Consolidated Financial Statements of

GLACIER MEDIA INC.

Year ended December 31, 2014

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President's Message

Summary

Eighteen months ago, Glacier Media Inc. ("Glacier" or the "Company") embarked on a comprehensive program to restructure its operations, strengthen its financial position and enhance shareholder value. The program was based in part on operational strategies that the Company has been pursuing to evolve its products and services. Given the accelerating changes taking place in the way information offerings are being developed and brought to market, the Company also determined that it was prudent to narrow the number of sectors it operates in going forward and focus resources and capital in the areas offering the highest growth opportunities.

During this time, the Company faced challenges in its community media business, and was faced with some significant financial liabilities. The employees of the Company embraced this challenge and delivered against the core objectives and imperatives.

Financial Performance

The following results are presented on an adjusted basis(1) to include both 1) the Company's share of its joint venture operations on a proportionate basis, because this is the basis on which management bases its operation decisions and performance evaluation and 2) to include discontinued operations that were owned during the year but sold subsequent to year end in January 2015. For a reconciliation to the results in accordance with International Financial Reporting Standards (IFRS), refer to both the reconciliation of discontinued operations in "Adjusted Revenue and Profit from Continuing Operations" and the "Reconciliation of IFRS to Adjusted Results" as presented below and in Management's Discussion & Analysis (MD&A).

Adjusted consolidated EBITDA including discontinued operations for the Company grew 6.1% to $45.5 million. The $45.5 million of adjusted EBITDA includes the results for the trade media assets that were owned and operated during the year, but sold subsequent to year end and are reflected as discontinued operations in the Company's financial statements.

Adjusted revenue including discontinued operations was $322.7 million or 1.9% lower than last year. Growth in business and professional information and trade media revenue was offset by a decline in community media revenue. The revenue decline includes the impact from the closure of the Kamloops Daily News and other small publications.

As part of the Company's efforts to evolve its products and services to offer higher value propositions to its clients, success is being achieved in targeting growth opportunities through the sale of higher-margin products. The sale of higher margin products has allowed overall profitability to be maintained despite the decline in print advertising revenues in community media.

Within business information operations, revenue grew in a variety of key sectors. Management is investing in a number of areas to develop new rich information and specialty data tools, designed to heighten customer retention and create premium revenue streams, as well as offer more sophisticated marketing solutions.

In community media, challenges continue to be faced in traditional print advertising. In particular, national and other print advertising sales continue to move to digital. In order to offset this trend, efforts have been made to a) target new areas of revenue sources and b) reduce costs while maintaining operating effectiveness. Towards this end, a comprehensive "revenue ramp-up" program resulted in a significant increase in new features and supplements revenue. Digital revenue continues to grow with a focus on delivering both revenue growth and profitability. Many of these revenue initiatives are also "multi-platform" in nature, in that they offer integrated solutions to Glacier's client base across digital, mobile, print and events.

Asset Sales

The Company realized $28 million of cash proceeds from the sale of non-core operating assets and real estate during 2014 and subsequent to year-end. This was consistent with the strategy to strengthen its

financial position, narrow its spectrum of sectors and redeploy its resources, efforts and capital to higher growth opportunities.

The proceeds were used to pay the 50% deposit relating to the previously disclosed Canada Revenue Agency ("CRA") re-assessment and related liabilities of $45 million, and pay down debt.

The proceeds were also used to acquire a majority position in Evaluate Energy, a UK-based energy information database and research company with a strong presence in Canada. The acquisition allows the Company to align Evaluate Energy and its offerings with the Company's existing upstream petroleum practice.

The Company continues to assess its asset mix with a view to narrowing its focus to areas that can deliver higher growth.

Key Financial Highlights (1)

	2014 (1)(5)	2013 (1)(5)	Variance $	Variance %
Revenue	$ 322,734	$ 328,898	$ (6,164)	-1.9%
EBITDA	$ 45,544	$ 42,938	$ 2,606	6.1%
EBITDA per share	$ 0.51	$ 0.48	$ 0.03	6.3%
EBITDA margin	14.1%	13.1%		
Net income attributable to common shareholders before non-recurring items (2)(3)	$ 18,454	$ 22,215	$ (3,761)	-16.9%
Net income attributable to common shareholders before non-recurring items per share (2)(3)	$ 0.21	$ 0.25	$ (0.04)	-16.0%
Cash flow from operations before non-recurring items (2)(3)	$ 44,133	$ 42,380	$ 1,753	4.1%
Cash flow from operations before non-recurring items per share (2)(3)	$ 0.50	$ 0.48	$ 0.02	4.2%
Debt to EBITDA ratio (4)	1.8x	2.4x		
Weighted average shares outstanding, net	89,083,105	89,160,254		

Notes:
(1) Refer to "Non-IFRS Measures" section of the MD&A for non-IFRS measures used in this table.
(2) Non-recurring 2014 excludes $2.0 million of restructuring expense, $1.6 million of transaction and transition costs, $0.6 million of other income, a $1.7 million net gain on disposal of assets, other expenses of $0.3 million and $18.4 million of impairment expense.
(3) For non-recurring items excluded in the prior period, refer to previously reported financial statements.
(4) Calculated as adjusted consolidated debt net of cash outstanding before deferred financing charges.
(5) Results are presented including the results for the trade media assets that were sold subsequent to year end and which are presented as discontinued operations in the Company's financial statements.

- For the year ended December 31, 2014, adjusted consolidated EBITDA including discontinued operations increased 6.1% to $45.5 million from $42.9 million in the prior year. The related EBITDA margin increased to 14.1% from 13.1%;

- For the year ended December 31, 2014, adjusted consolidated revenues including discontinued operations declined 1.9% to $322.7 million as compared to $328.9 million in the prior year. This included the impact of the closure of the Kamloops Daily News and some other small publications;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) including discontinued operations increased 4.1% to $44.1 million from $42.4 million in the prior year;

- Adjusted net income attributable to common shareholders before non-recurring items and including discontinued operations decreased to $18.5 million from $22.2 million in the prior year. This decline was primarily the result an $9.3 million deferred income tax recovery in the prior year;

- Adjusted EBITDA per share including discontinued operations increased to $0.51 per share compared to $0.48 per share in the prior year;

- Adjusted cash flow from operations per share (before changes in non-cash operating accounts and non-recurring items) including discontinued operations increased to $0.50 per share compared to $0.48 per share in the prior year;

- Adjusted net income attributable to common shareholders per share before non-recurring items and including discontinued operations decreased to $0.21 per share from $0.25 per share compared to the prior year (see explanation of deferred tax recovery in 2013);

- $28 million of cash proceeds were realized from the sale of non-core operating assets and real estate during the year and subsequent to year end at attractive valuations that underscore the value of Glacier's business information assets. As part of this $28 million, Glacier received $19.65 million for the trade media assets sold that were located in Toronto (see Strategic Restructuring Efforts below). The sale of these assets has been presented as discontinued operations in the Company's 2014 financial statements. The proceeds were used to 1) pay the 50% deposit made to appeal the previously disclosed CRA re-assessment and related total liabilities of $45 million, 2) pay down debt and 3) acquire a majority position in Evaluate Energy, a UK-based energy information database and research company with a strong presence in Canada;

- Subsequent to year-end, the Company sold a group of community media assets on Vancouver Island and in the Lower Mainland of B.C. and acquired several community media assets in the Lower Mainland. The net proceeds from the transaction were used to pay down debt. The transaction immediately increases the profitability of the Company's community media operations;

- Adjusted consolidated debt net of cash outstanding (before deferred financing charges) was reduced to 1.8x trailing 12 months consolidated adjusted EBITDA (including discontinued operations) as at December 31, 2014.

Note:

[1] Prior to January 1, 2013 the Company consolidated the financial results of its joint ventures on a proportionate basis in accordance with then applicable accounting standards. Since January 1, 2013, the Company has been required to report the financial results of its joint ventures using equity accounting under the new IFRS accounting standards. The adjusted consolidated financial results reported have been adjusted to reflect the proportionate accounting basis used prior to January 1, 2013 for purposes of comparability in reporting. These results include non-IFRS measures such as EBITDA, cash flow from operations and net income attributable to common shareholders before non-recurring items, and are presented on a basis that includes the Company's share of revenue, expenses, assets and liabilities from its joint venture operations, which reflect the basis on which management makes its operating decisions and performance evaluation.

The adjusted results are not generally accepted measures of financial performance under IFRS. 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. Refer to the MD&A for a reconciliation of these non-IFRS measures and adjusted results.

Adjusted Revenue and Profit from Continuing Operations

As indicated, the Company sold of a group of its trade media publications and related assets in January 2015. After giving effect to the exclusion of these discontinued operations, the revenue and EBITDA from continuing operations are $288.2 million and $44.2 million, respectively. The following table is a reconciliation of adjusted results including discontinued operations, as presented above, to the adjusted results excluding discontinued operations (as presented and discussed further in the MD&A):

	Year ended December 31, 2014				Year ended December 31, 2013			
(thousands of dollars) except share and per share amounts	**Adjusted results excluding discontinued operations**	**Discontinued operations**	**Intercompany eliminations**	**Adjusted results including discontinued operations [1][2]**	Adjusted results excluding discontinued operations	Discontinued operations	Intercompany eliminations	Adjusted results including discontinued operations [1][2]
Revenue [1]	$ 288,191	$ 38,338	$ (3,795)	$ 322,734	$ 295,413	$ 35,976	$ (2,491)	$ 328,898
EBITDA [1]	$ 44,151	$ 1,393	-	$ 45,544	$ 43,734	$ (796)	-	$ 42,938
EBITDA margin [1]	15.3%	3.6%	-	14.1%	14.8%	(2.2%)	-	13.1%
Net income (loss) from continuing operations [1]	$ 8,058	$ (5,557)	-	$ 2,501	$ (56,334)	$ (6,025)	-	$ (62,359)
Loss from discontinued operations [1][2]	$ 5,557	$ (5,557)	-	$ -	$ 6,025	$ (6,025)	-	$ -
Net loss attributable to common shareholders [1][2]	$ (1,520)	$ -	-	$ (1,520)	$ (64,923)	$ -	-	$ (64,923)
Weighted average shares outstanding, net	89,083,105			89,083,105	89,160,254			89,160,254

Notes:
(1) Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.
(2) Discontinued operations includes an impairment expense of $7.4 million in 2014 and $4.6 million in 2013.

Reconciliation of IFRS to Adjusted Results

The following table is a reconciliation of the IFRS results to the adjusted results excluding discontinued operations (which include the Company's proportionate share of its joint venture operations). Refer to the MD&A for further discussion and analysis of these results:

(thousands of dollars) except share and per share amounts	Year ended December 31, 2014 Per IFRS	Differential	Adjusted results excluding discontinued operations (1)(2)	Year ended December 31, 2013 Per IFRS	Differential	Adjusted results excluding discontinued operations (1)(2)
Revenue	$ 247,871	$ 40,320	$ 288,191	$ 262,139	$ 33,274	$ 295,413
EBITDA (1)	$ 29,083	$ 15,068	$ 44,151	$ 33,487	$ 10,247	$ 43,734
EBITDA margin (1)	11.7%		15.3%	12.8%		14.8%
EBITDA per share (1)	$ 0.33	$ 0.17	$ 0.50	$ 0.38	$ 0.11	$ 0.49
Net loss attributable to common shareholders	$ (250)	$ (1,270)	$ (1,520)	$ (64,853)	$ (70)	$ (64,923)
Weighted average shares outstanding, net	89,083,105		89,083,105	89,160,254		89,160,254

Notes:
(1) Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.
(2) Results are presented excluding the results for the trade media assets that were sold subsequent to year end and are presented as discontinued operations in the these results and in the Company's financial statements.

The qualitative discussion of the 2014 results in this President's Message is relevant and applicable for the adjusted results including discontinued operations, the adjusted results excluding discontinued operations and the IFRS results. For a quantitative analysis of the adjusted results excluding discontinued operations and the IFRS results refer to the MD&A.

Strategic Restructuring Efforts

Glacier has been focused on a comprehensive program to 1) restructure operations by narrowing the number of sectors in which it operates to redeploy resources, effort and capital to higher growth areas, 2) strengthen its financial position and 3) enhance shareholder value. This program was initiated 18 months ago as a result of an overall strategic review of the Company's operations and situation.

As part of this program, Glacier sold its minority interest in Iron Solutions in December 2014 as well as a group of trade media assets based in Toronto in January 2015. The sale proceeds from these two transactions totaled $23.3 million before transaction related expenses. In addition, $4.8 million of real estate was sold in August 2014.

Glacier sold its minority interest in Iron Solutions as part of the sale of 100% of Iron Solutions to Trimble (NASDAQ: TRMB). Glacier's proceeds were $4.3 million for its interest, of which $0.6 million has been placed in escrow. Iron Solutions is based in Franklin, Tennessee and is a seller of integrated software services for agricultural equipment dealerships. Glacier's interest in Iron Solutions' EBITDA was $0.3 million. While agriculture is a sector in which Glacier intends to focus growth efforts, it was deemed prudent to sell the interest at an attractive valuation and focus efforts and capital on organic growth and acquisitions over which it has greater operational control.

Glacier received $19.65 million for the trade media assets sold that were located in Toronto. The assets included Glacier's automotive, construction & design, manufacturing, transportation, occupational health & safety, communications, dental, insurance, forestry, and meetings & travel trade publications and related digital assets, as well as Scott's Directories. Glacier retained the ERIS environmental risk information business, Northern Miner mining information group and the Food in Canada business that were operated with the trade media assets sold, and will retain the associated revenue and contribution. The assets sold covered a broad spectrum of industry sectors, which did not align with Glacier's strategy to narrow its focus. On a going forward basis, Glacier's EBITDA is expected to be reduced by approximately $2 million as a result of the sale and restructuring. Conversely, the assets fit very well within the buyers' operations, and offered significant growth opportunities for them.

Areas of Focus Going Forward

Glacier intends to focus its business information growth efforts in 1) the global agriculture, energy and mining information sectors, given Canada's important international presence in these natural resources sectors and the strong competitive position Glacier owns in the related information spaces, 2) the environmental risk information space, 3) the real estate information space and 4) the mutual fund information space. These sectors are dynamic in nature, and their changing and continually evolving needs are expected to increase the demand and value relating to information, intelligence and marketing solutions.

Glacier is pursuing these growth efforts through a comprehensive Evolve, Enrich and Extend strategy. The strategy focuses on providing richer content, data and information, related analytics and business and market intelligence, as well as more comprehensive and sophisticated marketing solutions. Through this enrichment, products and services achieve greater customer utility and decision dependence. The strategy is intended to provide growing levels of sales from high-margin products with high levels of recurring revenue, while requiring low levels of sustaining capital investment in order to generate strong free cash flow and return on capital. As strategy implementation accelerates, it is expected that a greater portion of the Company's revenue will come from subscription, specialized report, customized application and other recurring revenue oriented rich information product sales.

Business Information Value Creation Assessment

As part of Management's and the Board of Directors' strategic review of the Company's business information assets and strategic direction going forward, an internal rate of return (IRR) analysis was undertaken to determine the success achieved historically from the investments made in business information assets and the operating results achieved. The study included all significant acquisitions made from 2001-2014, (i.e. from the time Glacier has been public on the Toronto Stock Exchange). The analysis was based on a) the EBITDA earned each year by each business, b) related sustaining capital expenditures and c) assumed value of each business in 2014 derived from EBITDA valuation multiples applied to the EBITDA of each business unit using current market multiples for the businesses still owned, and the pre-tax proceeds from the two asset dispositions completed (the sale of Iron Solutions and the trade media assets).

The analysis indicated that Glacier has generated a 17% compound annual rate of return from the acquisition and operating performance of all of its business information operations. The return is the result of both the growth achieved in operating cash flows, as well as the valuation multiples being paid for the types of businesses the Company has acquired, including the two most recent sales of the Company's business information assets.

The ability to generate this level of return through investment in business information products and services was one of the factors resulting in the decision to pursue growth in the sectors the Company has chosen.

Business Information

Many of Glacier's business information operations (which include business and professional and trade information) continue to grow and provide attractive future growth opportunities in both existing and new sectors. This growth is being achieved through multi-platform offerings, integrated marketing solutions and rich data, analytics and intelligence services.

The following highlights several initiatives that are indicative of the Company's efforts to further evolve its operations and target opportunities for growth:

- The Company's environmental risk information offering in the United States by Environmental Risk Information Services (ERIS) completed its first year of North American coverage. ERIS performed very well, resulting in revenue growth of 27% for the year. The Company plans continued investment in ERIS in terms of deeper data and enhanced reporting functionality.
- The acquisition of a majority interest in Evaluate Energy Limited augments the rich information data and analytics already offered by the JuneWarren-Nickle's Energy Group (JWN). Evaluate Energy Limited sells both CanOils, a Canadian energy database, and Evaluate Energy, an international energy database. Through these products, Glacier can now offer its clients detailed insights on more than 700

global energy companies, including more than 400 listed on the Toronto Stock Exchange and the TSX Venture Exchange. Evaluate Energy is now operationally aligned with JWN under single leadership.

- The Company's agricultural group (Glacier FarmMedia) announced plans for a Western Canadian-based outdoor technology exposition to complement the successful Ontario-based Canada's Outdoor Farm Show. The new expo – called Ag in Motion – will occur in July 2015 just north of Saskatoon and has already received substantial sector support.
- Food in Canada is being integrated into Glacier FarmMedia operations to advance the Company's content and product platform along the "farm-to-fork" value chain. This will facilitate more integrated solutions for both food producers and processors.
- Glacier's National Network business unit continues to develop and grow by providing integrated solutions for clients seeking broad network coverage, offering such new tools as agricultural confidence outlooks and technology innovation forecasts.

Business information operations represent approximately 60% of Glacier's adjusted EBITDA. Almost half of this EBITDA comes from rich data information products.

These products provide essential information that generates highly profitable recurring revenues, and are well positioned for scalable growth. The product lines offer resiliency in challenging economic times as they provide critical insight and analysis. Glacier's strategic transformation plans focus on these high-value information products, as well as developing more comprehensive and sophisticated marketing solutions. These products also allow the Company's content producers – journalists and analysts – to produce valuable research and white papers, which also strengthens ties to customers and sectors.

This strategic focus also includes global opportunities associated with information and insights related to the Canadian resources industry. Investment is targeted to enhance Glacier's Canadian-based natural resources products to generate profitable revenue and return on capital in new international resource areas. The resource sectors in which Glacier operates are global, and offer considerable opportunity for growth in shareholder value. Glacier is also targeting investment and growth opportunities in environmental risk information, real estate information and mutual fund information.

Digital revenues now represent approximately 35% of Glacier's business information revenues. Efforts continue to develop different types of digital revenues, including content, advertising, comprehensive marketing solutions and subscriptions – supported by modelling and analysis tools.

Community Media

Glacier's community media groups, continue to face challenges associated with traditional print advertising. In particular, national and other print advertising sales continue to move to digital. In order to offset this trend, efforts are being made to target new areas of revenue sources to offset the declines. To this end, a comprehensive "revenue ramp-up" program resulted in a significant increase in new features and supplements revenue. Advertisers have shown willingness to purchase advertising in a variety of new print marketing ideas in which new audience engagement feature extensively.

Digital revenues continued to grow with a focus on products that can be readily monetized to deliver profitable revenue. Operating investments are improving Glacier's digital community media products, helping to launch new products, expand client inventory and develop internal digital skills.

Previous investment in upgraded print facilities, in one of the Company's joint ventures, has resulted in significant new revenues and EBITDA. Recognizing the industry's maturing nature, this investment was made to improve quality and lower operating costs for existing Company-owned products, and achieve returns with outside long-term contracts that can deliver an attractive pay-back with maturing revenue assumptions.

Cost reduction programs introduced in the second half of 2013 and throughout 2014 resulted in significant cost savings. These initiatives were introduced while maintaining product quality and sales capacity and effectiveness.

Subsequent to year-end, the Company sold a group of community media assets on Vancouver Island and in the Lower Mainland of B.C. and acquired several community media assets in the Lower Mainland. The net proceeds from the transaction were used to pay down debt. The transaction immediately increases the profitability of the Company's community media operations.

Glacier's community media operations offer broad coverage across Western Canada in local markets, and continue to offer a strong value proposition through local information and marketing channel utility. Many of the Company's smaller rural community media markets – largely spread across the Prairies – have enjoyed more steady local performance due to their strong local positions and local advertising revenues, although they are being affected by the factors driving national advertising shifts.

While economic and digital media challenges have affected the community media operations, management believes that these businesses have unrealized opportunities available, as is evident from the revenue being generated from new print and digital products, and will continue to generate solid cash flow given the nature of the markets in which Glacier operates – particularly within the more robust micro-economies of Western Canada. This cash flow can be used to repay debt and fund growth through both internal investment and the acquisition of high-value business information assets.

Operational Performance

As stated, for the year ended December 31, 2014 adjusted consolidated EBITDA including discontinued operations grew 6.1% to $45.5 million, as compared to $42.9 million last year. Glacier's consolidated EBITDA margin including discontinued operations, on an adjusted basis, increased to 14.1% for the year ended December 31, 2014 from 13.1% compared to last year.

