at December 31, 2012		
(thousands of dollars)	Cost	Accumulated depreciation	Carrying amount
	$	$	$
Land	15,649	-	15,649
Buildings	20,231	(1,799)	18,432
Production equipment	47,773	(23,628)	24,145
Office equipment and leaseholds	23,891	(15,856)	8,035
	107,544	**(41,283)**	**66,261**

During the three months ended March 31, 2013 the Company acquired property, plant and equipment of $0.6 million which included printing equipment and office furnishings.

Included in land and buildings are $3.1 million of assets held for resale, which are recorded at their carrying value as the fair value less cost to sell is greater than the carrying amount. The buildings are no longer being amortized.

Included in production equipment are assets held under a finance lease.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

9. Intangible assets

The Company has various intangible assets including customer relationships, subscription lists, mastheads, software, web sites, copyrights and trademarks. Of these, certain mastheads and trademarks are considered to have an indefinite life and are therefore not amortized.

Intangible assets are as follows:

		As at March 31, 2013	
(thousands of dollars)	**Cost**	**Accumulated amortization**	**Carrying amount**
	$	**$**	**$**
Indefinite life			
Mastheads and trademarks	**93,214**	**-**	**93,214**
Amortizating			
Copyrights	**12,481**	**(9,883)**	**2,598**
Customer relationships	**72,072**	**(23,037)**	**49,035**
Subscription lists	**3,805**	**(2,753)**	**1,052**
Software and websites	**17,726**	**(13,078)**	**4,648**
	199,298	**(48,751)**	**150,547**

		As at December 31, 2012	
(thousands of dollars)	Cost	Accumulated amortization	Carrying amount
	$	$	$
Indefinite life			
Mastheads and trademarks	93,186	-	93,186
Amortizating			
Copyrights	12,481	(9,775)	2,706
Customer relationships	71,074	(21,540)	49,534
Subscription lists	3,955	(2,751)	1,204
Software and websites	17,261	(12,714)	4,547
	197,957	(46,780)	151,177

10. Goodwill

(thousands of dollars)	**As at and for the three months ended March 31, 2013**	As at and for the three months ended December 31, 2012
	$	$
Balance, beginning of period	**202,180**	141,263
Acquisition on business combinations	**246**	67,920
Disposition	**-**	(179)
Impairment (a)	**-**	(6,824)
Balance, end of year	**202,426**	202,180

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

11. Long-term debt

The Company has the following long-term debt outstanding:

(thousands of dollars)	**As at March 31, 2013**	As at December 31, 2012
	$	$
Current		
ANGLP non-recourse debt	**6,528**	6,736
Finance lease liability	**277**	660
Mortgages and other loans	**568**	767
	7,373	8,163
Non-current		
Revolving bank loan	**97,000**	97,000
ANGLP non-recourse debt	**17,076**	18,727
Finance lease liability	**-**	-
Mortgages and other loans	**535**	498
	114,611	116,225
	121,984	124,388

Under various financing arrangements with its banks, the Company, its subsidiaries and its affiliates are required to meet certain covenants. The Company, its subsidiaries and its affiliates were in compliance with these covenants at March 31, 2013 and December 31, 2012.

12. Other comprehensive income (loss)

The components of other comprehensive income (loss) are as follows:

	Accumulated other comprehensive income (loss)			Retained earnings			
(thousands of dollars)	Equity Securities classified as available for sale	Cumulative Translation Adjustment	Total	Actuarial gains (losses) on defined benefit plans	Total	Non-controlling interests	Total comprehensive loss
	$	$		$	$	$	$
Balance, December 31, 2012	(395)	(125)	(520)	(7,894)	(7,894)	(269)	(8,683)
Actuarial gain (losses) on defined benefit plans	-	-	-	2,336	2,336	75	2,411
Unrealized (loss) on available for sale investments	(166)	-	(166)	-	-	(5)	(171)
Share of other comprehensive income from joint ventures and associates	-	.	-	646	646	21	667
Other comprehensive income (loss) for the period			(166)		2,982	91	2,907
Balance, March 31, 2013	**(561)**	**(125)**	**(686)**	**(4,912)**	**(4,912)**	**(178)**	**(5,776)**
Balance, December 31, 2011	(316)	(125)	(441)	(8,349)	(8,349)	269	(8,521)
Actuarial (losses) on defined benefit plans	-	-	-	444	444	17	461
Unrealized (loss) on available for sale investments	(6)	-	(6)	-	-	(1)	(7)
Share of other comprehensive income from joint ventures and associates	-	-	-	19	19	1	20
Other comprehensive income (loss) for the period			(6)		463	17	474
Balance, March 31, 2012	(322)	(125)	(447)	(7,886)	(7,886)	286	(8,047)