Adjusted consolidated revenue including discontinued operations declined 1.9% to $322.7 million. Growth in business and professional information and trade media revenue was offset by a decline in community media revenue. The revenue decline also includes the impact from the closure of the Kamloops Daily News and other small publications.

This performance was achieved from a combination of cost management and attention to high-growth revenue opportunities with focus on generation of revenues from higher margin products, while maintaining appropriate product and personnel investment.

Over 18 months, more than $10 million in costs have been strategically reduced from various operations. This is in addition to variable expense savings such as printing and sales commission that have come with print revenue declines. These savings contributed to the reduction in overall expenses in 2014 compared to 2013.

The Company's adjusted EBITDA including discontinued operations in 2013 was affected by one-time accounting adjustments and other one-time expenses that had the effect of reducing revenue and increasing expenses by a cumulative impact of $2.0 million.

Operating infrastructure and resource development investment continue to be made in both business information and community media, including rich information and digital media management, staff, information technology and related resources.

The complementary media platform and product strategy, which underpins the Evolve, Enrich and Extend strategy, addresses both the risks that digital media represents to the traditional print platform and opportunities digital media offer in Glacier's 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 maintained. While digital platforms offer many attractive new opportunities, print platforms continue to offer effective utility to both readers and advertisers. This was evident in the significant increase in new features and supplements revenue. Maintaining quality print products also maintains strong brand image and awareness, which increases the likelihood of success online.

In particular, the Company intends to increase capital allocated to business information acquisitions and organic growth opportunities and use cash flow generated from community media and business information operations to fund this investment in balance with the priority to reduce debt levels.

Financial Position

On an adjusted basis, including the Company's share of the joint venture interests, Glacier's consolidated debt net of cash outstanding before deferred financing charges was reduced to 1.8x trailing 12 months EBITDA including discontinued operations as at December 31, 2014.

The Company (excluding its joint venture interests and discontinued operations) made net debt repayments of $18.5 million during the year. Glacier's consolidated debt, net of cash outstanding before deferred financing charges, was $75.0 million as at December 31, 2014.

Capital expenditures (excluding its joint venture interests and discontinued operations) were $4.2 million for the year ended December 31, 2014 compared to $11.7 million in the prior year. The majority of the current year expenditures relate to program development, IT infrastructure, building improvements and other sustaining capital expenditures. A significant portion of the capital expenditures made in the prior year were investment capital expenditures, the majority of which related to the purchase of a building and building improvements.

The Board of Directors declared a quarterly dividend of $0.02 per share to shareholders of record on March 25, 2015 payable on April 7, 2015. The dividend is consistent with the Company's dividend policy of paying $0.08 per share per annum, payable quarterly.

CRA Reassessment

As previously disclosed, an affiliate of the Company received tax notices of reassessment from the CRA relating to the taxation years ended December 31, 2008 through 2013 inclusive. The reassessments deny the application of non-capital losses, capital losses and scientific research and experimental development ("SR&ED") tax credits claimed for those years. The total potential liability relating to additional taxes payable for the reassessed years to the CRA and provincial governments, including interest and penalties, would be approximately $45 million.

In January 2015, the affiliate filed a notice of objection to the CRA. In connection with filing the notice of objection, the affiliate paid 50% of the amounts claimed by the CRA. The affiliate paid $4.5 million of this balance in December 2014 and $15.3 million in January 2015, covering the total deposit owing to the CRA. Additional amounts may be due at a later date. The Company, the affiliate and its counsel believe that the filing positions adopted by the affiliate are appropriate and in accordance with the law. The affiliate intends to vigorously defend such positions. If the affiliate is successful in defending its positions, deposits made plus applicable interest will be refunded to the affiliate. There is no assurance that the affiliate's objections and appeals will be successful. If the CRA is successful, the affiliate will be required to pay the balance of taxes owing plus applicable interest.

Outlook

Challenges continue to be faced in community media in print advertising, although the asset dispositions and purchases on Vancouver Island and in the Lower Mainland will contribute immediately to the profitability of the Company's community media group as indicated.

Importantly, the Company has made substantial progress towards its objectives of both strengthening its financial position and narrowing its spectrum of operating sectors in order to redeploy capital and resources to higher growth and higher value products and services.

While further efforts will be made towards these objectives, management will also be able to accelerate its transformation plans.

A great deal of effort has been made by the employees of the Company to reach this new juncture. Together we have faced both operational challenges and financial challenges. Significant pride can be taken in what was achieved this past year.

I would like to thank the entire staff of our Company and our partnerships for the effort and performance they delivered, for the long hours worked and the resourcefulness provided to generate the results achieved.

Glacier's Board of Directors continued to play an integral role in the oversight of the Company, providing valuable counsel, practical experience and a steady long-term view through challenging conditions. I thank them on behalf of myself and our shareholders for these efforts.

Going forward, Glacier will now focus its business information growth efforts in the agriculture, energy and natural resource sectors, and the environmental risk, real estate and mutual fund information sectors. These spaces are dynamic in nature, and their changing and continually evolving needs are expected to increase the demand and value relating to information, intelligence and marketing solutions. While advertising revenues in the natural resource sectors are cyclical in relation to the commodity markets, the need for information and related products in these sectors is strong and resilient. The Company's environmental risk and mutual fund information revenues are growing rapidly. The transformation of the Company's real estate information business is still at an early stage, but offers great opportunity as well.

As indicated, Glacier is pursuing these growth efforts through a comprehensive Evolve, Enrich and Extend strategy. The strategy focuses on providing richer content, data and information, related analytics and business and market intelligence, as well as more comprehensive and sophisticated marketing solutions.

The strategy is intended to provide growing levels of sales from high-margin products with high levels of recurring revenue, while requiring low levels of sustaining capital investment in order to generate strong free cash flow and return on capital. As implementation of the strategy accelerates, it is expected that a greater portion of the Company's revenue will come from subscription, specialized report, customized application and other recurring revenue oriented rich information product sales.

Management will continue to focus in 2015 on a balance of paying down debt through cash flow and the sale of non-core assets.

Once leverage is reduced to lower operating levels, management will seek an ongoing balance of maintaining debt at those levels and delivering increased value to shareholders through operations, acquisitions and dividends.

In summary, significant focus and related investment will continue to be made to enhance Glacier's business information assets. These investments will enhance the Company's position in the markets that it covers, expand the scope of quality of information products and marketing solutions offered where strong sustainable competitive positions are available, and expand Glacier's information and product development staff, technology and related resources.

Jonathon J.L. Kennedy
President and Chief Executive Officer

2014 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 March 26, 2015.

Glacier Media Inc.'s Annual Report, including this MD&A and the accompanying President's Message, 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", "expected", "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 relating to our expectations regarding revenues, expenses, cash flows, future profitability and the effect of our strategic initiatives, including our expectations to grow our business information operations, to generate incremental revenues, to implement cost reduction measures, the sale of assets and utilization of the proceeds, to produce products and services that provide growth opportunities, to launch information products, to generate organic development and new business acquisitions, to increase capital allocated to such acquisition and growth opportunities, to improve profitability, to grow cash flow per share, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures and debt service requirements, to monetize our information and content, to pay dividends and to reduce debt levels and as to its expectations as to the level of investment in capital expenditures. These forward looking statements are based on certain assumptions, including continued economic growth and recovery and the realization of cost savings in a timely manner and in the expected amounts, which 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 include failure to implement or achieve the intended results from our strategic initiatives, the failure to implement or realize cost savings in a timely manner or in the expected amounts, the failure to negotiate or complete the sale of assets, the failure to identify, negotiate and complete the acquisition of new businesses, the failure to develop or launch new products, and the other risk factors listed in our Annual Information Form under the heading "Risk Factors" and in our annual MD&A under the heading "Business Environment and Risks", many of which are out of our control. These other risk 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's Aid to Publishers, 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, financing risk and debt service risk.

The forward-looking statements made in the Company's Annual Report, including this MD&A and the accompanying President's Message, relate only to events or information as of the date on which the statements are made. 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 Annual Report, 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 March 26, 2015 and should be read in conjunction with the Company's annual consolidated financial statements and notes thereto as at and for the year ended December 31, 2014. These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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 from continuing operations attributable to common shareholders before non-recurring items, net income from continuing operations attributable to common shareholders before non-recurring items 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. In addition, certain results in this MD&A stated to be "adjusted" have been presented on an adjusted basis that includes the Company's shares of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation. Certain adjusted measures have been presented to include the results of the discontinued operations. These adjusted measures are also 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, its lenders and its 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 and Cash Flow from Operations Reconciliation, Net Income Attributable to Commons Shareholders before Non-Recurring Items and Net Income from Continuing Operations Attributable to Common Shareholders before Non-Recurring Items Reconciliation and a reconciliation of the adjusted non-IFRS measures is included in the section entitled Reconciliation of Adjusted Results in this MD&A.

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. 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 Glacier FarmMedia (which includes Western Producer Publications, Farm Business Communications and Canada's Outdoor Farm Show), the JuneWarren-Nickle's Energy Group, Evaluate Energy, the Business in Vancouver Media 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 the United States.

Glacier's operations in the business and professional information group include Specialty Technical Publishers, Inceptus Media, ERIS, and joint venture and other interests in Fundata, Weather INnovations and InfoMine.

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

Significant Developments in 2014 and Outlook

Eighteen months ago the Company embarked on a comprehensive program to restructure its operations, strengthen its financial position and enhance shareholder value. The program was based in part on operational strategies that the Company has been pursuing to evolve its products and services. Given the accelerating changes taking place in the way information offerings are being developed and brought to market, the Company also determined that it was prudent to narrow the number of sectors in which it operates going forward and focus resources and capital in the areas offering the highest growth opportunities.

As part of the Company's efforts to evolve its products and services to offer higher value propositions to its clients, success is being achieved in targeting growth opportunities through the sale of higher-margin products. The sale of higher margin products has allowed overall profitability to be maintained despite the decline in print advertising revenues in community media. Within business information operations, revenue grew in a variety of key sectors. Management is investing in a number of areas to develop new rich information and specialty data tools, designed to heighten customer retention and create premium revenue streams, as well as offer more sophisticated marketing solutions.

Glacier sold its minority interest in Iron Solutions in December 2014 as well as a group of trade media assets based in Toronto in January 2015. The sale proceeds from these two transactions totaled $23.3 million before transaction related expenses. In addition, $4.8 million of real estate was sold in August 2014. This was consistent with the strategy to strengthen its financial position, narrow its spectrum of sectors and redeploy resources, effort and capital to higher growth opportunities.

The proceeds were used to pay the 50% deposit relating to the previously disclosed Canada Revenue Agency ("CRA") re-assessment and related liabilities of $45 million, pay down debt and acquire a 60% interest in Evaluate Energy, a UK-based energy information database and research company.

Glacier intends to focus its business information growth efforts in 1) the global agriculture, energy and mining information sectors, given Canada's important international presence in these natural resources sectors and the strong competitive position Glacier owns in the related information spaces, 2) the environmental risk information space, 3) the real estate information space and 4) the mutual fund information space. These sectors are dynamic in nature, and their changing and continually evolving needs are expected to increase the demand and value relating to information, intelligence and marketing solutions.

Glacier is pursuing these growth efforts through a comprehensive Evolve, Enrich and Extend strategy. The strategy focuses on providing richer content, data and information, related analytics and business and market intelligence, as well as more comprehensive and sophisticated marketing solutions. Through this enrichment, products and services achieve greater customer utility and decision dependence.

The strategy is intended to provide growing levels of sales from high-margin products with high levels of recurring revenue, while requiring low levels of sustaining capital investment in order to generate strong free cash flow and return on capital. As strategy implementation accelerates, it is expected that a greater portion of the Company's revenue will come from subscription, specialized report, customized application and other recurring revenue oriented rich information product sales.

Business information operations represent approximately 60% of Glacier's adjusted EBITDA. Almost half of this EBITDA comes from rich data information products. These products provide essential information that generates highly profitable recurring revenues, and are well positioned for scalable growth. The product lines offer resiliency in challenging economic times as they provide critical insight and analysis. Glacier's strategic transformation plans focus on these high-value information products, as well as developing more comprehensive and sophisticated marketing solutions.

Glacier's community media groups continue to face challenges associated with traditional print advertising. In particular, national and other print advertising sales continue to move to digital. In order to offset this trend, efforts are being made to a) target new areas of revenue sources and b) reduce costs while maintaining operating effectiveness. Towards this end, a comprehensive "revenue ramp-up" program resulted in a significant increase in new features and supplements revenue. Digital revenues continued to grow with a focus on products that can be readily monetized to deliver profitable revenue.

While significant efforts have been made to find cost efficiencies, operating investments are still being made to improve Glacier's digital community media products, helping to launch new products, expand client inventory and develop internal digital skills.

While economic and digital media challenges have affected the community media operations, management believes that these businesses have unrealized opportunities available, as is evident from the revenue being generated from new print and digital products, and will continue to generate solid cash flow given the nature of the markets in which Glacier operates – particularly within the more robust micro-economies of Western Canada. This cash flow can be used to repay debt and fund growth through both internal investment and the acquisition of high-value business information assets.

Reconciliation of IFRS to Adjusted Results

The following table reconciles the Company's results as reported under IFRS to the results presented on an adjusted basis that includes the Company's shares of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation. The adjusted results exclude the results from discontinued operations as detailed below.

(thousands of dollars) except share and per share amounts	**Year ended December 31, 2014**			Year ended December 31, 2013		
	Per IFRS	**Differential**	**Adjusted[1]**	Per IFRS	Differential	Adjusted[1]
Revenue	$ 247,871	$ 40,320	$ 288,191	$ 262,139	$ 33,274	$ 295,413
Gross profit [3]	$ 78,529	$ 20,679	$ 99,208	$ 81,906	$ 15,726	$ 97,632
Gross margin	31.7%		34.4%	31.2%		33.0%
EBITDA [1][2]	$ 29,083	$ 15,068	$ 44,151	$ 33,487	$ 10,247	$ 43,734
EBITDA margin [1]	11.7%		15.3%	12.8%		14.8%
EBITDA per share [1][2]	$ 0.33	$ 0.17	$ 0.50	$ 0.38	$ 0.11	$ 0.49
Net income from continuing operations attributable to common shareholders before non-recurring items [1][2]	$ 15,712	$ (980)	$ 14,732	$ 21,512	$ 1,595	$ 23,107
Net income from continuing operations attributable to common shareholders before non-recurring items per share[1][2]	$ 0.18	$ (0.01)	$ 0.17	$ 0.24	$ 0.02	$ 0.26
Net income (loss) from continuing operations attributable to common shareholders	$ 5,307	$ (1,270)	$ 4,037	$ (58,828)	$ (70)	$ (58,898)
Net income (loss) from continuing operations attributable to common shareholders per share	$ 0.06	$ (0.01)	$ 0.05	$ (0.66)	$ 0.00	$ (0.66)
Net income attributable to common shareholders before non-recurring items [1][2]	$ 19,434	$ (1,031)	$ 18,403	$ 20,620	$ 1,595	$ 22,215
Net income attributable to common shareholders before non-recurring items per share [1][2]	$ 0.22	$ (0.01)	$ 0.21	$ 0.23	$ 0.02	$ 0.25
Net loss attributable to common shareholders	$ (250)	$ (1,270)	$ (1,520)	$ (64,853)	$ (70)	$ (64,923)
Net loss attributable to common shareholders per share	$ 0.00	$ (0.02)	$ (0.02)	$ (0.73)	$ 0.00	$ (0.73)
Cash flow from operations before non-recurring items[1][2]	$ 31,030	$ 13,052	$ 44,082	$ 33,692	$ 8,688	$ 42,380
Cash flow from operations per share [1][2]	$ 0.35	$ 0.14	$ 0.49	$ 0.38	$ 0.10	$ 0.48
Total assets	$ 485,183	$ 22,663	$ 507,846	$ 513,552	$ 23,844	$ 537,396
Weighted average shares outstanding, net	89,083,105		89,083,105	89,160,254		89,160,254

Notes:
(1) Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.
(2) IFRS net income attributable to common shareholders and cash flow from operations have been adjusted for non-recurring items. Refer to "EBITDA and Cash Flow from Operations Reconciliation" and "Net Income Attributable to Common Shareholders Before Non-Recurring Items Reconciliation"
(3) Gross profit for these purposes excludes depreciation and amortization.

Operational Performance – Adjusted Basis[1]

Management believes that including its share of revenues, expenses and cash flows of its joint venture operations in the Company's results provides a more comprehensive basis for reflecting and assessing the overall operations of the Company. This is consistent with its historical presentation in accordance with the previously applicable accounting standards that were used prior to January 1, 2013. Management bases its operating decisions and performance evaluation using the adjusted results[1]. The following discussion adjusts the Company's reported results under IFRS to include the revenues, expenses and cash flows of its joint ventures.

The adjusted results discussed in the MD&A are presented excluding discontinued operations. Subsequent to year end, a group of the Company's trade media assets located in Toronto were sold and are presented as discontinued operations.

Adjusted consolidated EBITDA increased 1.0% to $44.2 million for the year ended December 31, 2014 from $43.7 million in the prior year. This performance was achieved from a combination of cost management and

attention to high-growth revenue opportunities with focus on generation of revenues from higher margin products, while maintaining appropriate product and personnel investment. Over 18 months, more than $10 million in costs have been strategically reduced from various operations. This is in addition to variable expense savings, such as printing and sales commission, that have come directly with print revenue declines. These savings contributed to the reduction in overall expenses in 2014 compared to 2013.

For the year ended December 31, 2014, adjusted net income from continuing operations attributable to common shareholders before non-recurring items decreased to $14.7 million from $23.1 million in the prior year. This decline was primarily the result an $8.0 million deferred income tax recovery in the prior year.

Adjusted net income attributable to common shareholders before non-recurring items decreased to $18.4 million from $22.2 million in the prior year. This decline was primarily the result a $9.3 million deferred income tax recovery in the prior year.

Adjusted cash flow from operations before non-recurring items increased to $44.1 million from $42.4 million for the prior year.

Adjusted consolidated revenue for the year ended December 31, 2014 decreased by 2.4% as compared to 2013. Revenues were affected by weaker community media revenues, which were impacted by increased digital competition, as well as continued soft economic conditions in some of the community media markets in which the Company operates. These community media revenue shortfalls were partially offset by higher business information revenues.

The main factors affecting the comparability of the 2014 and 2013 results are:

- Operating performance of the Company's various business units and general market conditions during the reported years;
- Subsequent to year end, a group of the Company's trade media publications and related assets located in Toronto were sold and are presented as a discontinued operation;
- The sale of the Company's investment in Iron Solutions;
- Decreased revenues and expenses primarily due to the closure of the Kamloops Daily News and other smaller publications;
- The sale of the Kamloops land and building;
- A goodwill, intangible asset, investments in joint ventures and associates and other investments impairment charge of $11.0 in 2014 and $74.4 million in 2013. These amounts exclude impairments taken on the discontinued operations;
- A $9.3 million deferred income tax recovery in the prior year that had the effect of increasing adjusted net income attributable to common shareholders before non-recurring items in 2013;
- Restructuring expenses including severance payments and transition costs for new acquisitions; and
- The cyclical nature of certain of Glacier's businesses.

The results for the quarter, on an adjusted basis, continued with some of the softness experienced earlier in the year. Adjusted consolidated revenue decreased 3.6% to $74.7 million from $77.5 million and adjusted consolidated EBITDA decreased 2.9% to $12.8 million from $13.1 million for the quarter compared to last year. Refer to the quarterly discussion of the IFRS results for an explanation of the quarterly variance as the qualitative discussion points are the same for both the adjusted and IFRS results.

Note:

(1) Prior to January 1, 2013 the Company consolidated the financial results of its joint ventures on a proportionate basis in accordance with then applicable accounting standards. Since January 1, 2013, the Company has been required to report the financial results of its joint ventures using equity accounting under the new IFRS accounting standards. The adjusted consolidated financial results reported have been adjusted to reflect the proportionate

accounting basis used prior to January 1, 2013 for purposes of comparability in reporting. These results include non-IFRS measures such as EBITDA, cash flow from operations, net income from continuing operations attributable to common shareholders before non-recurring items and net income attributable to common shareholders before non-recurring items, and are presented on a basis that includes the Company's share of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation.

The adjusted results are not generally accepted measures of financial performance under IFRS. 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. Please refer to the **Reconciliation of Adjusted Results** for a reconciliation of these non-IFRS measures and adjusted results. Management reports its results adjusted to include its share of its joint ventures in the MD&A under the headings **Operational Performance – Comparable Basis**, **Year End Results – Comparable Basis** and **Reconciliation of Adjusted Results.** Management reports its results adjusted to include its share of its joint ventures and to be presented before discontinued operations in the President's Message.

Annual IFRS Results and Overview of Operating Performance

Selected Financial Information

The following outlines selected financial statistics and performance measures for Glacier, on an IFRS basis (other than the non-IFRS measures noted) for the years ended December 31, 2014, 2013 and 2012:

(thousands of dollars) except share and per share amounts	2014 [4]	2013 [4]	2012
Revenue	$ 247,871	$ 262,139	$ 297,111
Gross profit [2]	$ 78,529	$ 81,906	$ 95,190
Gross margin	31.7%	31.2%	32.0%
EBITDA [1]	$ 29,083	$ 33,487	$ 39,435
EBITDA margin [1]	11.7%	12.8%	13.3%
EBITDA per share [1]	$ 0.33	$ 0.38	$ 0.44
Interest expense, net	$ 4,511	$ 5,521	$ 5,764
Net income from continuing operations attributable to common shareholders before non-recurring items [1]	$ 15,712	$ 21,512	$ -
Net income from continuing operations attributable to common shareholders before non-recurring items per share[1]	$ 0.18	$ 0.24	$ -
Net income (loss) from continuing operations attributable to common shareholders	$ 5,307	$ (58,828)	$ -
Net income (loss) from continuing operations attributable to common shareholders per share	$ 0.06	$ (0.66)	$ -
Net income attributable to common shareholders before non-recurring items [1][5]	$ 19,434	$ 20,620	$ 17,337
Net income attributable to common shareholder before non-recurring items per share [1][5]	$ 0.22	$ 0.23	$ 0.19
Net (loss) income attributable to common shareholders [5]	$ (250)	$ (64,853)	$ 9,995
Net (loss) income attributable to common shareholders per share [5]	$ 0.00	$ (0.73)	$ 0.11
Cash flow from operations [1]	$ 31,030	$ 33,692	$ 39,819
Cash flow from operations per share [1]	$ 0.35	$ 0.38	$ 0.45
Capital expenditures	$ 4,193	$ 11,737	$ 7,130
Total assets	$ 485,183	$ 513,552	$ 605,418
Total non-current financial liabilities	$ 75,059	$ 96,296	$ 117,716
Debt net of cash outstanding before deferred financing charges and other expenses	$ 75,023	$ 94,723	$ 123,734
Equity attributable to common shareholders	$ 273,349	$ 282,951	$ 347,705
Dividends paid [3]	$ 7,125	$ 5,520	$ 5,536
Dividends paid per share [3]	$ 0.08	$ 0.06	$ 0.06
Weighted average shares outstanding, net	89,083,105	89,160,254	89,357,465

Notes:
(1) Refer to "Non-IFRS Measures" and "EBITDA and Cash Flow from Operations Reconciliation" and "Net Income Attributable to Common Shareholders Before Non-Recurring Items and Net Income from Continuing Operations Attributable to Common Shareholders before Non-Recurring Items Reconciliation" section for calculation of non-IFRS measures used in this table.
(2) Gross profit for these purposes excludes depreciation and amortization.
(3) Dividends in 2014 and 2013 total $0.08 per share, paid quarterly. Dividends in 2013 were paid in April and July and October.
(4) 2014 and 2013 have been presented with certain assets as discontinued operations. The 2012 results have not been adjusted for this disclosure requirement.
(5) Incldues the operating results of discontinued operations that were sold subsequent to year end.

The main factors affecting the comparability of the results over the last two years include:

- Subsequent to year end, a group of the Company's trade media publications and related assets located in Toronto were sold and are presented as discontinued operations in 2014 and 2013. The 2012 results have not been adjusted for this disclosure;
- Operating performance of the Company's various business units and general market conditions during the reported years;
- The sale of the Company's investment in Iron Solutions;
- Decreased revenues and expenses primarily due to the closure of the Kamloops Daily News and other smaller publications;
- The sale of the Kamloops land and building;

- A goodwill, intangible asset, investments in joint ventures and associates and other investments impairment charge of $11.0 in 2014 and $74.4 million in 2013. These amounts exclude impairments taken on discontinued operations;
- A $9.9 million deferred income tax recovery in the prior year that had the effect of increasing net income attributable to common shareholders before non-recurring items in 2013;
- Restructuring expenses including severance payments and transition and transition costs for acquisitions and dispositions; and
- The cyclical nature of certain of Glacier's businesses.

Revenue

Glacier's consolidated revenue for the year ended December 31, 2014 was $247.9 million compared to $262.1 million last year.

Community Media and Trade Information

The community media and trade information group generated $236.7 million of revenue for the year ended December 31, 2014, as compared to $252.1 million for the prior year. The decrease in revenue during the year compared to the prior year was due to softer revenues in the Company's community media operations, as well as certain trade information sectors. A significant portion of the decline was also due to the closure of the Kamloops Daily News and other smaller publications.

Glacier's community media operations continued to experience softness due to increased digital competition, as well as softer economic conditions in some of the markets in which the Company's operations are located. National advertising, in particular, continues to be affected by the shift to digital advertising. A wide array of sales initiatives are being pursued to find new sources of community media revenue. In particular, digital media initiatives resulted in growth in digital community media revenues. New product print advertising revenues also increased significantly on a year over year basis in the community media operations.

The Company's trade information operations were impacted in the fourth quarter by the falling price of oil and the softness in the mining industry. Concerted efforts to grow the Company's business information revenues through its Evolve, Enrich and Extend strategy are proving successful, and resulting in continued growth in certain sectors.

Business and Professional Information

The business and professional information group – which includes STP, Inceptus Media, and ERIS - generated revenues of $11.2 million for the year ended December 31, 2014, as compared to $10.0 million in the prior year. ERIS, the Company's environmental risk information business, continues to generate strong growth in revenues. Its expansion into the US market in late 2013 and throughout 2014 has been well received and is generating significant new sales. ERIS is offered nationwide in both Canada and the United States. Inceptus revenues experienced some growth as a result of the iPad-based medical education product and contracts from new pharmaceutical clients.

Gross Profit

Glacier's consolidated gross profit, being revenues less direct expenses, for the year ended December 31, 2014 was $78.5 million compared to $81.9 million last year. The decrease in gross profit is largely attributable to the decrease in community media revenues.

Gross profit as a percentage of revenues ("gross profit margin") for the year ended December 31, 2014 was 31.7% as compared to 31.2% last year.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $49.4 million for the year ended December 31, 2014 as compared to $48.4 million last year. The increase primarily relates to operating infrastructure investment made in staff, digital media management and information technology and related resources.

EBITDA

EBITDA was $29.1 million for the year ended December 31, 2014 as compared to $33.5 million for the prior year. The results are due to the various reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

Net Interest Expense

Glacier's consolidated net interest expense for the year ended December 31, 2014 was $4.5 million as compared to $5.5 million in the prior year, a decrease of $1.0 million. The decrease was primarily the result of debt repayments made throughout 2014 and 2013.

Depreciation and Amortization

Depreciation of property, plant and equipment for the year ended December 31, 2014 decreased $0.2 million as compared to the prior year. Amortization of intangible and other assets increased $0.5 million as compared to the prior year due the additions in 2014, which was partially offset by the impairment of finite life intangible assets taken in 2014.

Other Income

The Company recognized $0.9 million of other income during the year ended December 31, 2014, which relates to fee income, a gain on sale of property from one of its associates and other items. The prior year $0.4 million of other income includes fee income and a gain on acquisition.

Net Gain on Disposal of Assets

The Company recognized a net gain on disposal of assets of $1.8 million during the year ended December 31, 2014. The disposals relate to property consisting of land and buildings, and other community media assets.

Other Expenses

Other expenses for the year ended December 31, 2014 were $1.3 million compared to $6.8 million in the prior year. Other expenses include restructuring costs, transaction and transition costs and foreign exchange. The majority of the expenses related to severance costs incurred relating to the cost reduction initiatives implemented during the year. Included in the 2014 is a $1.2 million recovery resulting from the curtailment of pension obligations from a closed operation.

Impairment Expense

The Company completed its annual impairment testing of goodwill and indefinite life intangible assets as based on management's best estimates of key assumptions. These key assumptions include future cash flows (based on historic results and future operating plans), weighted average cost of capital (WACC), current strategies, economic conditions and the general outlook for the industry and markets in which the cash generating units (CGU) operate. The recoverable amounts are determined based on the greater of value in use and fair value less cost to dispose, of an individual CGU, which is a grouping of individual newspapers or publications.

The fair value less cost to dispose was determined using a multiple of normalized revenues and normalized results before amortization, depreciation, interest and tax. The multiple was determined by evaluating multiples for similar transactions in the marketplace.

For the year ended December 31, 2014, the Company recorded an $11.0 million impairment of its goodwill, intangible assets and investment in joint ventures and associates compared to an impairment of $74.4 million

in the prior year. The $11.0 million impairment represents $2.6 million in total goodwill impairments within the BC Community Media and Prairie Community Media groups of cash generating units, $3.7 million of intangible asset impairments within the BC Community Media, Prairie Community Media and Energy groups of CGUs, $3.4 million of investment in joint ventures and associates and $1.3 million in other investments. The $74.4 million in 2013 represents $34.2 million in total goodwill impairments primarily within the BC Community Media and Prairie Community Media groups of CGUs, $33.2 million of intangible asset impairments primarily within the BC Community Media group of CGUs and $7.0 million of investment in joint ventures and associates.

Discontinued Operations

Subsequent to year end, the Company sold certain trade publications and related assets located in Toronto. As a result, these operations have been presented as discontinued operations in the Consolidated Statements of Operations. Included in the discontinued operations are an impairment charge of $7.4 million, other expenses of $1.7 million, and an income tax recovery of $3.4 million.

Share of Earnings from Joint Ventures and Associates

Share of earnings from joint ventures and associates, which include the Company's share of Continental Newspapers Ltd. ("Continental"), certain assets acquired from Postmedia, InfoMine Inc. ("InfoMine"), Great West Newspapers Limited Partnership ("GWNLP"), Fundata Canada Inc. ("Fundata"), Rhode Island Suburban Newspapers, Inc. ("RISN") and other joint ventures and associates, increased $7.6 million as compared to the prior year. Of this increase, $3.9 million is due to lower impairment expense, which is the Company's share of impairment taken in the joint ventures and associates.

Fundata continues to generate strong growth in earnings from its various mutual fund related products and strong market position. GWNLP's earnings increased significantly from the Edmonton Journal printing contract. Growth in profitability in a number of the other joint ventures and associates has also contributed to the improved earnings performance.

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

	As at	
(thousands of dollars)	**December 31, 2014**	December 31, 2013
	$	$
Assets	**113,721**	115,289
Liabilities	**43,808**	40,055
Net assets	**69,913**	75,234

	For the year ended	
	December 31, 2014	December 31, 2013
	$	$
Revenues	**80,525**	75,737
Net income for the year	**8,805**	1,481
Other comprehensive (loss) income	**(831)**	1,387

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders increased by $64.6 million compared to the prior year. The increase resulted from i) lower interest expense of $1.0 million, ii) higher other income of $0.5 million, iii) higher net gain on disposal of assets of $1.4 million, iv) lower other expenses of $5.5 million, v) lower impairment expense of $63.4 million, vi) increased income from joint ventures and associates of $7.6 million and vii) lower loss from discontinued operations of $0.5 million. The increase was partially offset by i) decreased operating results of $4.4 million, ii) increased depreciation and amortization of $0.3 million, iii) increased income tax expense of $9.2 million, and iv) increased non-controlling interest expense of $1.4 million.

Cash Flow from Operations

Glacier's consolidated cash flow from operations was $31.0 million (before changes in non-cash operating accounts and non-recurring items) for the year ended December 31, 2014 as compared to $33.7 million for the prior year. The change in cash flow from operations resulted from the factors stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**.

Capital expenditures were $4.2 million for the year ended December 31, 2014 compared to $11.7 million in the prior year. The majority of the current year expenditures relate to program development, IT infrastructure, building improvements and other sustaining capital expenditures. A significant portion of the capital expenditures made in the prior year were investment capital expenditures, the majority of which related to the purchase of a building and building improvements

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

Related Party Transactions

During the year ended December 31, 2014, the Company and its affiliates recorded administration, consulting, interest and other expenses of $1.2 million from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company. Madison provides strategic, financial, transactional advisory services and administrative services to the Company on an ongoing basis and received $0.4 million for these services in 2014. These services have been provided with the intention of maintaining an efficient and cost effective corporate overhead structure, instead of i) hiring more full-time corporate and administrative staff and thereby increasing fixed overhead costs and ii) retaining outside professional advisory firms on a more extensive basis. These services were provided in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

In addition, Madison was required to be the guarantor of a loan relating to the acquisition of interests in certain community newspapers in 2007. During the year, $0.6 million of interest was incurred by a subsidiary of the Company in connection with the loan, which interest was paid by Madison and reimbursed by the subsidiary. Madison charges a fee of 50 basis points for the guarantee, which was $0.1 million for the year.

Other de-minimis office related expenses were paid to Madison during the year in relation to office space shared to reduce expenses.

During the year ended December 31, 2014, the Company paid its joint venture Great West Newspapers LP ("GWNLP") for printing services as part of its normal operations. These services were provided at the fair value. Total printing charged to the Company for the year was $0.2 million. At December 31, 2014 $2.6 million was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

During the year ended December 31, 2014, the Company charged management fees to its joint venture, Fundata Canada Inc. for management services as part of its normal operations. Total fees charged by the Company for the year were $0.6 million.

During the year ended December 31, 2014, the Company received interest from its Rhode Island Suburban Newspapers, Inc. ("RISN") joint venture, on an outstanding loan. The loan was made to fund historical acquisitions. Total interest charged to RISN for the year was USD $0.1 million. At December 31, 2014 the loan balance was USD $0.6 million and is due in 2016.

During the year ended December 31, 2014, the Company paid rent to an associate, Grant Street Properties Inc., of $0.1 million for leased office space. The rent is charged at market rate.

At December 31, 2014, the Company had amounts due to InfoMine of $0.1 million related to deferred payments on the acquisition of the Company's 50% interest in InfoMine Inc. These amounts are non-interest bearing and are due on demand. These amounts are included in other current liabilities.
During the year ended December 31, 2014, a subsidiary of the Company received fee income of $0.3 million related to providing a guarantee on the debt of one of its associates.

At December 31, 2014, the Company had amounts due from an associate of $6.6 million relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade receivables.

The related party transactions have been reviewed by the independent members of the Company's Audit Committee. In management's view these transactions are considered to be in the best interest of the Company and its shareholders.

Contingency

In October 2014, an affiliate of the Company (the "affiliate") received, from the Canada Revenue Agency ("CRA"), tax notices of reassessment relating to the taxation years ended December 31, 2008 through 2013 inclusive. The potential for these reassessments has been anticipated for over a year and has been previously disclosed. The reassessments deny the application of non-capital losses, capital losses and scientific research and experimental development ("SR&ED") tax credits claimed for those years.

According to the notices of reassessment received, taxable income for the period 2008 to 2013 will increase in the amount of $122.8 million. In addition, the CRA proposes to deny unused SR&ED tax credits of $25.4 million and unused investment tax credits of $5.9 million. As a result of the increases in taxable income, additional taxes payable for the reassessed years, including interest and penalties would be approximately $45 million.

In January 2015, the affiliate filed a notice of objection to the CRA. In connection with filing the notice of objection, the affiliate paid 50% of the amounts claimed by the CRA as assessed. The affiliate paid $4.5 million of this balance in December 2014 and $15.3 million in January 2015. Additional amounts may be due at a later date. These payments have been recorded as other assets, within non-current assets, as the Company and its affiliate expect to ultimately be successful in its objection.

The Company, the affiliate and its counsel believe that the filing positions adopted by the affiliate are appropriate and in accordance with the law. The affiliate intends to vigorously defend such positions.

The Company and the affiliate have not recorded a liability in their respective consolidated financial statements for the remaining 50% of reassessed taxes payable, that are not required to be paid on objection, as described above, nor have they adjusted the carrying value of deferred tax assets recorded for unused carry-forward amounts.

If the affiliate is successful in defending its positions, the deposits made plus applicable interest will be refunded to the affiliate. There is no assurance that the affiliate's objections and appeals will be successful. If the CRA is successful, the affiliate will be required to pay the remaining 50% balance of taxes owing plus applicable interest, and will be required to write-off any remaining tax assets relating to the reassessed amounts.

Fourth Quarter IFRS Results and Overview of Operating Performance

Revenue

Glacier's consolidated revenue for the quarter ended December 31, 2014 was $64.5 million compared to $67.2 million in the same period last year.

In a number of the Company's operations, fourth quarter results showed improvements over the same period in the prior year and are reflective of overall operating improvements that took place during 2014. In particular, the environmental, energy and certain agricultural products experienced growth.

Community media, in general, experienced softness in the fourth quarter of 2014 in some of Glacier's markets due primarily to softer national advertising, although local advertising generally held up well and digital community media revenues continued to grow. Certain community media markets showed improvement in the fourth quarter.

Gross Profit

Glacier's consolidated gross profit for the three months ended December 31, 2014 was $21.2 million compared to $22.0 million in the same period last year. The gross profit decreased compared to the prior year, as a result of the lower revenue in the Company's community media operations and certain trade information sectors, which were partially offset by the realization of cost saving initiatives and growth in other of the community media and trade information sectors.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $12.5 million for the three months ended December 31, 2014 compared to $12.7 million in the same period in the prior year. The decrease was due to cost savings and other restructuring initiatives.

EBITDA

Consolidated EBITDA decreased to $8.7 million for the three months ended December 31, 2014 as compared to $9.3 million in 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 Income Attributable to Common Shareholders

Net income attributable to common shareholders increased by $56.1 million compared to the fourth quarter of 2014. The increase resulted from i) decreased interest expense of $0.2 million, ii) increased net gain on disposal of assets of $1.4 million, iii) decreased other expenses of $4.3 million, iv) decreased impairment expense of $63.4 million and v) increased earnings from joint ventures and associates of $1.9 million. The increase was partially offset by decreased operating results of $0.7 million, ii) increased depreciation and amortization expense of $0.3 million, iii) lower other income of $1.7 million, iv) increased income tax expense of $9.4 million, v) higher net loss from discontinued operations of $1.4 million and vi) higher non-controlling interest of $1.6 million.

Cash Flow from Operations

Glacier's consolidated cash flow from operations was $8.8 million (before changes in non-cash working capital and non-recurring items) for the three month period ended December 31, 2014 compared to $13.4 million for the same period last year. The decrease in cash flow from operations was primarily a result of the reasons described under **Revenue, Gross Profit** and **General & Administrative Expenses**.

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

Summary of Selected Quarterly IFRS 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*	Trailing 12 Months	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenue	$ 247,871	$ 64,497	$ 55,986	$ 67,097	$ 60,291
EBITDA [(1)]	$ 29,083	$ 8,679	$ 3,656	$ 10,073	$ 6,675
EBITDA margin [(1)]	11.7%	13.5%	6.5%	15.0%	11.1%
EBITDA per share [(1)]	$ 0.33	$ 0.10	$ 0.04	$ 0.11	$ 0.07
Interest expense, net	$ 4,511	$ 1,132	$ 1,012	$ 1,185	$ 1,182
Net income from continuing operations attributable to common shareholders before non-recurring items [(1)]	$ 15,712	$ 6,537	$ 1,027	$ 5,389	$ 2,759
Net income from continuing operations attributable to common shareholders before non-recurring items per share[(1)]	$ 0.18	$ 0.07	$ 0.01	$ 0.06	$ 0.03
Net income (loss) from continuing operations attributable to commons shareholders	$ 5,307	$ (2,851)	$ 1,686	$ 4,069	$ 2,403
Net income (loss) from continuing operations attributable to commons shareholders per share	$ 0.06	$ (0.03)	$ 0.02	$ 0.05	$ 0.03
Net income attributable to common shareholders before non-recurring items [(1)]	$ 19,434	$ 10,436	$ 1,351	$ 5,754	$ 1,893
Net income attributable to common shareholders before non-recurring items per share [(1)]	$ 0.22	$ 0.12	$ 0.02	$ 0.06	$ 0.02
Net (loss) income attributable to common shareholders	$ (250)	$ (8,222)	$ 2,001	$ 4,434	$ 1,537
Net (loss) income attributable to common shareholders per share	$ 0.00	$ (0.09)	$ 0.02	$ 0.05	$ 0.02
Cash flow from operations [(1)]	$ 31,030	$ 8,841	$ 4,513	$ 11,364	$ 6,312
Cash flow from operations per share [(1)]	$ 0.35	$ 0.10	$ 0.05	$ 0.13	$ 0.07
Capital expenditures	$ 5,049	$ 2,737	$ 753	$ 802	$ 757
Debt net of cash outstanding before deferred financing charges and other expenses	$ 75,023	$ 75,023	$ 79,814	$ 87,589	$ 94,000
Equity attributable to common shareholders	$ 273,349	$ 273,349	$ 282,156	$ 284,070	$ 281,042
Weighted average shares outstanding, net	89,083,105	89,083,105	89,083,105	89,083,105	89,083,105

	Trailing 12 Months	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Revenue	$ 262,139	$ 67,241	$ 59,896	$ 71,240	$ 63,762
EBITDA [(1)]	$ 33,487	$ 9,335	$ 5,543	$ 10,666	$ 7,943
EBITDA margin [(1)]	12.8%	13.9%	9.3%	15.0%	12.5%
EBITDA per share [(1)]	$ 0.38	$ 0.10	$ 0.06	$ 0.12	$ 0.09
Interest expense, net	$ 5,521	$ 1,380	$ 1,440	$ 1,468	$ 1,233
Net income from continuing operations attributable to common shareholders before non-recurring items [(1)]	$ 21,512	$ 15,407	$ 1,289	$ 2,537	$ 2,279
Net income from continuing operations attributable to common shareholders before non-recurring items per share[(1)]	$ 0.24	$ 0.17	$ 0.01	$ 0.03	$ 0.03
Net income (loss) from continuing operations attributable to commons shareholders	$ (58,828)	$ (60,330)	$ (1,164)	$ 1,484	$ 1,182
Net income (loss) from continuing operations attributable to commons shareholders per share	$ (0.66)	$ (0.68)	$ (0.01)	$ 0.02	$ 0.01
Net income attributable to common shareholders before non-recurring items [(1)]	$ 20,620	$ 16,202	$ 1,080	$ 2,609	$ 729
Net income attributable to common shareholders before non-recurring items per share [(1)]	$ 0.23	$ 0.18	$ 0.01	$ 0.03	$ 0.01
Net (loss) income attributable to common shareholders	$ (64,853)	$ (64,340)	$ (1,531)	$ 1,386	$ (368)
Net (loss) income attributable to common shareholders per share	$ (0.73)	$ (0.73)	$ (0.02)	$ 0.02	$ 0.00
Cash flow from operations [(1)]	$ 33,692	$ 13,351	$ 4,635	$ 10,021	$ 5,685
Cash flow from operations per share [(1)]	$ 0.38	$ 0.16	$ 0.05	$ 0.11	$ 0.06
Capital expenditures	$ 11,737	$ 1,315	$ 1,234	$ 8,057	$ 1,131
Debt net of cash outstanding before deferred financing charges and other expenses	$ 94,723	$ 94,723	$ 109,482	$ 118,148	$ 118,494
Equity attributable to common shareholders	$ 282,951	$ 282,951	$ 348,152	$ 349,843	$ 348,905
Weighted average shares outstanding, net	89,160,254	89,083,105	89,083,105	89,234,311	89,243,102

Notes:
(1) Refer to "Non-IFRS Measures" and "EBITDA and Cash Flow from Operations Reconciliation" and "Net Income Attributable to Common Shareholders Before Non-Recurring Items and Net Income from Continuing Operations Attributable to Common Shareholders before Non-Recurring Items Reconciliation" section for calculation of non-IFRS measures used in this table.