Other comprehensive income items that do not recycle through the statement of operations in future periods are recorded directly in retained earnings.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

12. Other comprehensive income (loss) (continued)

Other comprehensive income items are reported net of the following tax effects:

(thousands of dollars)	Three months ended March 31, 2013	2012
Income tax effect of:	$	$
Cumulative translation adjustment	-	-
Actuarial (losses) on defined benefit plans	**(802)**	(155)
Unrealized (loss) on available for sale investments	**25**	1
Share of other comprehensive income from joint ventures and associates	-	-

13. Income taxes

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The components of income tax expense are shown in the following table:

(thousands of dollars)	Three months ended March 31, 2013	2012
	$	$
Current tax	-	-
Deferred tax	**146**	1,100
Income tax expense	**146**	1,100

At March 31, 2013, the Company has available non-capital losses and unclaimed tax credits which may be used to reduce future Canadian income taxes otherwise payable.

14. Expense by nature

(thousands of dollars)	Three months ended March 31, 2013	2012
	$	$
Wages and benefits	**34,942**	30,998
Newsprint, ink and other printing costs	**10,433**	9,832
Delivery costs	**6,953**	6,345
Rent, utilities and other property costs	**2,866**	2,568
Advertising, marketing and other promotion costs	**2,794**	2,640
Third party production and editorial costs	**3,325**	3,012
Legal, bank, insurance and professional services	**1,505**	1,361
Data services, system maintenance, telecommunications and software licenses	**692**	523
Other	**784**	359
	64,294	57,638
Direct expenses	**51,161**	45,202
General and administrative expenses	**13,133**	12,436
	64,294	57,638

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

14. Expense by nature (continued)

The results of the three months ended March 31, 2012 do not include ANGLP, as the Company did not acquire control until April 1, 2012 and therefore the results for the three months ended March 31, 2012 are included in earnings from joint ventures and associates.

15. Supplemental cash flow information

(thousands of dollars)	Three months ended March 31, **2013**	2012
	$	$
Interest paid	**1,170**	1,377
Income taxes paid	**-**	-

16. Segment disclosure

The Company and its subsidiaries operate in two distinct operating segments throughout Canada and the United States. These segments are the business and professional market that Specialty Technical Publishers ("STP"), Inceptus Media, Eco Log and Fundata operate in and the community media and trade information market in which the rest of Glacier's businesses operate. All of the Company's assets are located in Canada except the assets of a joint venture located in the United States.

The chief operating decision maker ("CODM") reviews operating results and bases decisions on the actual economic interest in its joint ventures. Therefore, the Company presents its segments based on its adjusted results which include its share of the revenues and expenses from its joint ventures. A reconciliation of the segment disclosure to the statement of operations and balance sheet is provided below.

The following segment information is as at and for the three months ended March 31, 2013 and 2012:

(thousands of dollars)	Community Media and Trade Information	Business and Professional	Corporate and Other	Total Operations	Joint Venture Adjustment (1)	IFRS Total
Three months ended March 31, 2013	$	$	$	$	$	$
Revenue						
Canada	69,032	3,047	-	72,079	(5,373)	66,706
United States	3,633	1,128	-	4,761	(941)	3,820
				76,840		70,526
Income (loss) before interest, taxes, depreciation and amortization	6,673	1,237	(21)	7,889	(1,657)	6,232
Interest	1,246	46	-	1,292	(59)	1,233
Amortization and depreciation	3,813	153	-	3,966	(376)	3,590
Other income	(89)	-		(89)	-	(89)
Other expense	56	2	930	988	87	1,075
Income tax	141	208	-	349	(203)	146
Share of (earnings) loss from joint ventures and associates	823	-	-	823	(1,323)	(500)
Segment Net income	683	828	(951)	560	217	777
Assets	603,792	18,451	(5)	622,238	(15,783)	606,455
Capital expenditures	1,867	243	-	2,110	(979)	1,131
Investment in joint ventures and associates	61,543	-	-	61,543	53,354	114,897