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

- Operating performance of the Company's various business units and general market conditions during the reported periods;
- The acquisitions and dispositions made throughout 2014 and 2013;
- Quarterly fluctuations in restructuring and transaction and transition expenses;
- A goodwill, intangible asset, investments in joint ventures and associates and other investments impairment charge of $11.0 million in the fourth quarter of 2013 and $74.4 million in the fourth quarter of 2014;
- Goodwill and intangible asset impairments in certain joint ventures and associates included in share of earnings from joint ventures and associates in the fourth quarter of 2014;
- A $12.6 million deferred income tax recovery in the prior year that had the effect of increasing net income attributable to common shareholders before non-recurring items in 2013;
- A gain on sale of the Kamloops land and building of $1.8 million in the third quarter of 2014; and
- The cyclical nature of certain of Glacier's businesses.

EBITDA and Cash Flow from Operations Reconciliation

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

(thousands of dollars) except share and per share amounts	**2014**	2013	2012
EBITDA [1]			
Net (loss) income attributable to common shareholders	**$ (250)**	$ (64,853)	$ 9,995
Add (deduct):			
Non-controlling interest	**$ 4,455**	$ 3,024	$ 4,823
Net loss from discontinued operations (net of tax)	**$ 5,557**	$ 6,025	$ -
Net interest expense	**$ 4,511**	$ 5,521	$ 5,764
Depreciation of property, plant and equipment	**$ 5,675**	$ 5,882	$ 5,993
Amortization of intangible assets	**$ 7,073**	$ 6,552	$ 8,151
Other income	**$ (878)**	$ (434)	$ (3,703)
Gain on acquisition	**$ -**	$ -	$ (1,102)
Net gain on disposal of assets	**$ (1,778)**	$ (361)	$ -
Impairment expense	**$ 10,982**	$ 74,387	$ 8,503
Other expenses	**$ 1,255**	$ 6,840	$ 3,801
Share of earnings from joint ventures and associates	**$ (8,107)**	$ (468)	$ (8,073)
Income tax expense (recovery)	**$ 588**	$ (8,628)	$ 5,283
EBITDA [1]	**$ 29,083**	$ 33,487	$ 39,435
Cash flow from operations [1]			
Net (loss) income attributable to common shareholders	**$ (250)**	$ (64,853)	$ 9,995
Add (deduct):			
Non-controlling interest	**$ 4,455**	$ 3,024	$ 4,823
Depreciation of property, plant and equipment	**$ 5,675**	$ 5,955	$ 5,993
Amortization of intangible assets	**$ 7,073**	$ 7,931	$ 8,151
Gain on acquisition	**$ -**	$ -	$ (1,102)
Net (gain) loss on disposal of assets	**$ (2,432)**	$ (361)	$ 158
Impairment expense	**$ 10,982**	$ 78,991	$ 8,503
Employee future benefit expense (less than) in excess of employer contributions	**$ (362)**	$ 941	$ 737
Deferred income tax (recovery) expense	**$ (2,818)**	$ (9,908)	$ 5,277
Interest expense	**$ 4,689**	$ 5,643	$ 5,775
Share of earnings from joint ventures and associates	**$ (8,107)**	$ (468)	$ (8,073)
Change in non-cash operating accounts from discontinued operations	**$ 8,699**	$ -	$ -
Other non-cash expense (income)	**$ 651**	$ (214)	$ (176)
Other income	**$ (605)**	$ -	$ (3,415)
Restructuring costs	**$ 1,817**	$ 5,723	$ 1,092
Transaction and transition costs	**$ 1,563**	$ 1,288	$ 2,081
Cash flow from operations [1]	**$ 31,030**	$ 33,692	$ 39,819

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

Net Income Attributable to Common Shareholders before Non-Recurring Items and Net Income from Continuing Operations 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 net income attributable to common shareholders before non-recurring items and net income from continuing operations before non-recurring items.

(thousands of dollars) *except share and per share amounts*		2014		2013		2012
Net income attributable to common shareholders before non-recurring items [1]						
Net (loss) income attributable to common shareholders	**$**	**(250)**	$	(64,853)	$	9,995
Add (deduct):						
Other expenses	**$**	**323**	$	-	$	183
Other income	**$**	**(605)**	$	(168)	$	(3,415)
Net gain on disposal of assets	**$**	**(1,778)**	$	(361)	$	-
Gain on acquisition	**$**	**-**	$	-	$	(1,102)
Impairment expense	**$**	**18,364**	$	78,991	$	8,503
Restructuring costs	**$**	**1,817**	$	5,723	$	1,092
Transaction and transition costs	**$**	**1,563**	$	1,288	$	2,081
Net income attributable to common shareholders before non-recurring items [1]	**$**	**19,434**	$	20,620	$	17,337
Net loss from discontinued operations (net of tax)	**$**	**5,557**	$	6,025	$	-
Impairment expense - discontinued operations	**$**	**(7,382)**	$	(4,604)	$	-
Restructuring costs	**$**	**(51)**	$	(529)	$	-
Transaction and transition costs - discontinued operations	**$**	**(1,846)**	$	-	$	-
Net income from continuing operations attributable to common shareholders before non-recurring items [1]	**$**	**15,712**	$	21,512	$	-
Weighted average shares outstanding, net		**89,083,105**		89,160,254		89,357,465
Net (loss) income attributable to common shareholders per share	**$**	**0.00**	$	(0.73)	$	0.11
EBITDA per share [1]	**$**	**0.33**	$	0.38	$	0.44
Cash flow from operations per share before non-recurring items[1]	**$**	**0.35**	$	0.38	$	0.45
Net income attributable to common shareholders before non-recurring items per share [1]	**$**	**0.22**	$	0.23	$	0.19
Net income from continuing operations attributable to common shareholders before non-recurring items [1]	**$**	**0.18**	$	0.24	$	-

Notes:
[1] Refer to "Non-IFRS Measures" section for discussion 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 December 31, 2014, Glacier had consolidated cash and cash equivalents of $8.2 million, current and long-term debt of $83.2 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $19.6 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.

Capital expenditures were $4.2 million for the year ended December 31, 2014 compared to $11.7 million in the prior year. The majority of the current year expenditures relate to program development, IT infrastructure, building improvements and other sustaining capital expenditures. A significant portion of the capital expenditures made in the prior year were investment capital expenditures, the majority of which related to the purchase of a building and building improvements.

Changes in Financial Position

(thousands of dollars)	**2014**	2013	2012
Cash generated from (used in)			
Operating activities	**25,465**	34,341	35,237
Investing activities	**7,847**	3,416	(55)
Financing activities	**(32,090)**	(32,020)	(37,054)
Increase (decrease) in cash	**1,222**	5,737	(1,872)

The changes in the components of cash flows during 2014 and 2013 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 $31.0 million compared to $33.7 million for the prior year as a result of the factors stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**. Cash flows from operations before non-recurring items and after change in non-cash working capital was $28.2 million compared to $41.4 million for the prior year.

Investing Activities

Cash generated by investing activities totalled $7.9 million for the year ended December 31, 2014 compared to $3.4 million in 2013. Investing activities included $4.2 million of capital expenditures, distributions received of $9.4 million, $8.8 million proceeds received from disposal of assets, $0.4 million repurchase of non-controlling interest, deposits paid to the CRA relating to the tax reassessment of $4.5 million and other investing activities.

Financing Activities

Cash used for financing activities was $32.1 million for the year ended December 31, 2014 compared to $32.0 million for 2013. The Company made net debt repayments of $18.5 million for the year ended December 31, 2014 compared to $19.4 million for the prior year. In the year ended December 31, 2014, the Company distributed $1.6 million to its minority partners (non-controlling interests), paid $4.9 million in interest and $7.1 million of dividends.

Outstanding Share Data

As at December 31, 2014 and March 26, 2015, there were 89,083,105 common shares and 1,115,000 share purchase warrants outstanding.

The warrants outstanding allow the holder to purchase one common share per warrant at $4.48 per share. The warrants expire on June 28, 2019, unless extended.

During the year ended December 31, 2014, there were 475,000 share purchase options with an exercise price of $2.44 per share which expired on March 29, 2014.

Contractual Agreements

During the year ended December 31, 2014, the Company amended its current revolving loan facility, extending it to September 30, 2016. Under the terms of the amendment, a portion of the revolving facility was converted to a term facility and all other terms were substantially the same as under the existing agreement. The term facility requires annual principal payments of $3.0 million, paid quarterly. 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.

The Company has also entered into operating leases for premises and office equipment, which expire on various dates up to 2024.

In summary, the Company's contractual obligations due over the next five calendar years are as follows:

(thousands of dollars)	Total	2015	2016	2017	2018	2018	Thereafter
Long-term debt	82,664	9,738	72,274	79	83	88	402
Operating leases	30,569	6,603	5,307	4,663	3,960	3,275	6,761
	113,233	16,341	77,581	4,742	4,043	3,363	7,163

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 fully in compliance with these covenants at December 31, 2014 and December 31, 2013.

Financial Instruments

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

The Company has, in the past, hedged a portion of its foreign exchange exposure with financial forward contracts. As at December 31, 2014 and 2013, the Company did not have any foreign exchange forward contracts. During the year ended December 31, 2013, Glacier had foreign exchange forward contracts to sell USD $100,000 per at rates between CAD $1.030 and CAD $1.036, which expired in May 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 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 and other 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

Foreign Exchange

A portion of Glacier's revenue is generated in U.S. dollars and as such is subject to exchange rate fluctuations. In order to partially hedge this risk, the Company, in past years, has hedged a portion of its foreign exchange exposure with financial forward contracts. As at December 31, 2014 and 2013, Glacier did not have any foreign exchange forward contracts. During the year ended December 31, 2013 Glacier had foreign exchange forward contracts to sell USD $100,000 per month which commenced in June 2012 at rates between CAD $1.030 and CAD $1.036, and expired in May 2013. Despite any hedges, a strengthening in the Canadian dollar could have an impact on Glacier's revenue given that the amount of Glacier's revenue received in U.S. dollars exceeds the amount of the hedge contracts. Glacier monitors foreign exchange markets on an ongoing basis to determine appropriate levels of hedging.

Government Programs

The Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers program provides postal subsidies to eligible Canadian publications, including Western Producer Publications, Farm Business Communications and the Glacier Community Media group. While this program has been in place for decades, there is no guarantee that this subsidy will continue to be offered.

General Market Conditions

Glacier's Community Media Group generates revenue through the sale of advertising and newspaper subscriptions. As such, it is reliant upon general economic conditions and the spending plans of advertisers. A significant downturn in the national or regional economies may adversely affect revenues, as could significant changes in advertisers' promotional strategies.

Glacier's publications are affected by changes in the prices of purchased supplies, including newsprint.

Although Glacier is well diversified, competition is a continuing risk from existing businesses or new ones in a variety of media formats including print, online, radio and broadcast.

- The community media group publishes newspapers in a variety of communities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States, and is diversified as a result;

- The trade information group (Glacier FarmMedia, June Warren-Nickle's Energy Group, Evaluate Energy and the Business in Vancouver Media Group) publishes a wide variety of trade publications distributed across Canada;

- Fundata competes with other companies in the financial information market in Canada;

- ERIS provides comprehensive information from a variety of databases regarding potential environmental liability; and

- Glacier disseminates its information in print, online and digital format.

The large North American business and professional information, newspaper and trade information markets and other information communications markets continue to offer many growth opportunities for the Company.

Additional information on the Company's business environment and risks is included in the Company's Annual Information Form ("AIF") filed 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 consolidated financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board. The Company's Chief Executive Officer ("CEO") and Chief

Financial Officer ("CFO") have evaluated the effectiveness of these disclosure controls and procedures for the year ending December 31, 2014, and have concluded that they are effective.

The CEO and CFO, while acknowledging responsibility for the design of internal controls over financial reporting ("ICFR"), and confirming that there were no changes in these controls that occurred during the most recent year ended December 31, 2014 which materially affected, or are reasonably likely to materially affect, the Company's ICFR and based upon their evaluation of these controls for the year ended December 31, 2014, the CEO and CFO have concluded that these controls are effective. The CEO and CFO have certified such findings and reported to the Audit Committee, which in turn, has included such certification and report in the Audit Committee's recommendation to the Board of Directors. The Board of Directors in passing its resolutions acknowledges that it is basing and relying on such certification and report.

Future Accounting Policies

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which will supersede IAS 18. The new standard is effective for annual periods beginning on or after January 1, 2017. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

In July 2014, the IASB issued IFRS 9, Financial Instruments, which addresses classification and measurement of financial assets. The news standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of assessing the impact, if any, on the financial statements of this new standard.

Critical Accounting Estimates

The preparation of the annual consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts recorded in the consolidated 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.

Income Taxes

In accordance with IFRS recommendations, Glacier recognizes future income tax assets when it is more likely than not that the future income tax assets will be realized. This assumption is based on management's best estimate of future circumstances and events. If these estimates and assumptions are changed in the future, the value of the future income tax assets could be reduced or increased, resulting in an income tax expense or recovery. Glacier re-evaluates its future income tax assets on a regular basis.

Retirement Benefit Assets/Obligations

Glacier has a defined benefit plan that provides both pension and other retirement benefits to certain salaried and hourly employees not covered by industry union plans.

Glacier uses independent actuarial firms to perform actuarial valuations of the fair value of pension and other retirement benefit plan obligations. The application of these recommendations requires judgments regarding certain assumptions that affect the accrued benefit provisions and related expenses, including the discount rate used to calculate the present value of the obligations, the rate of compensation increase and the assumed health care cost trend rates. Management and the Board of Director's Pension Committee evaluate these assumptions annually based on experience and the recommendations of its actuarial firms. Changes in these assumptions result in actuarial gains or losses, which are recorded in comprehensive income for the year.

Share-Based Payments

The Company provides incentives via share-based payment entitlements. The fair value of entitlements is independently determined using the Black-Scholes option pricing model that takes into account the exercise

price, the term of the option, the vesting and performance criteria, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. If certain assumptions used in the fair value calculation were to change, there would be an impact on the statement of operations in future financial periods.

Impairment of Intangible Assets and Goodwill

Intangible assets with a finite life, which consist of copyrights, subscription lists, customer relationships, other intangible assets and software, are reviewed for impairment when the occurrence of events or changes in circumstances indicates that the carrying value of the assets may not be recoverable.

The Company used the aggregate recoverable amount of its finite life intangible assets and compared it to the carrying amount. Recoverable amount has been determined based on the value in use of the CGUs using five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective business segments and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates. Based upon the analysis performed, the Company concluded that there was an impairment of finite life intangibles in 2014 in the BC Community Media group of CGUs. In 2013, there was an impairment of finite life intangibles in the BC Community Media and the Business and Professional groups of CGUs.

Indefinite life intangible assets consisting mainly of mastheads which have an indefinite useful life and are not amortized, but tested annually for impairment or more frequently if impairment indicators arise. The Company used the aggregate recoverable amount of the indefinite life intangible assets included in each CGU or group of CGUs, and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less cost to dispose.

The value in use was determined using five year budgeted revenues to determine the relief from royalties that the mastheads and trademarks provide. For periods beyond the budget period, revenues were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry.

The fair value less cost to dispose was determined using a multiple of normalized revenues and normalized results before amortization, depreciation, interest and tax. The multiple was determined by evaluating multiples for similar transactions in the marketplace.

Based upon the analysis performed in 2014, the Company concluded that there was an impairment of indefinite life intangible assets in the BC Community Media, Prairie Community Media, and the Energy group of CGUs. In 2013, there was an impairment of indefinite life intangible assets in the BC Community Media, Prairie Community Media, and Other Trade Information groups of CGUs.

Goodwill, which is the excess of the purchase price paid for an acquisition over the fair value of the net assets acquired, is not amortized but is assessed annually for impairment or more frequently if events or circumstances indicate that it may be impaired.

In order to assess the goodwill for impairment, an analysis of the future expected discounted cash flows of the assets to which the goodwill relates is prepared when required. In conducting its annual impairment test of goodwill, the Company used the aggregate recoverable amount of the assets included in each CGU or group of CGUs and compared it to their respective carrying amounts. The recoverable value is determined using discounted future cash flow models or market-based valuation models.

The value in use was determined using five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective CGU or groups of CGUs and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions

and outlook for the industry within which the reporting unit operates. The recoverable value is also affected by the discount rate, the weighted average cost of capital, future growth rates and tax rates, which may or may not occur, resulting in the need for future revisions of estimates.

The fair value less cost to dispose was determined using a multiple of normalized revenues and normalized results before amortization, depreciation, interest and tax. The multiple was determined by evaluating multiples for similar transactions in the marketplace.

The methods are based on many assumptions and estimates that may have a significant impact on the recoverable value of a CGU, and as a result on the amount of impairment recorded, if any. The impact of any significant changes in assumptions and the review of estimates are recognized through profit or loss in the period in which the change occurs.

Based upon the analysis performed in 2014, the Company concluded that there was an impairment of goodwill at December 31, 2014 within the BC Community Media group of CGUs and Prairie Community Media group of CGUs. Accordingly, the Company has recorded an estimated impairment of goodwill in the year ended December 31, 2014. In 2013, the Company concluded that there was an impairment of goodwill at December 31, 2013 within the BC Community Media, Prairie Community Media, Business and Professional and Other Trade Information groups of CGUs.

Derivative Financial Instruments

The Company has used derivatives in the form of interest rate swaps and foreign exchange forward contracts to manage risks related to its variable rate debt and fluctuations in the value of the U.S. dollar. The fair values of over-the-counter derivatives are determined using valuation techniques adopted by the Company with assumptions that are based on market conditions existing at each balance sheet date. The fair values of interest rate swaps and foreign exchange forward contracts are calculated as the present value of the estimated future cash flows.

Fair Value of Business Combinations

On the acquisition of a business, the Company is required to identify and measure the various assets and liabilities acquired. This is based on the estimated fair value of each item acquired with the remainder of the purchase price being recognized as goodwill.

Estimated Useful Lives

Management estimates the useful lives of property, plant and equipment and finite life intangible assets based on the period during which the assets are available for use. The amounts and timing of depreciation and amortization for these assets are affected by useful lives. The estimates are reviewed annually and are updated for changes in the assets' expected useful lives.

March 26, 2015

Independent Auditor's Report

To the Shareholders of Glacier Media Inc.

We have audited the accompanying consolidated financial statements of Glacier Media Inc. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2014 and December 31, 2013 and the consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place 250 Howe Street, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Glacier Media Inc. and its subsidiaries as at December 31, 2014 and December 31, 2013 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

Vancouver, BC

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2014 and 2013

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

	December 31, 2014	2013
	$	$
Revenue (Note 8)	**247,871**	262,139
Expenses before depreciation and amortization		
Direct expenses (Note 24)	**169,342**	180,233
General and administrative (Note 24)	**49,446**	48,419
	29,083	33,487
Interest expense, net (Note 26)	**4,511**	5,521
Depreciation of property, plant and equipment (Note 12)	**5,675**	5,882
Amortization of intangible assets (Note 13)	**7,073**	6,552
Other income (Note 27)	**(878)**	(434)
Net gain on disposal of assets (Note 28)	**(1,778)**	(361)
Other expenses (net) (Note 29)	**1,255**	6,840
Impairment expense (Note 15)	**10,982**	74,387
Share of earnings from joint ventures and associates (Note 10)	**(8,107)**	(468)
Net income (loss) before income taxes	**10,350**	(64,432)
Income tax expense (recovery) (Notes 19 and 23)	**588**	(8,628)
Net income (loss) from continuing operations after tax	**9,762**	(55,804)
Net loss from discontinued operations (net of tax) (Note 8)	**(5,557)**	(6,025)
Net income (loss) for the year	**4,205**	(61,829)
Net income (loss) from continuing operations attributable to:		
Common shareholders	**5,307**	(58,828)
Non-controlling interest	**4,455**	3,024
Net income (loss) attributable to:		
Common shareholders	**(250)**	(64,853)
Non-controlling interest	**4,455**	3,024
Earnings (loss) from continuing operations attributable to common shareholders per share		
Basic and diluted	**0.06**	(0.66)
Loss from discontinued operations attributable to common shareholders per share		
Basic and diluted	**(0.06)**	(0.07)
Earnings (loss) per share attributable to common shareholders per share		
Basic and diluted (Note 21)	**0.00**	(0.73)
Weighted average number of common shares		
Basic and diluted	**89,083,105**	89,160,254

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Years ended December 31, 2014 and 2013

(Expressed in thousands of Canadian dollars)

	December 31, 2014	2013
	$	$
Net income (loss) for the year	**4,205**	(61,829)
Other comprehensive (loss) income (net of tax) (Note 22)		
Actuarial (loss) gain on defined benefit pension plans [1]	**(2,287)**	6,610
Unrealized loss on investments classified as available-for-sale [2]	**(226)**	(420)
Reclassification adjustment on investment classified as available-for-sale [2] (Note 15)	**1,057**	-
Share of other comprehensive (loss) income from joint ventures and associates (Note 10)	**(831)**	1,535
Other comprehensive (loss) income (net of tax)	**(2,287)**	7,725
Total comprehensive income (loss)	**1,918**	(54,104)
Total comprehensive loss attributable to:		
Common shareholders	**(2,477)**	(57,368)
Non-controlling interest	**4,395**	3,264

[1] Recorded directly in retained earnings.
[2] Recycles through the consolidated statement of operations in current and future periods.

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED BALANCE SHEETS
As at December 31, 2014 and 2013

(Expressed in thousands of Canadian dollars)

	As at December 31, 2014	2013
	$	$
Assets		
Current assets		
Cash and cash equivalents	**8,192**	6,970
Trade and other receivables (Note 9)	**49,403**	56,212
Inventory	**5,342**	5,104
Prepaid expenses	**2,096**	2,487
Assets held for sale (Note 8)	**24,471**	-
	89,504	70,773
Non-current assets		
Investments in joint ventures and associates (Note 10)	**102,764**	108,539
Other investments	**526**	3,367
Other assets (Note 19)	**6,459**	2,073
Property, plant and equipment (Note 12)	**42,529**	50,372
Intangible assets (Note 13)	**79,131**	111,019
Goodwill (Note 14)	**164,270**	167,409
Total assets	**485,183**	513,552
Liabilities		
Current liabilities		
Trade and other payables (Note 16)	**30,737**	33,987
Dividends payable	**1,781**	1,781
Deferred revenue	**14,246**	16,195
Current portion of long-term debt (Note 17)	**9,738**	6,733
Other current liabilities	**3,225**	3,523
Liabilities held for sale (Note 8)	**4,821**	-
	64,548	62,219
Non-current liabilities		
Non-current portion of deferred revenue	**1,639**	1,576
Other non-current liabilities	**2,133**	1,641
Post-employment benefit obligations (Note 18)	**7,268**	4,539
Long-term debt (Note 17)	**72,926**	94,655
Deferred income taxes (Note 23)	**12,608**	16,166
Total liabilities	**161,122**	180,796
Equity		
Share capital (Note 20)	**198,605**	198,605
Contributed surplus	**8,951**	8,951
Accumulated other comprehensive loss (Note 22)	**(122)**	(927)
Retained earnings	**65,915**	76,322
Total equity attributable to common shareholders	**273,349**	282,951
Non-controlling interest	**50,712**	49,805
Total equity	**324,061**	332,756
Total liabilities and equity	**485,183**	513,552

Subsequent event (Notes 8, 10, 19 and 34)

See accompanying notes to these consolidated financial statements

Approved by the Directors

"Jonathon J.L. Kennedy"
Jonathon J.L. Kennedy, Director

"Bruce W. Aunger"
Bruce W. Aunger, Director

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years ended December 31, 2014 and 2013

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

	Attributable to common shareholders							
	Share capital		Contributed	Accumulated other comprehensive	Retained		Non-controlling	Total
	Shares	Amount	surplus	loss	earnings	Total	interest	equity
		$	$	$	$	$	$	$
Balance, December 31, 2013	89,083,105	198,605	8,951	(927)	76,322	282,951	49,805	332,756
Net income (loss) for the year	-	-	-	-	(250)	(250)	4,455	4,205
Other comprehensive (loss) income (net of tax)	-	-	-	805	(3,032)	(2,227)	(60)	(2,287)
Total comprehensive income (loss) for the year	-	-	-	805	(3,282)	(2,477)	4,395	1,918
Dividends declared on common shares	-	-	-	-	(7,125)	(7,125)	-	(7,125)
Repurchase of non-controlling interests	-	-	-	-	-	-	(769)	(769)
Non-controlling interest on acquisition	-	-	-	-	-	-	(80)	(80)
Distributions to non-controlling interests	-	-	-	-	-	-	(2,639)	(2,639)
Balance, December 31, 2014	**89,083,105**	**198,605**	**8,951**	**(122)**	**65,915**	**273,349**	**50,712**	**324,061**
Balance, December 31, 2012	89,243,102	198,962	8,844	(520)	140,419	347,705	48,528	396,233
Net (loss) income for the year	-	-	-	-	(64,853)	(64,853)	3,024	(61,829)
Other comprehensive income (loss) (net of tax)	-	-	-	(407)	7,892	7,485	240	7,725
Total comprehensive (loss) income for the year	-	-	-	(407)	(56,961)	(57,368)	3,264	(54,104)
Dividends declared on common shares	-	-	-	-	(7,136)	(7,136)	-	(7,136)
Distributions to non-controlling interests	-	-	-	-	-	-	(2,489)	(2,489)
Repurchase of common shares	(159,997)	(357)	107	-	-	(250)	-	(250)
Non-controlling interest on acquisition	-	-	-	-	-	-	502	502
Balance, December 31, 2013	89,083,105	198,605	8,951	(927)	76,322	282,951	49,805	332,756

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2014 and 2013

(Expressed in thousands of Canadian dollars)

	December 31, 2014	2013
	$	$
Operating activities		
Net income (loss)	**4,205**	(61,829)
Items not affecting cash		
Depreciation of property, plant and equipment	**5,675**	5,955
Amortization of intangible assets	**7,073**	7,931
Net gain on disposal of assets	**(2,432)**	(361)
Impairment expense	**10,982**	78,991
Employee future benefit expense (less than) in excess of employer contributions	**(362)**	941
Deferred income taxes (recovery)	**(2,818)**	(9,908)
Interest expense (Note 26)	**4,689**	5,643
Share of earnings from joint ventures and associates	**(8,107)**	(468)
Other non-cash expense (income)	**651**	(214)
Items not affecting cash from discontinued operations (Note 8)	**8,699**	-
Cash flow from operations before changes in non-cash operating accounts	**28,255**	26,681
Changes in non-cash operating accounts		
Trade and other receivables	**(60)**	2,552
Inventory	**(233)**	345
Prepaid expenses	**122**	731
Trade and other payables	**(1,691)**	2,843
Deferred revenue	**(568)**	1,189
Change in non-cash operating accounts from discontinued operations (Note 8)	**(360)**	-
Cash generated from operating activities	**25,465**	34,341
Investing activities		
Acquisitions, inclusive of bank indebtedness assumed and related financing liabilities	**(1,447)**	(1,843)
Net cash acquired on acquisitions	**475**	524
Investments in joint ventures and associates	**(48)**	(3,460)
Other investing activities	**(155)**	(1,201)
Proceeds from disposal of assets	**8,772**	14,685
Distributions received from joint ventures and associates	**9,393**	6,448
Repurchase of non-controlling interest	**(402)**	-
Deposits paid	**(4,500)**	-
Purchase of property, plant and equipment	**(1,670)**	(9,533)
Purchase of intangible assets	**(2,523)**	(2,204)
Investing activities from discontinued operations (Note 8)	**(48)**	-
Cash generated from investing activities	**7,847**	3,416
Financing activities		
Proceeds from long-term debt	**2,750**	3,829
Distribution to non-controlling interests	**(1,552)**	(1,385)
Dividends paid	**(7,125)**	(5,523)
Interest paid	**(4,900)**	(5,440)
Repayment of long-term debt	**(21,263)**	(23,251)
Repurchase of common shares	**-**	(250)
Cash used in financing activities	**(32,090)**	(32,020)
Net cash generated from continuing operations	**1,222**	5,737
Cash and cash equivalents, beginning of year	**6,970**	1,233
Cash and cash equivalents, end of year	**8,192**	6,970

See accompanying notes to these consolidated financial statements

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

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 and digital 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 2188 Yukon Street, Vancouver, British Columbia.

2. Basis of preparation

These 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 consolidated financial statements.

These consolidated financial statements have been approved by the Board of Directors for issue on March 26, 2015.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, which include derivative instruments and certain available-for-sale investments.

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company and the results of all controlled entities. 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 generally 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.

3. Significant accounting policies (continued)

(b) Principles of consolidation (continued)

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 consolidated 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.

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 intangible assets identified on acquisition, net of any accumulated impairment loss.
- The Company's share of its associates' post-acquisition profits or losses is recognized in the consolidated 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 it has no obligation to fund any subsequent losses should they arise.

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. The Company records its investment in its joint ventures as follows:

- Investments are initially recognized at cost.
- The Company's share of its joint ventures' post-acquisition profits or losses is recognized in the consolidated 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.
- Subsequent investments are recognized at cost and increase the carrying amount.

3. Significant accounting policies (continued)

(c) Foreign currency

Functional and presentation currency
The consolidated financial statements are presented in Canadian dollars, which is Glacier's functional currency.

The financial statements of entities that have a functional currency different from that of Glacier ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities at the closing rate at the date of the balance sheet, and income and expenses at the average rate. All resulting changes are recognized in the statement of other comprehensive income (loss) as currency translation adjustments.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency balances are translated at the year-end exchange rate. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of operations.

(d) Revenue recognition

Revenue from the sale of technical manuals and single copy newspapers is recognized when products are delivered in accordance with the terms of the customer contract.

Subscription revenue is recognized as each of the applicable updates or newspapers is delivered. Subscription revenue for which consideration has been received in advance and is attributable to future updates and issues is deferred until such updates or issues are delivered.

Advertising revenue is recognized upon publication of the editions in which the advertisements appear.

Revenue from printing and publishing services is recognized when the production process is completed in accordance with the terms of the printing and publishing contracts. Amounts collected or billed in excess of revenue recognized are recorded as deferred revenue.

Digital advertising revenue is recognized upon publication of the advertisement on the website. Digital subscription revenue is recognized on a straight-line basis over the term of the subscription contract.

(e) Income taxes

Tax expense is comprised of current and deferred tax. Tax is recognized in the consolidated statement of operations except to the extent it relates to items recognized directly in equity, in which case the related tax is recognized in equity.

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

3. Significant accounting policies (continued)

(e) Income taxes (continued)

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax is accounted for using a temporary difference approach and is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheets and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are not recognized on temporary differences that arise from goodwill. Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination, and at the time of transaction, affects neither accounting or tax profit.

(f) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits, and investments with an original maturity at the date of purchase of three months or less.

(g) Inventory

Inventory consists of newsprint, publishing supplies and work in progress amounts relating to certain publications. These amounts are stated at the lower of cost and net realizable value.

Costs are assigned to inventory quantities on hand at the balance sheet date using either the average cost or a first-in, first-out basis, based on the nature of the inventory. Cost is comprised of material, labour and an appropriate proportion of fixed and variable overhead. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Costs directly attributable to the acquisition or construction of property, plant and equipment, including internal labour and interest, are also capitalized as part of the cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of operations during the financial year in which they are incurred.

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

3. Significant accounting policies (continued)

(h) Property, plant and equipment (continued)

Depreciation
Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Buildings	20 – 40 years
Production equipment	3 – 25 years
Office equipment and fixtures	3 – 15 years
Leased equipment	3 – 15 years
Leasehold improvements	5 – 20 years

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component.

Leasehold improvements are depreciated on a straight-line basis over the lesser of their useful life and the term of the lease.

The assets' residual values, method of depreciation and useful lives are reviewed and adjusted, if appropriate, at least annually. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the consolidated statement of operations.

(i) Identifiable intangible assets

Upon acquisition, identifiable intangible assets are recorded at fair value. The carrying values of all intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Additionally, the carrying values of identifiable intangible assets with indefinite lives are tested annually for impairment. Impairment is determined by comparing the recoverable amount of such assets with their carrying amounts. The Company evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

Trademarks and mastheads
Trademarks and newspaper mastheads are initially recorded at fair value. The trademarks and mastheads have been assessed to have indefinite useful lives. Accordingly, they are not amortized and are tested for impairment annually or when there is a change in circumstances that indicates that the carrying value may not be recoverable, and are carried at cost less accumulated impairment losses. For purposes of impairment testing the fair value of trademarks and mastheads is determined using the relief from royalty method.

The Company's trademarks and mastheads operate in established markets with limited restrictions and are expected to continue to complement the Company's media initiatives. On this basis, the Company has determined that trademarks and mastheads have indefinite lives as there is no foreseeable limit to the period over which the assets are expected to generate cash flows for the Company.

3. Significant accounting policies (continued)

(i) Identifiable intangible assets (continued)

Other identifiable intangible assets
Other identifiable intangible assets consist of copyrights, subscription lists, customer relationships and other intangible assets and are recorded at cost. Copyrights are amortized on a straight-line basis over their expected useful life of 10 to 30 years. Subscription lists and customer relationships are amortized on a straight-line basis over their expected useful life of 3 to 15 years. Other identifiable intangible assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Computer software
Acquired computer software licences are capitalized as an intangible asset, as are internal and external costs directly incurred in the purchase or development of computer software, including subsequent upgrades and enhancements when it is probable that they will generate future economic benefits attributable to the consolidated entity. These costs are amortized using the straight-line method over their expected useful lives of 2 to 5 years.

(j) Goodwill

Goodwill represents the excess of the consideration of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Goodwill on acquisitions of joint ventures and associates is included in investments in joint ventures and associates. Goodwill is not amortized. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(k) Impairment of non-financial assets

Non-financial assets are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. An impairment charge is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs to dispose, and value in use.

Goodwill is reviewed for impairment annually or at any time if an indicator of impairment exists. For the purposes of impairment testing, goodwill acquired through a business combination is allocated to each cash generating unit ("CGU") or group of CGUs that are expected to benefit from the related business combination. A group of CGUs represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment.

Non-financial assets, other than goodwill, that suffer impairment are evaluated for possible reversal of the impairment when events or circumstances warrant such consideration.

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

3. Significant accounting policies (continued)

(l) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Assets acquired under finance leases are included as property, plant and equipment in the consolidated balance sheet. Finance leases are capitalized at lease inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. A corresponding liability is also established and each lease payment is allocated between the liability and finance charges. The interest element is charged to the consolidated statement of operations over the period of the lease.

Leased assets are depreciated in the same manner as property, plant and equipment that are owned, on a straight-line basis, net of their residual values, over their estimated useful lives. Where there is not reasonable certainty that the consolidated entity will obtain ownership of the leased asset by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Other leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments, excluding contingent payments, are charged to expense on a straight-line basis over the period of the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit.

(m) Provisions

Provisions for restructuring costs and legal claims, where applicable, are recognized in trade and other payables when the Company has a legal, equitable or constructive obligation to make a future outflow of economic benefits to others as a result of past transactions or past events, it is probable that a future outflow of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. Provisions are not recognized for future operating losses.

(n) Employee pension and other post-employment benefits

The Company has defined benefit plans that provide both pension and other retirement benefits to certain salaried and hourly employees not covered by industry union plans.

A liability or asset in respect of the defined benefit pension plans and certain other post-employment benefit plans is recognized in the consolidated balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension fund's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

3. Significant accounting policies (continued)

(n) Employee pension and other post-employment benefits (continued)

Actuarial gains and losses are recognized in full in the year in which they occur, in other comprehensive income and retained earnings without recycling through the consolidated statement of operations in subsequent years. Current service cost, the interest income on plan assets, the return on plan assets greater/(less) than the discount rate and the interest on the pension liability are included in the same line items in the consolidated statement of operations as the related compensation expense.

(o) Stock-based compensation

The fair value of options granted under the Stock Option Plan is recognized as a compensation expense with a corresponding increase in contributed surplus within the Company's equity. The fair value is measured at the grant date and recognized over the period during which the options vest. Each tranche in an award is considered as a separate award with its own vesting period and grant date fair value.

The fair value at the grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(p) Government grants

Income based government grants provided to offset an expense are recorded as a decrease in the expense in the year in which the expense is incurred. Any amounts due from the government for qualifying expenses are recorded in trade receivables. Any amounts received in advance are recorded in current liabilities until the related expense is incurred. There are no other types of grants.

(q) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

(r) Dividends

Dividends on common shares are recognized as a liability in the Company's consolidated financial statements when the dividends are declared by the Board of Directors of the Company.

(s) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company, excluding any costs to service equity other than common shares, by the weighted average number of common shares outstanding during the year.

Diluted earnings per share
Diluted earnings per share is calculated by adjusting the weighted average shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method.

3. Significant accounting policies (continued)

(t) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest expense in the consolidated statement of operations in the year in which they are incurred.

(u) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported on the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments into the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives are also included in this category unless they are designated as hedges. The only instruments held by the Company classified in this category are interest rate swaps and foreign exchange forward contracts. The Company has no such open instruments as at December 31, 2014.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of operations. Gains and losses arising from changes in fair value are presented in the consolidated statement of operations within other gains and losses in the year in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company's available-for-sale assets comprise marketable securities and investments in other equity instruments.

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are subsequently measured at cost. Gains or losses arising from changes in fair value are recognized in other comprehensive income. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months.

3. Significant accounting policies (continued)

(u) Financial instruments (continued)

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the consolidated statement of operations as part of interest income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of operations as part of other gains and losses when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the consolidated statement of operations and are included in other gains and losses.

(iii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise cash and cash equivalents and trade and other receivables, and are included in current assets due to their short-term nature.

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(iv) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade and other payables, dividends payable, other current liabilities and short-term and long-term debt. Trade and other payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade and other payables are measured at amortized cost using the effective interest method. Short and long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(v) Derivative financial instruments: The Company may use derivatives in the form of interest rate swaps and foreign exchange forward contracts to manage risks related to its variable rate debt and fluctuations in the value of the U.S. dollar. All derivatives have been classified as held-for-trading and are included on the consolidated balance sheet at their fair value. Interest rate swaps are included within long-term debt and foreign exchange forward contracts are included within trade and other receivables, and are classified as current or non-current based on the contractual terms specific to the instrument. Gains and losses on re-measurement of the interest rate swap are included in interest income (expense) and on foreign exchange forward contracts are included in unrealized gains and losses on derivative financial instruments. The Company does not have any interest rate swaps or foreign exchange forward contracts as at December 31, 2014.

The Company does not designate any of its derivative instruments as accounting hedges in accordance with IAS 39 and does not apply hedge accounting.

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

3. Significant accounting policies (continued)

(v) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such impairment exists, the Company the expense as follows:

(i) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate.

The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

(ii) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the consolidated statement of operations. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net income.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

4. New accounting standards

The Company adopted IFRIC 21, Levies ("IFRIC 21") on January 1, 2014 with retrospective application. IFRIC 21 provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with the legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation. The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized. An example of a common levy is property taxes.

The adoption of IFRIC 21 did not affect the Company's financial results or disclosures as our analysis determined that no changes were required to the existing accounting treatment of levies.

5. Accounting standards issued but not yet applied

In May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and United States Generally Accepted Accounting Principles ("US GAAP"). As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

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

5. Accounting standards issued but not yet applied (continued)

IFRS 15 will be effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

In July 2014, the IASB issued IFRS 9, Financial Instruments, which addresses classification and measurement of financial assets and replaces the multiple category and measurement models for debt instruments in IAS 39, Financial Instruments: Recognition and Measurement. Debt instruments will be measured with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. The new standard also addresses financial liabilities which largely carries forward existing requirements in IAS 39, with the exception of fair value changes to credit risk for liabilities designated at fair value through profit and loss which are generally to be recorded in other comprehensive income. In addition, the new standard introduces a new hedge accounting model more closely aligned with risk management activities undertaken by entities.