(1) Adjustments represent the elimination of the proportionately consolidated results of the Company's joint ventures.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

16. Segment disclosure (continued)

(thousands of dollars)	Community Media and Trade Information	Business and Professional	Corporate and Other	Total Operations	Joint Venture Adjustment [1]	IFRS Total
Three months ended March 31, 2012	$	$	$	$		
Revenue						
Canada	69,141	2,813	-	71,954	(10,472)	61,482
United States	3,610	857	-	4,467	(1,090)	3,377
				76,421		64,859
Income (loss) before interest, taxes, depreciation and amortization	9,778	1,139	(39)	10,878	(3,657)	7,221
Interest	1,530	47	-	1,577	(157)	1,420
Amortization and depreciation	3,719	239	-	3,958	(800)	3,158
Other expense	212	(19)	296	489	21	510
Income tax	982	266	-	1,248	(148)	1,100
Share of (earnings) loss from joint ventures and associates	138	-	-	138	(2,453)	(2,315)
Segment Net income	3,197	606	(335)	3,468	(120)	3,348
Assets	557,383	31,284	-	588,667	(36,535)	552,132
Capital expenditures	2,890	84	-	2,974	(1,238)	1,736
Investment in joint ventures and associates	62,017	-	-	62,017	99,077	161,094

(1) Adjustments represent the elimination of the proportionately consolidated results of the Company's joint ventures.

17. Contingency

In March 2013, an affiliate of the Company received correspondence from Canada Revenue Agency ("CRA") proposing to issue a notice of reassessment with respect to the utilization of non-capital losses by the affiliate, pertaining to taxation years 2008, 2009, 2010 and 2011. The Company believes that it has reported its tax position appropriately. No provision has been made in these financial statements for additional income taxes, if any, which may be determined to be payable on ultimate resolution of this matter. Should CRA issue the notice of reassessment, the Company's affiliate would be obligated to pay an initial payment of fifty percent of the reassessed tax amount plus penalties and interest, in conjunction with appealing the reassessment. The Company believes its affiliate has substantial defences in response to the matters raised by CRA and would vigorously appeal any reassessment. Nevertheless, the initial payment upon appeal, as well as the proposed reassessment by CRA, if upheld, would have a material impact on the Company's financial statements and cash flows. Notwithstanding, the Company's affiliate has the financial capacity to pay such amounts, if any. The likely timing to resolve this matter may take years. As of May 14, 2013, there has been no change in the status of this matter.

Board of Directors

Bruce W. Aunger*	S. Christopher Heming
John S. Burns, Q.C.*	Jonathon J.L. Kennedy
Sam Grippo	Geoffrey L. Scott*
Brian Hayward	

*Member of the Audit Committee

Officers
Sam Grippo, Chairman
Jonathon J.L. Kennedy, President & Chief Executive Officer
Orest Smysnuik, CA, Chief Financial Officer
Bruce W. Aunger, Secretary

Transfer Agent
Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

Auditors
PricewaterhouseCoopers LLP

Stock Exchange Listing
The Toronto Stock Exchange
Trading symbol: GVC

Investor Relations
Institutional investors, brokers, security analysts and others requiring financial and corporate information about Glacier should visit our website *www.glaciermedia.ca* or contact: Orest Smysnuik, CA, Chief Financial Officer.

Registered Office
1970 Alberta Street
Vancouver, BC V5Y 3X4
Phone: 604.872.8565
Fax: 604.879.1483

Glacier Media Inc.
1970 Alberta Street, Vancouver, British Columbia, Canada V5Y 3X4
Tel: 604.872.8565   Fax: 604.879.1483
www.glaciermedia.ca