The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

6. Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Estimated impairment of goodwill and assets with indefinite lives*

In accordance with the accounting policy stated in Note 3(k), the Company annually tests whether goodwill and intangible assets with indefinite lives have incurred any impairment based on the recoverable value of a CGU. The recoverable value is determined using discounted future cash flow models or market-based valuation models.

The discounted future cash flow model incorporates assumptions regarding future events, specifically future cash flows, growth rates and discount rates. Future cash flow projections are determined using certain industry, economic and market trends which represent management's best estimate as to future results. The recoverable value is also affected by the discount rate, the weighted average cost of capital, future growth rates and tax rates, which may or may not occur, resulting in the need for future revisions of estimates.

The market-valuation model estimates the fair value of the CGU by using a multiple of normalized revenues and normalized results before amortization, depreciation, interest and tax. The multiple is determined by evaluating multiples for similar transactions in the marketplace.

6. Critical accounting estimates and judgements (continued)

(a) *Estimated impairment of goodwill and assets with indefinite lives (continued)*

The methods are based on many assumptions and estimates that may have a significant impact on the recoverable value of a CGU and, as a result, on the amount of impairment recorded, if any. The impact of any significant changes in assumptions and the review of estimates are recognized through profit or loss in the period in which the change occurs. There are also judgements involved in determination of CGUs and groups of CGUs. Refer to notes 13 and 14.

(b) *Retirement benefit assets/obligations*

The asset/liability in respect of the defined benefit pension plans are calculated as the defined benefit obligation less plan assets and other adjustments. The methodology utilized by the Company to determine the benefit obligation is consistent with the prior year. Judgement and estimates used by the Company in determining the benefit obligation include interest rate, return on assets, compensation increases and health care trend rates.

(c) *Income taxes*

The Company is subject to income taxes in Canada and in certain of its foreign operations. Management has estimated the income tax provision and deferred income tax balances in accordance with its interpretation of the various income tax laws and regulations including expected tax rate and timing of the deferred tax balance. It is possible, due to the complexity inherent in estimating income taxes that the tax provision and deferred income tax balances could change.

(d) *Utilization of tax losses*

The recognition of income tax assets (Notes 19 and 23), including those in associates, related to the utilization of non-capital losses requires significant judgement and is subject to uncertainty as to the timing and ability to utilize the losses in the future.

(e) *Fair value assessment of business combinations*

On the acquisition of a business, the Company is required to identify and measure the various assets and liabilities acquired. This is based on the estimated fair value of each item acquired with the remainder of the purchase price being recognized as goodwill.

(f) *Estimated useful lives*

Management estimates the useful lives of property, plant and equipment and finite life intangible assets based on the period during which the assets are available for use. The amounts and timing of depreciation and amortization for these assets are affected by the useful lives. The estimates are reviewed annually and are updated for changes in the expected useful life.

(g) *Consolidation of entities*

Management uses judgements and assumptions in determining which entities the Company consolidates in its financial statements where the Company does not have greater than 50% of the voting shares.

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

7. Acquisitions and disposals

(a) During the year ended December 31, 2014 the Company completed the acquisition of a 60% interest in Evaluate Energy, based in the UK, for a purchase price of $1.1 million.

(b) Glacier sold its investment in Iron Solutions along with the other shareholders as part of the sale of 100% of Iron Solutions. Glacier's share of the proceeds on the sale were $4.3 million, of which $0.6 million has been placed in escrow.

(c) During the year ended December 31, 2013, the Company completed the asset acquisition of a number of small community media operations, as well as other small digital media operations. The total consideration for these acquisitions was cash of $1.8 million and non-cash consideration of $1.7 million. The acquisition accounting resulted in a gain on acquisition of $0.2 million.

8. Assets held for sale and discontinued operations

Subsequent to year end, the Company sold certain of its trade media publications and related assets located in Toronto for a sale price of $19.7 million. The assets included Glacier's automotive, construction & design, manufacturing, transportation, occupational health & safety, communications, dental, insurance, forestry, and meetings & travel trade publications and related digital assets, as well as Scott's Directories. These assets and liabilities are considered to be held for sale as at December 31, 2014.

Included in the net loss from discontinued operations is a $7.4 million (2013: $4.6 million) impairment of these assets. The impairment expense related to goodwill and intangible assets that were part of the Other Trade Information group of CGUs.

(thousands of dollars)	$
Assets from discontinued operations	
Trade receivables	6,576
Prepaid assets	257
Property, plant and equipment	348
Intangible assets	17,290
	24,471
Liabilities from discontinued operations	
Trade payables and accrued liabilities	(2,803)
Deferred revenues	(2,018)
	(4,821)
Net assets from discontinued operations	19,650

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

8. Assets held for sale and discontinued operations (continued)

The net loss from discontinued operations for the years ended December 31, 2014 and 2013 is as follows:

(thousands of dollars)	**2014**	2013
	$	**$**
Revenue	**38,338**	35,977
Direct expenses	**31,374**	30,846
General and administrative	**5,571**	5,926
	1,393	(795)
Depreciation and amortization	**1,317**	1,453
Impairment expense	**7,382**	4,604
Other expenses	**1,657**	453
Income tax recovery	**(3,406)**	(1,280)
Net loss from discontinued operations	**(5,557)**	(6,025)

As a result of the discontinued operations, there is $3.9 million (2013: $2.5 million) of intercompany printing revenue that is no longer eliminated. As a result, the presentation of the total consolidated revenue has correspondingly increased in 2014 and 2013, respectively.

9. Trade and other receivables

(thousands of dollars)	**2014**	2013
	$	$
Trade receivables	**49,588**	56,078
Less: allowance for doubtful accounts	**(2,240)**	(2,664)
Trade receivables (net)	**47,348**	53,414
Other receivables	**2,055**	2,798
	49,403	56,212

10. Investments in joint ventures and associates

Set out below are the joint ventures and associates of the Company for the years ended December 31, 2014 and 2013. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Company. All of these entities are accounted for using the equity method.

Name of entity	Principal place of business	% ownership interest	Nature of relationship	Principal activities
Continental Newspapers Ltd. (1)	British Columbia	28%	Associate	Community media
Fundata Canada Inc.	Ontario	50%	Joint venture	Financial information
Grant Street Properties Inc. (2)	British Columbia	18%	Associate	Real estate
Great West Newspapers LP	Alberta	50%	Joint venture	Community media
InfoMine Inc.	British Columbia	50%	Associate	Mining information
Invest Northwest Publishing Ltd. (3)	British Columbia	50%	Joint venture	Community media
PostVue Publishing LP	British Columbia	20%	Associate	Community media
Rhode Island Suburban Newspapers, Inc. (1)	Rhode Island, USA	48%	Joint venture	Community media
Saskatoon Express LP (4)	Saskatchewan	49%	Associate	Community media
Weather INnovations Consulting LP	Manitoba	49%	Joint venture	Weather information
1294739 Alberta Ltd. (5)	British Columbia	59%	Associate	Community media

(1) These entities have a March 31 year-end.
(2) The Company has significant influence over this investment due to the composition of the Board of Directors.
(3) The Company disposed of this investment during 2014.
(4) The Company acquired a controlling interest in this investment in September 2014, and consolidates its results from this date forward.
(5) 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 entity.

The Company has aggregated the presentation of summarized financial information into joint ventures and associates.

The Company's joint ventures have been aggregated into one group as they operate in similar business environments and markets, the joint venture agreements contain substantially similar terms and represent similar business risks for the Company and are organized in a similar manner within the Company's corporate and regulatory structure.

The Company's associates have been aggregated into one group as they operate in similar business environments and markets, the agreements between the Company and its associates contain substantially similar terms and represent similar business risks for the Company and are organized in a similar manner within the Company's corporate and regulatory structure.

The summarized financial information has been amended to reflect adjustments made by the Company when using the equity method, including modifications for differences in accounting policy.

10. Investments in joint ventures and associates (continued)

	Joint ventures		Associates	
(thousands of dollars)	**2014**	2013	**2014**	2013
	$	$	**$**	$
Current assets				
Cash and cash equivalents	**10,138**	6,268	**5,570**	6,077
Other current assets	**23,473**	20,774	**17,524**	11,736
Non-current assets	**65,142**	67,235	**110,008**	125,169
Current liabilities				
Current financial liabilities (excluding trade and other payables)	**(9,460)**	(8,997)	**(3,923)**	(15,202)
Other current liabilities	**(21,574)**	(21,712)	**(13,673)**	(13,854)
Non-current liabilities	**(14,894)**	(18,543)	**(30,328)**	(20,307)
Net assets	**52,825**	45,025	**85,178**	93,619
Reconciliation of net assets:				
Opening net assets	**45,025**	35,523	**93,619**	102,206
Income (loss) for the year	**23,900**	12,729	**(2,174)**	(8,565)
Other comprehensive income	**-**	-	**(1,412)**	2,357
Dividends paid	**(16,100)**	(11,100)	**(4,855)**	(2,405)
Acquisitions	**-**	7,873	**-**	26
Closing net assets	**52,825**	45,025	**85,178**	93,619
Revenue	**85,104**	68,803	**78,637**	85,059
Depreciation and amortization	**4,077**	3,378	**3,223**	3,895
Interest income	**(13)**	(12)	**-**	-
Interest expense	**1,076**	860	**2,202**	4,713
Income tax expense (recovery)	**3,887**	2,143	**301**	(2,845)
Income (loss) for the year	**22,303**	12,221	**(2,398)**	(8,565)
Other comprehensive income	**-**	-	**(1,412)**	2,357
Total comprehensive income (loss)	**22,303**	12,221	**(3,810)**	(6,208)
Dividends received by the Company from joint ventures and associates	**(8,050)**	(5,550)	**(1,343)**	(898)

In addition to the interest in joint ventures and associates disclosed above, the Company also has interests in a number of individually immaterial associates that are accounted for using the equity method.

(thousands of dollars)	**2014**	2013
	$	$
Aggregate net assets of individually immaterial associates	**10,542**	8,998
Aggregate amounts of the Company's share of:		
Income (loss) for the year	**1,696**	1,765
Total comprehensive income (loss)	**1,696**	1,765

Subsequent to December 31, 2014, an associate of the Company completed the disposition of certain community media assets. The total consideration for these acquisitions was $6.0 million. These assets are classified as held for sale within the associate as at December 31, 2014.

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

10. Investments in joint ventures and associates (continued)

The Company's share of the joint ventures and associates consists of the following:

(thousands of dollars)	**2014**	2013
	$	$
Balance, beginning of year	**108,539**	114,222
(Derecognition) acquisition of investments in joint ventures and associates (a)	**(217)**	5,775
Share of earnings for the year	**8,107**	468
Share of other comprehensive (loss) income for the year (net of tax)	**(831)**	1,535
Distributions and dividends received and other equity movements	**(9,393)**	(6,448)
Impairment of investment in associate (b)	**(3,441)**	(7,013)
Balance, end of year	**102,764**	108,539

(a) (Derecognition) acquisition of investments in joint ventures and associates

(i) In June 2014, the Company sold its investment in Invest Northwest Publishing Ltd for proceeds of $0.1 million which resulted in a loss of $0.1 million on the sale.

(ii) In September 2014, the Company obtained control of Saskatoon Express LP, a community media publication in the Prairies. Previously this entity had been accounted for as an associate. There was no gain or loss recorded on the transaction.

(iii) On April 5, 2013, the Company acquired a 49% interest in a new joint venture, Weather INnovations Consulting Limited Partnership, created as the result of merging Weather Farm (a former Canadian Wheat Board asset acquired by Glacier in late 2012) and Weather INnovations Inc. (an agricultural meteorology business). Total consideration was $2.7 million consisting of cash of $2.2 million and other assets of $0.5 million.

(iv) On April 30, 2013, Rhode Island Suburban Newspapers ("RISN") completed a business combination for the acquisition of newspaper assets. The Company's share of the acquisition was $5.6 million. The Company's contribution was $1.6 million consisting of $1.0 million in cash and $0.6 million in other consideration, with the remainder of the purchase financed through borrowings by RISN.

(v) On June 26, 2013, the Company acquired an equity interest in Grant Street Properties Inc., which is a related party. The Company received the equity interest, valued at $1.3 million and cash of $3.9 million in exchange for property consisting of land and buildings with a fair value of $5.2 million, which is equal to the total consideration received.

10. Investments in joint ventures and associates (continued)

(b) Impairment of investment in associate

The Company assessed its investments in joint ventures and associates for indicators of impairment and it was determined that further testing was required for certain investments. Indicators of impairment for these investments included generally weak economic conditions, as well as structural changes in the community newspaper industry, advertising revenues were adversely affected during the year. The media industry as a whole is facing the maturation of traditional print advertising. The Company compared the aggregate recoverable amount of its relevant investments to the carrying amount. The aggregate recoverable amount has been determined based on the value in use of the investment using a five year cash flow projection that made maximum use of observable market inputs and outputs. For future periods, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective business segments and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates. Key assumptions included in the 2014 testing are: annual growth rates of 0.0% (2013: 0.0%) and pre-tax discount rate of 11.8% (2013: 12.1%). As a result of testing, it was determined that an impairment existed for which the Company recorded a $3.4 million impairment expense (2013: $7.0 million).

In its assessment of the recoverable amounts of the investments in joint ventures and associates, the Company performed a sensitivity analysis of the discount rates and in EBITDA. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would have an impact of approximately $0.5 million and a $0.6 million, respectively. A 0.5% increase and 0.5% decrease in EBITDA would not have a significant impact on the calculated impairment expense.

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

11. Subsidiaries, affiliated entities and non-controlling interests

The Company operates a number of private and public entities whose primary business is information communications. The Company owns or is affiliated with the following entities with material non-controlling interests:

Name of entity	Principal place of business	Principal activities
Alta Newspaper Group LP	Alberta	Community media
Prairie Newspaper Group LP	Saskatchewan & Manitoba	Community media
GVIC Communications Corp.	British Columbia	Information communications
Evaluate Energy Limited (1)	United Kingdom	Energy information and intelligence

(1) Evaluate Energy Limited was acquired during 2014; therefore, it is not included in 2013.

The Company's non-controlling interests range from 3% to 41%.

The following is summarized financial information for subsidiaries and affiliates that have non-controlling interests that are material to the Company. The amounts disclosed are before inter-company eliminations.

(thousands of dollars)	**2014**	2013
	$	$
Summarized balance sheets		
Current assets	**99,350**	80,211
Non-current assets	**495,544**	559,249
Current liabilities	**(79,118)**	(75,765)
Non-current liabilities	**(135,688)**	(165,178)
Net assets	**380,088**	398,517
Summarized statements of comprehensive income (loss)		
Revenue	**300,528**	352,368
Income (loss) for the year	**13,378**	(53,750)
Other comprehensive income	**(2,286)**	7,725
Total comprehensive income (loss)	**11,092**	(46,025)
Profit allocated to non-controlling interest	**3,296**	1,872
Dividends paid to non-controlling interest	**(1,779)**	(1,592)
Summarized cash flows		
Cash flows from operating activities	**40,058**	49,918
Cash flows from investing activities	**8,274**	229
Cash flows from financing activities	**(48,034)**	(48,986)
Net increase in cash and cash equivalents	**298**	1,161

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

12. Property, plant and equipment

(thousands of dollars)	Land	Buildings	Production equipment	Office equipment and leaseholds	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2013	15,648	20,231	47,776	23,889	107,544
Additions	4,829	2,122	604	1,978	9,533
Acquisitions on business combinations	27	154	12	335	528
Disposals	(12,869)	(7,073)	(974)	(1,481)	(22,397)
Balance at December 31, 2013	7,635	15,434	47,418	24,721	95,208
Additions	-	83	411	1,176	1,670
Acquisitions on business combinations	-	-	-	13	13
Disposals	(2,172)	(965)	(627)	(488)	(4,252)
Assets held for sale (cost)	-	-	(433)	(2,415)	(2,848)
Balance at December 31, 2014	**5,463**	**14,552**	**46,769**	**23,007**	**89,791**
Accumulated depreciation					
Balance at January 1, 2013	-	1,800	23,627	15,856	41,283
Additions	-	663	2,800	2,492	5,955
Disposals	-	(614)	(521)	(1,267)	(2,402)
Balance at December 31, 2013	-	1,849	25,906	17,081	44,836
Additions	-	523	2,847	2,305	5,675
Disposals	-	(120)	(435)	(194)	(749)
Assets held for sale (accumulated depreciation)	-	-	(339)	(1,933)	(2,272)
Assets held for sale (depreciation)	-	-	(54)	(174)	(228)
Balance at December 31, 2014	-	**2,252**	**27,925**	**17,085**	**47,262**
Carrying amounts					
At December 31, 2013	7,635	13,585	21,512	7,640	50,372
At December 31, 2014	**5,463**	**12,300**	**18,844**	**5,922**	**42,529**

13. Intangible assets

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

The Company has determined that certain community media intangible assets with a carrying value of $1.0 million as held for sale. These assets are recorded at their carrying value as the fair value less cost to dispose is greater than the carrying amount. These assets are not being amortized.

Intangible assets are as follows:

	Indefinite life	Finite life				
(thousands of dollars)	Mastheads and Trademarks	Copyrights	Customer relationships	Subscription lists	Software and websites	Total
	$	$	$	$	$	$
Cost						
Balance at January 1, 2013	93,186	12,482	68,902	3,955	17,222	195,747
Additions	107	-	210	-	1,887	2,204
Acquisitions on business combinations	863	-	2,772	106	34	3,775
Disposals	(393)	-	(236)	(210)	(1,025)	(1,864)
Impairment	(22,358)	(2,283)	(12,767)	-	-	(37,408)
Balance at December 31, 2013	71,405	10,199	58,881	3,851	18,118	162,454
Additions	-	-	14	-	2,509	2,523
Acquisitions on business combinations	-	-	1,147	-	1,270	2,417
Disposals	(122)	-	(25)	-	(250)	(397)
Assets held for sale (cost)	(20,141)	-	(8,037)	-	(2,481)	(30,659)
Impairment	(11,000)	-	(95)	-	-	(11,095)
Assets held for sale (impairment)	7,381	-	-	-	-	7,381
Balance at December 31, 2014	**47,523**	**10,199**	**51,885**	**3,851**	**19,166**	**132,624**
Accumulated amortization						
Balance at January 1, 2013	-	9,775	19,330	2,751	12,714	44,570
Amortization	-	324	6,000	13	1,594	7,931
Disposals	-	-	(41)	-	(1,025)	(1,066)
Balance at December 31, 2013	-	10,099	25,289	2,764	13,283	51,435
Amortization	-	70	4,192	65	3,842	8,169
Disposals	-	-	-	-	(123)	(123)
Assets held for sale (accumulated amortization)	-	-	(2,814)	-	(2,078)	(4,892)
Assets held for sale (amortization)	-	-	(853)	-	(243)	(1,096)
Balance at December 31, 2014	**-**	**10,169**	**25,814**	**2,829**	**14,681**	**53,493**
Carrying amounts						
At December 31, 2013	71,405	100	33,592	1,087	4,835	111,019
At December 31, 2014	**47,523**	**30**	**26,071**	**1,022**	**4,485**	**79,131**

Indefinite life intangible assets

In each of fiscal 2014 and 2013, the Company conducted its annual impairment test of indefinite life intangible assets. The Company used the aggregate recoverable amount of the indefinite life intangible assets included in each CGU or group of CGUs, and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less cost to dispose. The value in use was determined using five year budgeted revenues to determine the relief from royalties that the mastheads and trademarks provide. For periods beyond the budget period, revenues were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry.

Key assumptions for all CGUs or groups of CGUs included in the 2014 testing are: royalty rates of 3.5% - 5.0% (2013: 3.5% - 5.0%), annual revenue growth rates of 0.0% - 3.0% (2013: 0.0% - 3.0%) and pre-tax discount rates of 12.0% - 13.2% (2013: 11.5% - 12.6%).

13. Intangible assets (continued)

As a result of generally weak economic conditions, as well as structural changes in the community media industry, advertising revenues continue to be adversely affected during the year. The media industry as a whole is facing the maturation of traditional print advertising. As a result of these declines, the Company recorded an impairment of $3.6 million on its indefinite life intangible assets. Of this, $1.1 million was included in the BC Community Media group of CGUs, $0.7 million was included in the Prairie Community Media group of CGUs and $1.8 million was included in the Energy group of CGUs.

In fiscal 2013, the Company recorded an impairment of $18.2 million on its indefinite life intangible assets. Of this, $16.0 million was included in the BC Community Media group of CGUs, $1.1 million was included in the Prairie Community Media group of CGUs and $1.1 million was included in the Energy group of CGUs.

In its assessment of the recoverable amounts of the indefinite life intangible assets, the Company performed a sensitivity analysis of the discount rate and revenue assumptions. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would have an impact of approximately $2.4 million and $1.6 million on the impairment expense, respectively. A 0.5% increase and 0.5% decrease in revenue would have an impact of approximately $0.1 million and $0.1 million on the impairment expense, respectively.

The allocation of indefinite life intangibles by group of CGUs is as follows:

(thousands of dollars)	**2014**	2013
	$	$
BC Community Media	**22,184**	23,244
Prairie Community Media	**10,631**	11,381
Agriculture and Energy	**12,828**	13,714
Other Trade Information	**1,880**	23,066
	47,523	71,405

Finite life intangible assets

The Company also reviewed indicators of impairment on its finite life intangible assets in both 2014 and 2013, and identified certain copyright and customer relationship assets that required additional testing.

The Company used the aggregate recoverable amount of its finite life intangible assets and compared it to the carrying amount. Recoverable amount has been determined based on the value in use of the CGUs using a five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective business segments and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates. Key assumptions included in the 2014 testing are: annual growth rates of 0.0% - 0.5% (2013: 0.0% - 0.5%) and pre-tax discount rates of 12.5% (2013: 13.4% - 14.9%).

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

13. Intangible assets (continued)

The Company recorded impairment expense of $0.1 million on certain finite life intangible assets, which was related to the BC Community Media group of CGUs. In fiscal 2013, the Company recorded impairment expense of $15.1 million on certain finite life intangible assets, of which $11.7 million was related to the BC Community Media group of CGUs and $3.4 million was related to certain assets in the Business and Professional group of CGUs.

In its assessment of the recoverable amounts of the finite life intangible assets, the Company performed a sensitivity analysis of the discount rate and EBITDA assumptions. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would not have an impact on the impairment expense. A 0.5% increase and 0.5% decrease in EBITDA would not have an impact on the impairment expense.

14. Goodwill

The Company has goodwill related to various business combinations as follows:

(thousands of dollars)	**2014**	2013
	$	$
Balance, beginning of year	**167,409**	202,159
Acquisition on business combinations	**-**	308
Disposition	**(561)**	(487)
Impairment	**(2,578)**	(34,571)
Balance, end of year	**164,270**	167,409

Goodwill impairment

In each of fiscal 2014 and 2013, the Company conducted its annual impairment test of goodwill. The Company used the aggregate recoverable amount of the assets included in each CGU or group of CGUs and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less cost to dispose of the CGUs or groups of CGUs.

The value in use was determined using five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective CGU or groups of CGUs and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates.

Key assumptions for all CGUs or groups of CGUs included in the 2014 testing are: annual growth rates of 0.0% - 2.0% (2013: 0.0% - 2.0% and pre-tax discount rates of 12.0% - 13.2% (2013: 10.7% - 13.5%).

As a result of generally weak economic conditions, as well as structural changes in the community media industry, advertising revenues were adversely affected during the year. The media industry, as a whole is facing the maturation of traditional print advertising. As a result of these declines, the Company recorded impairment expense as described below.

14. Goodwill (continued)

For the year ended December 31, 2014, the Company recorded impairment of $2.6 million to its goodwill, of which $1.5 million was related to the BC Community Media group of CGUs and $1.1 million was related to the Prairie Community Media group of CGUs.

For the year ended December 31, 2013, the Company recorded impairments of $34.2 million to its goodwill. From this, $13.3 million was included in the BC Community Media group of CGUs, $13.2 million was included in the Prairie Community Media group of CGUs, $2.8 million was included in the Business and Professional group of CGUs and $4.9 million was included in the Other Trade Information group of CGUs.

In its assessment of the recoverable amounts of the groups of CGUs, the Company performed a sensitivity analysis of the discount rates and EBITDA assumptions. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would have an impact of approximately $5.8 million and $6.5 million on the impairment expense, respectively. A 0.5% increase and 0.5% decrease in EBITDA would have an impact of approximately $0.6 million and $0.6 million on the impairment expense, respectively.

A 0.5% increase in the discount rate would result in an $0.8 million impairment of goodwill in the Prairie Community Media group of CGUs. A 0.5% EBITDA decrease would not result in an impairment loss to other groups of CGUs for which an impairment loss was not already recorded.

The allocation of goodwill by group of CGUs is as follows:

(thousands of dollars)	**2014**	2013
	$	$
BC Community Media	**47,015**	48,522
Prairie Community Media	**78,205**	79,276
Agriculture and Energy	**36,956**	36,956
Other Trade Information	**2,094**	2,655
	164,270	167,409

15. Impairment

A summary of the Company's total impairment expense from continuing operations is as follows:

(thousands of dollars)	**2014**	2013
	$	$
Amortizing intangible asset (Note 13)	**95**	15,050
Non-amortizing intangible assets (Note 13)	**3,619**	18,193
Goodwill (Note 14)	**2,578**	34,131
Investments in joint ventures and associates (Note 10)	**3,441**	7,013
Other investments (Note 22)	**1,249**	-
Balance, end of year	**10,982**	74,387

For the year ended December 31, 2014, the Company's joint ventures and associates had impairment of $2.4 million (2013: $5.7 million); which is the Company's share of impairment expense recorded within the Company's joint ventures and associates.

16. Trade and other payables

(thousands of dollars)	2014	2013
	$	$
Trade payables	**8,082**	10,120
Accrued liabilities	**22,655**	23,867
	30,737	33,987

All trade payables are due within ninety days of year end.

17. Long-term debt

The Company has the following long-term debt outstanding:

(thousands of dollars)	2014	2013
	$	$
Current		
ANGLP non-recourse debt (c)	**6,667**	6,667
Term bank loan (b)	**3,000**	-
Mortgages and other loans	**71**	66
	9,738	6,733
Non-current		
Revolving bank loan (a)	**50,250**	82,000
Term bank loan (b)	**17,000**	-
ANGLP non-recourse debt (c)	**5,470**	12,102
Mortgages and other loans	**757**	858
Deferred financing costs	**(551)**	(305)
	72,926	94,655
	82,664	101,388

Changes to the Company's debt obligation were as follows:

(thousands of dollars)	2014	2013
	$	$
Balance, beginning of year	**101,388**	124,388
Proceeds from additional borrowings	**2,750**	3,832
Financing charges	**(211)**	203
Principal portion of finance lease payments	**-**	(660)
Repayment of debt	**(21,263)**	(26,375)
Balance, end of year	**82,664**	101,388

Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was in compliance with these covenants at December 31, 2014 and December 31, 2013.

17. Long-term debt (continued)

During the year ended December 31, 2014, the Company amended its current revolving loan facility, extending it to September 30, 2016. Under the terms of the amendment, a portion of the revolving facility was converted to a term facility and all other terms were substantially the same as under the existing agreement.

(a) Revolving bank loan

Glacier has a revolving bank loan facility with a syndicate of major Canadian banks which requires no principal repayments during its term and matures on September 30, 2016. The maximum that can be drawn on the amended facility is dependent on the Company's debt to earnings ratio. The facility bears interest at varying rates based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.25% to 3.25% or the bank prime rate plus 1.25% to 2.25%, depending on Glacier's debt to earnings ratio. The facility is secured by a general security agreement including fixed and floating charges over all of Glacier's and its subsidiaries' assets.

Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was in compliance with these covenants at December 31, 2014 and 2013.

(b) Term bank loan

Glacier has a term bank loan facility with a syndicate of major Canadian banks which requires annual principal repayments of $3.0 million, paid quarterly, and matures on September 30, 2016.

(c) Alta Newspaper Group Limited Partnership

ANGLP has entered into separate senior term loan facilities with a company that is related, due to common ownership, to Glacier. The facilities bear interest at varying rates based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.00% to 3.50% or the bank prime rate plus 0.50% to 2.125%, depending on ANGLP's debt to earnings ratio. The facilities are secured by a charge over the property of ANGLP.

At December 31, 2014, ANGLP has $12.1 million outstanding on its senior loan facility which matures on November 1, 2016. The facility requires annual payments of $7.5 million plus interest until September 1, 2013 and $6.7 million plus interest thereafter.

The total repayment of principal on interest-bearing debt obligations is as follows:

	2015	2016	2017	2018	2019	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Long-Term Debt	9,738	72,274	79	83	88	402	**82,664**

The Company's debt facility matures on September 30, 2016. The Company intends to renegotiate the debt facility before maturity.

18. Post employment benefit obligations

The Company has defined benefit pension plans which cover certain employees. These plans provide pensions based on length of service and final average annual earnings. The Company also has health care plans covering certain hourly and retired salaried employees. Information about the Company's salaried pension plans and other non-pension benefits, in aggregate, is as detailed in the following.

The defined benefit plans are operated in Canada and are funded arrangements where benefit payments are made from plan assets which are held in trust. The pension committee, which reports to the Board of Directors, is responsible for the governance of the plans including investment and contribution decisions. The registered defined benefit pension plans have regulation set minimum requirements for contributions for the benefit accruals and the funding of deficits.

Actuarial valuations are performed every three years for the defined benefit pension plans. The plans underwent actuarial valuations for funding purposes, which were completed in 2014.

Subsequent to December 31, 2014, the Company sold certain trade media publications and related assets located in Toronto. Certain of these publications had employees which participated in the Company's defined benefit pension and other benefit plans. The pension and other benefit liability at December 31, 2014 relating to these employees will remain a liability of the Company; however, these employees will not accrue current service costs going forward.

The status of the net defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2014**	2013	**2014**	2013
	$	$	**$**	$
Present value of benefit obligation	**(46,092)**	(41,415)	**(3,646)**	(4,025)
Fair value of plan assets	**42,470**	40,901	**-**	-
Net benefit obligation	**(3,622)**	(514)	**(3,646)**	(4,025)

The movement in the defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2014**	2013	**2014**	2013
	$	$	**$**	$
Balance, beginning of year	**41,415**	42,139	**4,025**	3,968
Current service cost	**1,353**	2,013	**100**	210
Interest cost on the defined benefit obligation	**1,962**	1,763	**200**	166
Plan participants' contributions	**421**	482	**-**	-
Actuarial (gain) loss	**5,621**	(3,915)	**(624)**	(264)
Benefits paid from plan assets	**(3,529)**	(1,067)	**(55)**	(55)
Effect of settlement and curtailment	**(1,151)**	-	**-**	-
Balance, end of year	**46,092**	41,415	**3,646**	4,025

18. Post employment benefit obligations (continued)

The movement in the fair value of the plan assets for the year is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2014**	2013	**2014**	2013
	$	$	**$**	$
Beginning of year	**40,901**	33,623	**-**	-
Interest income on plan assets	**2,189**	1,512	**-**	-
Return on plan assets greater than discount	**1,894**	4,707	**-**	-
Employer contributions	**594**	1,644	**55**	55
Plan participants' contributions	**421**	482	**-**	-
Benefits paid	**(3,529)**	(1,067)	**(55)**	(55)
Balance, end of year	**42,470**	40,901	**-**	-

The total expense recognized in the consolidated statement of operations is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2014**	2013	**2014**	2013
	$	$	**$**	$
Current service cost	**1,353**	2,013	**100**	210
Net interest on defined benefit (asset) liability	**11**	351	**200**	166
Settlement (gain)/loss	**(1,151)**	-	**-**	-
Other	**559**	-	**-**	-
	772	2,364	**300**	376

The estimation of post-retirement benefit obligations involves a high degree of judgement for matters such as discount rate, employee service periods, rate of compensation increases, expected retirement ages of employees, expected health-care costs and other variable factors. These estimations are reviewed annually with independent actuaries and are based on industry standards over a number of years. The significant actuarial assumptions used to determine the balance sheet date defined benefit assets, liabilities and expenses are as follows:

	2014	2013	**2014**	2013
	Pension benefit plans	Pension benefit plans	**Other benefit plans**	Other benefit plans
Benefit obligations:				
Discount rate	**4.00%**	4.75%	**4.00%**	4.75%
Rate of compensation increases [1]	**3.00%**	3.00%	**3.00%**	3.00%
Net benefit expense:				
Discount rate	**4.00%**	4.00%	**4.00%**	4.00%
Rate of compensation increases [1]	**3.00%**	3.00%	**3.00%**	3.00%

[1] Actual compensation increases differ from those used in the actuarial assumptions.

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

18. Post employment benefit obligations (continued)

The assumed trend in health care costs was as follows:

	2014 Other benefit plans	2013 Other benefit plans
Initial health care cost trend rate	**7.00%**	7.00%
Annual rate of decline in trend rate	**0.33%**	1.00%
Ultimate health care trend rate	**5.00%**	5.00%
Year ultimate rate is reached	**2020**	2016

The impact of a change in these assumptions on the post-retirement obligation is as follows:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(6,599)	8,450
Rate of compensation increases	1.00%	3,910	(2,845)

Assumed health care costs trend rates have a significant effect on the amounts reported for the other benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(338)	407
Heath care trend rates	1.00%	56	(60)

Each sensitivity has been calculated on the basis that all other variables remain consistent. The same methodology is applied when generating the asset/liability in the financial statements as is used in calculating the defined benefit obligation.

In addition to the significant assumptions listed in the table above, as at December 31, 2014, the weighted average duration of the defined benefit plan and the other benefit plans is 19.3 years (2013: 18.6 years) and 12.8 years (2013: 12.2 years), respectively.

Expected contributions to the benefit plans for the year ended December 31, 2015 are $0.7 million. As at December 31, 2014, the accumulated actuarial losses recognized in other comprehensive income were $5.7 million (2013: $2.6 million).

The Company has determined that the minimum funding requirement for past service is determined at the measurement date based on the remaining schedule payments with respect to any funding deficit disclosed in the most recently filed actuarial valuation report. For greater clarity, these payments are not to be adjusted to reflect gains or losses that occurred during the period between the valuation date and the measurement date or future changes in the contribution requirements due to actuarial valuation reports to be filed after the measurement date.

A minimum funding requirement for past service exists only if the Company has an obligation to fund a pension deficit in cash. A minimum funding requirement for past service may be reduced or eliminated by the amount that may be secured by letters of credit.

18. Post employment benefit obligations (continued)

The plan assets are comprised of:

	Acceptable range	Normal policy	**2014**	2013
Canadian equities	20% - 90%	75%	**50%**	48%
International equities	0% - 40%	15%	**31%**	29%
Fixed income and cash and Cash equivalents	10% - 80%	10%	**19%**	23%
		100%	**100%**	100%

Risk management practices

The defined benefit pension plans' investments are exposed to various risks. These risks include market risk (which includes interest rate risk), credit risk and liquidity risk. The pension committee manages these risks in accordance with a Statement of Investment Policies and Procedures. The following are some specific risk management practices employed by the Company:

- Monitoring the assets and net cash flow of the fund;
- Monitoring adherence to the asset allocation guidelines, the current asset mix and permitted categories of investments; and
- Monitoring performance and management of the fund and managers against relative objectives.

19. Contingencies and commitments

(a) The Company has the following guarantees and contingencies at December 31, 2014.

(i) In October 2014, an affiliate of the Company (the "affiliate") received, from the Canada Revenue Agency ("CRA"), tax notices of reassessment relating to the taxation years ended December 31, 2008 through 2013 inclusive. The potential for these reassessments has been anticipated for over a year and has been previously disclosed. The reassessments deny the application of non-capital losses, capital losses and scientific research and experimental development ("SR&ED") tax credits claimed for those years.

According to the notices of reassessment received, taxable income for the period 2008 to 2013 will increase in the amount of $122.8 million. In addition, the CRA proposes to deny unused SR&ED tax credits of $25.4 million and unused investment tax credits of $5.9 million. As a result of the increases in taxable income, additional taxes payable for the reassessed years, including interest and penalties would be approximately $45 million.

In January 2015, the affiliate filed a notice of objection to the CRA. In connection with filing the notice of objection, the affiliate paid 50% of the amounts claimed by the CRA as assessed. The affiliate paid $4.5 million of this balance in December 2014 and $15.3 million in January 2015. Additional amounts may be due at a later date. These payments have been recorded as other assets, within non-current assets, as the Company and its affiliate expect to ultimately be successful in its objection.

19. Contingencies and commitments (continued)

The Company, the affiliate and its counsel believe that the filing positions adopted by the affiliate are appropriate and in accordance with the law. The affiliate intends to vigorously defend such positions.

The Company and the affiliate have not recorded a liability in their respective consolidated financial statements for the remaining 50% of reassessed taxes payable, that are not required to be paid on objection, as described above, nor have they adjusted the carrying value of deferred tax assets recorded for unused carry-forward amounts.

If the affiliate is successful in defending its positions, the deposits made plus applicable interest will be refunded to the affiliate. There is no assurance that the affiliate's objections and appeals will be successful. If the CRA is successful, the affiliate will be required to pay the remaining 50% balance of taxes owing plus applicable interest, and will be required to write-off any remaining tax assets relating to the reassessed amounts.

(ii) In connection with certain dispositions of assets and/or businesses, the Company and/or its affiliates have indemnified the purchasers in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification guarantees typically extend for a number of years. The Company is unable to estimate the maximum potential liability for these indemnifications as the underlying agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company and its other affiliates have not made any significant indemnification payments under such agreements and no amount has been accrued in the consolidated balance sheet with respect to these indemnification guarantees.

(iii) An affiliate entity has been named as a co-defendant in a series of disputes, investigations and legal proceedings relating to transactions between Sun Times Media Group Inc. (formerly Hollinger International Inc.) ("Sun Times") and certain former officers and directors of Sun Times and its affiliates. The ultimate outcome of these proceedings to the affiliated entity is not determinable.

(iv) The Company and certain of its affiliates have also been named as defendants in certain legal actions incurred in the normal course of business, none of which management believes will have a material impact on the results of operations and financial position of the Company.

No provisions or contingencies have been recorded for these items as at December 31, 2014 or December 31, 2013.

(b) The Company and its subsidiaries have entered into operating leases for premises and office equipment which expire on various dates up to 2024.

The minimum annual lease payments are required as follows:

	2015	2016	2017	2018	2019	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Operating leases:	6,603	5,307	4,663	3,960	3,275	6,761	**30,569**

The Company's joint ventures have $0.4 million (2013: $0.6 million) of minimum lease payments due through 2018.

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

20. Share capital

At December 31, 2014 and 2013, the Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

At December 31, 2014, the Company has 89,083,105 (2013: 89,083,105) common shares outstanding. At December 31, 2014 and 2013, the Company did not have any preferred shares issued.

For the year ended December 31, 2014, the Company declared and paid dividends of $0.08 per share. For the year ended December 31, 2013, the Company declared dividends of $0.08 per share and paid dividends of $0.06 per share.

The Company had the following common share options issued:

		2014		2013
	Common shares options	**Weighted average exercise price**	Common shares options	Weighted average exercise price
		$		$
Options outstanding at beginning of year	**475,000**	**2.44**	475,000	2.44
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired	**(475,000)**	**(2.44)**	-	-
Outstanding at end of year	**-**	**-**	475,000	2.44
Exercisable at end of year	**-**	**-**	475,000	2.44

At December 31, 2014, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The warrants will expire on June 28, 2019, unless extended.

During the year ended December 31, 2014, there were 475,000 share purchase options with an exercise price of $2.44 per share which expired on March 29, 2014.

21. Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of common shares during the year using the treasury stock method. Under this method, proceeds from the potential exercise of stock options are assumed to be used to purchase the Company's common shares. Losses used in determining loss per share are presented below.

	Loss	**Shares**	**Per share**
2014	**$**		**$**
Basic loss per share:			
Earnings	**(250)**	**89,083,105**	**0.00**
Effect of dilutive securities	**-**	**-**	**-**
Diluted EPS:			
Net loss	**(250)**	**89,083,105**	**0.00**

	Loss	Shares	Per share
2013	$		$
Basic loss per share:			
Loss	(64,853)	89,160,254	(0.73)
Effect of dilutive securities	-	-	-
Diluted EPS:			
Net loss	(64,853)	89,160,254	(0.73)

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

22. Other comprehensive income (loss)

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

	Accumulated other comprehensive 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 interest	Total comprehensive loss
	$	$	$	$	$	$	$
Balance, December 31, 2013	(805)	(122)	(927)	394	394	(25)	(558)
Actuarial loss on defined benefit plans	-	-	-	(2,227)	(2,227)	(60)	(2,287)
Unrealized loss on available-for-sale investments	(219)	-	(219)	-	-	(7)	(226)
Reclassification adjustment of available-for-sale investment	1,024		1,024		-	33	1,057
Share of other comprehensive loss from joint ventures and associates	-	-	-	(805)	(805)	(26)	(831)
Other comprehensive loss for the year			805		(3,032)	(60)	(2,287)
Balance, December 31, 2014	**-**	**(122)**	**(122)**	**(2,638)**	**(2,638)**	**(85)**	**(2,845)**
Balance, December 31, 2012	(398)	(122)	(520)	(7,498)	(7,498)	(265)	(8,283)
Actuarial gain on defined benefit plans	-	-	-	6,405	6,405	205	6,610
Unrealized loss on available-for-sale investments	(407)	-	(407)	-	-	(13)	(420)
Share of other comprehensive income from joint ventures and associates	-	-	-	1,487	1,487	48	1,535
Other comprehensive income (loss) for the year			(407)		7,892	240	7,725
Balance, December 31, 2013	(805)	(122)	(927)	394	394	(25)	(558)

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

During the year ended December 31, 2014 it was determined that the accumulated unrealized losses on the available-for-sale investment of $1.1 million represented a permanent decline in value and therefore was recorded in the statement of operations as an impairment expense.

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

(thousands of dollars)	**2014**	2013
	$	$
Income tax effect of:		
Actuarial gain (loss) on defined benefit plans	**804**	(2,278)
Unrealized gain (loss) on available-for-sale investments	**(120)**	62

23. Income taxes

Income tax expense (recovery) is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the year ended December 31, 2014 was 26.0% (2013: 25.75%). The components of income tax expense (recovery) are shown in the following table:

(thousands of dollars)	**2014**	2013
	$	$
Current tax	**-**	-
Deferred tax	**588**	(8,628)
Income tax expense (recovery)	**588**	(8,628)

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

23. Income taxes (continued)

The tax on the Company's net (loss) income before tax differs from the amount that would arise using the weighted average tax rate applicable to consolidated profits of the Company as follows:

(thousands of dollars)	**2014**	2013
	$	$
Net income (loss) before income taxes	**10,350**	(64,432)
Tax rate	**26.0%**	25.75%
	2,691	(16,591)
Non-deductible expenses and other	**108**	750
Impairment of assets	**1,644**	9,014
Effect of future tax rate increases	**-**	477
Income from joint ventures and associates and non-controlling interest	**(1,291)**	(1,405)
Adjustment in respect of prior years	**(2,564)**	(873)
Income tax expense (recovery)	**588**	(8,628)

The Company's net deferred tax liability consists of the following:

(thousands of dollars)	**2014**	2013
	$	$
Deferred Tax Assets:		
Available non-capital losses and other tax deductions	**3,923**	6,374
Long-term investments	**163**	-
Pension asset and post retirement benefit	**1,301**	1,008
Deferred revenue	**-**	1,775
	5,387	9,157
Deferred Tax Liabilities:		
Property, plant and equipment	**(7,569)**	(7,523)
Intangible assets	**(7,530)**	(12,933)
Deferred income and other	**(2,896)**	(4,867)
	(17,995)	(25,323)
	(12,608)	(16,166)

The Company has recognized non-capital tax loss of approximately $1.6 million (2013: $3.8 million) that can be carried forward and may be used to reduce future years' net income for tax purposes from the Canadian tax jurisdictions.

The Company has recognized SRED expenditures of $11.4 million (2013: $21.6 million) that can be carried forward indefinitely to offset against the Company's future years' net income for tax purposes.

The Company also has unrecognized investment tax credits of $5.9 million (2013: $5.9 million) that can be carried forward to be used to reduce future years' federal tax payable. The credit carryforwards, if unused, expire between 2018 and 2025.

Refer to note 18 regarding the contingency relating to the CRA reassessment.

24. Expense by nature

(thousands of dollars)	**2014**	2013
	$	$
Wages and benefits	**112,326**	117,485
Newsprint, ink and other printing costs	**31,821**	36,545
Delivery costs	**23,150**	24,892
Rent, utilities and other property costs	**12,208**	11,041
Advertising, marketing and other promotion costs	**9,274**	9,490
Third party production and editorial costs	**13,288**	12,700
Legal, bank, insurance and professional services	**6,968**	6,678
Data services, system maintenance, telecommunications and software licences	**4,557**	4,771
Fees, licences and other services	**2,190**	2,581
Event costs	**1,540**	995
Other	**1,466**	1,474
	218,788	228,652
Direct expenses	**169,342**	180,233
General and administrative expenses	**49,446**	48,419
	218,788	228,652

25. Wages and employee benefits expense

(thousands of dollars)	**2014**	2013
	$	$
Salaries and wages	**99,839**	103,797
Pension and benefit plan costs	**11,632**	12,955
Other	**855**	733
	112,326	117,485

Compensation awarded to key management for the year consists of salaries and short-term benefits of $4.8 million (2013: $4.9 million). As at December 31, 2014, there were termination benefits payable to key management of $0.9 million. Key management includes the Company's directors, officers and divisional managers.

26. Net interest expense

The net interest expense for the years ended December 31, 2014 and 2013 is comprised of:

(thousands of dollars)	**2014**	2013
	$	$
Interest income	**(178)**	(122)
Interest expense	**4,689**	5,643
Net interest expense	**4,511**	5,521

27. Other income

(thousands of dollars)	**2014**	2013
	$	$
Fee income (a)	**258**	266
Other income (b)	**620**	168
	878	434

(a) During the years ended December 31, 2014 and 2013, the Company received fee income related to providing a guarantee on the debt of one of its associates.

(b) For the year ended December 31, 2014, other income includes a gain on the sale of property, plant and equipment and the settlement of a lawsuit.

28. Net gain on disposal of assets

Net gain on disposal of assets of $1.8 million includes the gain on the sale of the Kamloops building, the gain on the sale of the Company's investment in Iron Solutions, losses on the sale of an investment in associate and losses on the sale of certain community media assets.

29. Other expenses (net)

(thousands of dollars)	**2014**	2013
	$	$
Restructuring expense (a)	**1,766**	5,194
Transaction and transition costs (b)	**868**	1,289
Gain on curtailment of pension obligation (c)	**(1,151)**	-
Other	**(228)**	357
	1,255	6,840

(a) Restructuring expense

During the year ended December 31, 2014, restructuring expenses of $1.8 million were recognized (2013: $5.2 million). Restructuring expenses were recognized with respect to severance costs incurred as the Company restructured and reduced its workforce.

(b) Transaction and transition costs

The Company incurred costs related to its acquisitions and divestitures completed in 2014 and 2013. These costs include both the costs of completing the transactions and the costs of integrating these new operations into the Company. Transaction costs include legal, accounting, due diligence, consulting and general acquisition costs. Transition costs include information technology costs, transitional staffing requirements, service fees paid to the vendor during the transition period and other costs directly related to the operational integration of the newly acquired businesses, as well as any closing costs associated with the closure or divestiture of operations.

(c) During the year ended December 31, 2014, a $1.2 million recovery resulting from the curtailment of pension obligations from a closed operation was recognized. All expenses relating to the closure of this operation were previously recorded in the transaction and transition costs in 2013 and 2014.

30. Related party transactions

In addition to other related party disclosures in the consolidated financial statements, the Company has the following related parties with which it completed transactions:

(a) During the year ended December 31, 2014, the Company and its affiliates recorded administration, consulting, interest and other expenses of $1.2 million (2013: $2.2 million) from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company. Madison provides strategic, financial, transactional advisory services and administrative services to the Company on an ongoing basis and received $0.4 million (2013: $0.7 million) for these services in the year ended December 31, 2014. These services have been provided with the intention of maintaining an efficient and cost effective corporate overhead structure, instead of i) hiring more full-time corporate and administrative staff and thereby increasing fixed overhead costs and ii) retaining outside professional advisory firms on a more extensive basis.

These services were provided in the normal course of operations and were measured at amount of consideration established and agreed to by the related parties. The Company also shares office space and in 2013 and other prior years purchased group insurance with Madison to reduce costs. In addition, Madison was required to be the guarantor of a loan relating to the acquisition of interests in certain community newspapers in 2007.

The expenses for the related party transactions include:

(thousands of dollars)	**2014**	2013
	$	$
Interest (i)	**575**	865
Consulting and administration fees (ii)	**440**	715
Office, telephone and other (iii)	**101**	105
Directors fees (iv)	**53**	66
Insurance (v)	**-**	431
	1,169	2,182

(i) For the year ended December 31, 2014, $0.6 million (2013: $0.9 million) represents interest expense incurred by a subsidiary company on its borrowings, which was paid by Madison and reimbursed by the subsidiary. Due to the nature of the subsidiary financing, Madison is the direct and guarantor borrower for these borrowings. Madison charges a fee of 50 basis points for the guarantee, which was $0.1 million (2013: $0.1 million) for the year.

(ii) Consulting and administration fees are charged by Madison for services related to transaction work, tax and financial planning, strategic planning and administration and are at rates consistent with those charged by third parties for similar services.

(iii) Certain of the Company's officers and management shared office space with Madison during the year and paid fees related to their proportionate share of the utilities, telephones and other office services.

(iv) The Company paid directors fees to Madison for the Company's non-management directors who are shareholders of Madison. These fees are the same amounts as those paid to the independent directors.

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

30. Related party transactions (continued)

(v) In 2013 and in prior years, the Company purchased its general liability insurance in conjunction with Madison in order to obtain lower rates as part of a larger group and the Company reimbursed Madison for its proportionate share of the insurance.

(b) During the year ended December 31, 2014, the Company paid its joint venture Great West Newspapers LP ("GWNLP") for printing services as part of its normal operations. These services were provided at the fair value. Total printing charged to the Company for the year was $0.2 million (2013: $0.8 million).

At December 31, 2014, $2.6 million (2013: $1.5 million) was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

(c) During the year ended December 31, 2014, the Company charged management fees to its joint venture, Fundata Canada Inc. for management services as part of its normal operations. Total fees charged by the Company for the year were $0.6 million (2013: $0.6 million).

(d) During the year ended December 31, 2014, the Company received interest from its joint venture, RISN on an outstanding loan. The loan was made to fund historical acquisitions. Total interest charged to RISN for the year was USD $0.1 million (2013: $0.1 million). At December 31, 2014 the loan balance was USD $0.6 million (2013: USD $0.6 million) and is due in 2016.

(e) During the year ended December 31, 2014, the Company paid rent to an associate, Grant Street Properties Inc., of $0.1 million (2013: $0.1 million) for leased office space. The rent is charged at market rate.

During the year ended December 31, 2013, the Company sold property consisting of land and buildings, for consideration of $5.2 million. The Company received $3.9 million in cash and a $1.3 million equity interest in Grant Street Properties Inc.

(f) At December 31, 2014, the Company had amounts due to InfoMine of $0.1 million (2013: $0.2 million) related to deferred payments on the acquisition of the Company's 50% interest in InfoMine. These amounts are non-interest bearing and are due on demand. These amounts are included in other current liabilities.

(g) During the year ended December 31, 2014, a subsidiary of the Company received fee income of $0.3 million (2013: $0.3 million) related to the provision of a guarantee on the debt of one of its associates.

(h) At December 31, 2014, the Company had amounts due from an associate of $6.6 million (2013: $4.7 million) relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade receivables.

The related party transactions have been reviewed by the independent members of the Company's Audit Committee. In management's view these transactions are considered to be in best interest of the Company and its shareholders.

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

31. 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, ERIS 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 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, expenses, assets and liabilities 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 December 31, 2014 and December 31, 2013 and for the years ended December 31, 2014 and 2013:

(thousands of dollars)	**Community Media and Trade Information**	**Business and Professional**	**Corporate and Other**	**Total Operations**	**Differential[1]**	**IFRS Total**
December 31, 2014	**$**	**$**	**$**	**$**	**$**	**$**
Revenue						
Canada	**257,759**	**14,359**	**-**	**272,118**	**(34,085)**	**238,033**
United States	**11,347**	**4,726**	**-**	**16,073**	**(6,235)**	**9,838**
				288,191		**247,871**
Income (loss) before interest, taxes, depreciation and amortization	**37,971**	**6,267**	**(87)**	**44,151**	**(15,068)**	**29,083**
Net interest expense	**4,828**	**206**	**-**	**5,034**	**(523)**	**4,511**
Depreciation and amortization	**14,694**	**617**	**-**	**15,311**	**(2,563)**	**12,748**
Other income	**(378)**	**-**	**(500)**	**(878)**	**-**	**(878)**
Net gain on disposal of assets	**(1,667)**	**-**	**-**	**(1,667)**	**(111)**	**(1,778)**
Impairment expense	**10,982**	**-**	**-**	**10,982**	**-**	**10,982**
Other expense	**1,243**	**153**	**64**	**1,460**	**(205)**	**1,255**
Share of (earnings) loss from joint ventures and associates	**1,762**	**266**	**-**	**2,028**	**(10,135)**	**(8,107)**
Income tax expense	**2,621**	**1,202**	**-**	**3,823**	**(3,235)**	**588**
Net loss from discontinued operations (net of tax)	**(5,557)**	**-**	**-**	**(5,557)**	**-**	**(5,557)**
Segment net income	**(1,671)**	**3,823**	**349**	**2,501**	**1,704**	**4,205**
Assets	**461,033**	**45,649**	**1,164**	**507,846**	**(22,663)**	**485,183**
Capital expenditures	**5,274**	**464**	**-**	**5,738**	**(1,545)**	**4,193**
Investments in joint ventures and associates	**36,078**	**11,047**	**-**	**47,125**	**55,639**	**102,764**

(1) Adjustments represent the differential between the IFRS consolidated results and the consolidated results of the Company including its share of its joint ventures.

(thousands of dollars)	Community Media and Trade Information	Business and Professional	Corporate and Other	Total Operations	Differential[1]	IFRS Total
December 31, 2013	$	$	$	$	$	$
Revenue						
Canada	270,118	13,021	-	283,139	(25,699)	257,440
United States	8,718	3,556	-	12,274	(7,575)	4,699
				295,413		262,139
Income (loss) before interest, taxes, depreciation and amortization	38,240	5,585	(91)	43,734	(10,247)	33,487
Net interest expense	5,827	112	-	5,939	(418)	5,521
Depreciation and amortization	14,089	570	-	14,659	(2,225)	12,434
Other income	(434)	-	-	(434)	-	(434)
Net gain on disposal of assets	(218)	-	44	(174)	(187)	(361)
Impairment expense	68,905	6,082	-	74,987	(600)	74,387
Other expense	6,418	433	1,282	8,133	(1,293)	6,840
Share of (earnings) loss from joint ventures and associates	4,223	746	-	4,969	(5,437)	(468)
Income tax recovery	(8,778)	767	-	(8,011)	(617)	(8,628)
Net loss from discontinued operations (net of tax)	(6,025)	-	-	(6,025)	-	(6,025)
Segment net income (loss)	(57,817)	(3,125)	(1,417)	(62,359)	530	(61,829)
Assets	490,026	46,178	1,192	537,396	(23,844)	513,552
Capital expenditures	14,152	566	-	14,718	(2,981)	11,737
Investments in joint ventures and associates	43,718	11,314	-	55,032	53,507	108,539

(1) Adjustments represent the differential between the IFRS consolidated results and the consolidated results of the Company including its share of its joint ventures.

32. Financial instruments

Financial risk management

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, liquidity and interest rate risks. Details of these risks, how they arise and the objectives and policies for managing them are described as follows:

(a) Market risk

(i) Foreign exchange 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. Therefore, 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 the U.S. with a different functional currency, whose earnings are exposed to foreign exchange risk.

The Company occasionally hedges a portion of its foreign exchange exposure with financial forward contracts. As at December 31, 2014 and 2013, the Company had no foreign exchange contracts outstanding. During the year ended December 31, 2013, Glacier had foreign exchange forward contracts to sell USD $100,000 per month which commenced in June 2012 at rates between CAD $1.030 and CAD $1.036, and expired in May 2013. The Company concluded that these contracts did not qualify for hedge accounting; therefore changes in fair value of the contracts were recorded in the consolidated statement of operations each year.

An assumed $0.01 increase in the USD/CAD foreign exchange rate during the year ended December 31, 2014 would have a $0.2 million (2013: $0.1 million) impact on pre-tax net income. An assumed $0.01 decrease would have an equal but opposite effect on pre-tax net income.

(ii) Interest rate risk

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. Where appropriate, the Company has in the past and may in the future enter into derivative transactions to fix its interest rates.

An assumed 100 basis points increase in interest rates during the year ended December 31, 2014 would have a $0.8 million (2013: $1.1 million) impact on pre-tax net income (loss). An assumed 100 basis points decrease would have had an equal but opposite effect on pre-tax net income (loss).

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

32. Financial instruments (continued)

(b) Credit risk

Credit risk is risk of financial loss to the Company if a customer, a deposit taking institution, or a third party to a derivative instrument fails to meet its contractual obligation.

The Company holds its cash and cash equivalents at major Canadian financial institutions in order to minimize the risk of default on the Company's cash position.

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 and returns, 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. As at December 31, 2014, no single customer accounts for more than 5% of consolidated trade receivables.

Management regularly monitors trade receivable aging and customer credit limits, performs credit reviews and provides allowances for potentially uncollectible trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowances for doubtful accounts. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivables. Trade receivables are impaired when there is evidence that collection is unlikely. At December 31, 2014, the Company had trade receivables of $47.3 million (2013: $53.4 million), net of allowance for doubtful accounts of $2.2 million (2013: $2.7 million).

Based on the historical payment trend of the customers, the Company believes that this allowance for doubtful accounts is sufficient to cover the risk of default.

The Company is also exposed to credit-related losses in the event of non-performance by counterparties to derivative instruments. The Company manages its counterparty risk by only entering into derivative contracts with major financial institutions with high credit ratings assigned by international credit-rating agencies as counterparties.

The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, trade receivables and the credit risk of counter parties relating to the Company's derivatives.

		2014		2013
	Gross	**Impairment**	Gross	Impairment
	$	**$**	$	$
Not past due	**25,701**	**(26)**	28,640	(25)
Past due 0 - 30 days	**13,228**	**(41)**	15,001	(44)
Past due 30 - 60 days	**5,612**	**(79)**	6,668	(85)
Past due > 60 days	**5,047**	**(2,094)**	5,769	(2,510)

32. Financial instruments (continued)

(b) Credit risk (continued)

The movement in the allowance for impairment in respect of loans and receivables during the year was as follows:

(thousands of dollars)	**2014**	2013
	$	$
Balance, beginning of year	(2,664)	(2,741)
Impairment loss, net of recoveries	424	77
Balance, end of year	(2,240)	(2,664)

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations on a current basis. The Company is exposed to liquidity risk with respect to trade payables, long-term debt, derivatives, contractual obligations and contingencies; see notes 16 and 19 for repayment terms of the Company's financial liabilities.

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.

Fair value

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 and other receivables, trade payables, dividends payable and other current liabilities. The table below shows the fair value and the carrying value of other financial instruments as at December 31, 2014 and 2013.

The fair value 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.

32. Financial instruments (continued)

Fair value (continued)

	2014	2013
	$	$
Carrying values:		
Assets		
Loans and receivables		
Cash and cash equivalents	**8,192**	6,970
Trade and other receivables	**49,403**	56,212
	57,595	63,182
Available for sale		
Other investments (at cost)	**280**	2,910
Other investments (at fair value)	**246**	457
	526	3,367
Liabilities		
Amortized cost		
Trade payables	**8,082**	10,120
Dividends payable	**1,781**	1,781
Other current liabilities	**3,225**	3,523
Long-term debt	**82,664**	101,388
	95,752	116,812

	2014	2013
	$	$
Fair values:		
Assets		
Other investments (at fair value)	**246**	457
Liabilities		
Long-term debt	**82,664**	101,388

Fair value hierarchy

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 table below shows financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3 – Inputs for the asset or liability that are not based on observable market data

32. Financial instruments (continued)

Fair value hierarchy (continued)

2014	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Available-for-sale investments (at fair value)	**246**	**-**	**-**

2013	Level 1	Level 2	Level 3
	$	$	$
Available-for-sale investments (at fair value)	457	-	-

33. Capital disclosures

The Company's fundamental objectives in managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, ensure adequate liquidity and financial flexibility at all times and deploy capital to provide an appropriate investment return to its shareholders while maintaining prudent levels of financial risk. The Company believes that the aforementioned objectives are appropriate in the context of Glacier's business.

The Company defines its capital as shareholders' equity, long-term debt including the current portion, and preferred shares, net of any cash and cash equivalents.

The Company's financial strategy is designed to maintain a flexible capital structure including an appropriate debt to equity ratio consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, raise debt (secured, unsecured, convertible and/or other types of available debt instruments), enter into hedging arrangements and refinance existing debt with different characteristics, amongst others.

The Company constantly monitors and assesses its financial performance and economic conditions in order to ensure that its net debt levels are prudent.

The Company's financial objectives and strategy are reviewed on an annual basis. The Company believes that its ratios are within reasonable limits, in light of the relative size of the Company and its capital management objectives.

The Company is also subject to financial covenants in its operating credit facility agreement, which are measured on a quarterly basis. The Company is in compliance with all financial covenants at December 31, 2014 and 2013.

34. Subsequent event

Subsequent to December 31, 2014, the Company completed the asset acquisition of certain community media assets. The total consideration for these acquisitions was $4.3 million.

Subsequent to December 31, 2014, the Company completed the disposition of certain community media assets. The total consideration for these acquisitions was $1.3 million. These assets are classified as held for sale as at December 31, 2014.

In January the Company sold certain trade and media publication assets located in Toronto. Refer to note 8.

Board of Directors

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

Corporate Office
2188 Yukon Street
Vancouver, BC V5Y 3P1
Phone: 604.872.8565
Fax: 604.879.1483

Glacier Media Inc.
2188 Yukon Street, Vancouver, British Columbia, Canada V5Y 3P1
Tel: 604.872.8565   Fax: 604.879.1483
www.glaciermedia.ca