Condensed Interim Consolidated Financial Statements of

GLACIER MEDIA INC.

For the three months ended March 31, 2014
(Unaudited)

President's Message

Summary

Glacier Media Inc. ("Glacier" or the "Company") completed the first quarter of 2014 with continued improvement. Consolidated EBITDA was up 13.2% for the quarter compared to the same quarter in the prior year on an adjusted basis[(1)]. Consistent with Glacier's fourth quarter 2013 performance, revenues returned to prior year levels as a number of the Company's operations continue to benefit from market opportunities and revenue growth. The profit performance was also the result of a variety of initiatives that are being undertaken to affect the transformation of the Company and enhance value for shareholders (see Value Enhancing Initiatives following).

Within the Company's business information group, a variety of sectors continued to deliver growth, including energy, agriculture, environment, manufacturing and financial services. Management is investing in a number of these verticals to develop new rich information tools and specialty data sets, designed to heighten customer retention levels and create premium revenue streams.

In the community media operations, significant progress continues to be made with new digital offerings and new multi-platform products, with a focus on initiatives that can be quickly monetized to generate profitable new revenue streams that help mitigate some of the maturation risks associated with traditional newspaper publishing. A balance is being sought to generate bottom line profit growth from the digital group as opposed to the strategy of pursuing larger and wider digital revenues, as many digital media companies are, without achieving adequate profitability. Comprehensive efforts are also being made to develop new products and features that are being brought to market in integrated multi-platform offerings through print, digital and events. New community media product revenues are up significantly on a year over year basis.

	Three months ended March 31, 2014 [(1)]	2013 [(1)]	Variance %
Revenue	$ 76,895	$ 76,840	0.1%
EBITDA	$ 8,927	$ 7,889	13.2%
EBITDA per share	$ 0.10	$ 0.09	11.1%
EBITDA margin	11.6%	10.3%	
Net income attributable to common shareholders before non-recurring items [(2)(3)]	$ 1,941	$ 540	259.4%
Net income attributable to common shareholders before non-recurring items per share [(2)(3)]	$ 0.02	$ 0.01	100.0%
Cash flow from operations before non-recurring items [(2)(3)]	$ 9,184	$ 8,261	11.2%
Cash flow from operations before non-recurring items per share [(2)(3)]	$ 0.10	$ 0.09	11.1%
Debt to EBITDA ratio [(4)]	2.31x	2.55x	
Weighted average shares outstanding, net	89,083,105	89,243,102	

Notes:
(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.
(2) 2014 excludes $0.8 million of restructuring expense, $0.1 million of transaction and transition costs and $0.5 million of other income.
(3) For non-recurring items excluded in the prior period, refer to previously reported financial statements.
(4) Calculated as consolidated debt net of cash outstanding before deferred financing charges and other expenses.

Key Financial Highlights [(1)]

- For the quarter ended March 31, 2014, Glacier's adjusted consolidated revenues increased $0.1 million to $76.9 million from $76.8 million for the same quarter in the prior year;
- For the period ended March 31, 2014, adjusted consolidated earnings before interest taxes, depreciation and amortization (EBITDA) increased 13.2% to $8.9 million from $7.9 million for the same period in the prior year;
- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) increased 11.2% over the same period in the prior year to $9.2 million;
- Adjusted net income attributable to common shareholders before non-recurring items was $1.9 million for the quarter, compared to $0.5 million for the same quarter in the prior year;

- Adjusted EBITDA per share increased 11.1% to $0.10 per share from $0.09 per share for the quarter compared to the same quarter in the prior year and net income attributable to common shareholders before non-recurring items per share increased to $0.02 per share from $0.01 per share for the same quarter in the prior year;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) increased to $0.10 per share from $0.09 per for the same quarter in the prior year; and

- Continued progress was made in reducing leverage, with consolidated debt net of cash outstanding before deferred financing charges and other expenses being lowered to 2.3x trailing 12 months EBITDA as at March 31, 2014.

Note:

(1) 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 reflects the basis on which management makes its operating decisions and performance evaluation. 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 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 MD&A for a reconciliation of these non-IFRS measures and adjusted results.

Value Enhancement Initiatives

The Company continues to pursue a range of strategic initiatives launched in 2013 to strengthen its financial position and operating performance. These initiatives include the following:

- Evolve, Enrich and Extend strategy. The Company is pursuing a comprehensive initiative to grow its business information operations through an Evolve, Enrich and Extend strategy. This strategy focuses on the provision of richer content, data and information, related analytics and business and market intelligence, and the achievement of greater customer utility and decision dependence. Management is currently reviewing the spectrum of verticals in which it operates with a view of focusing resources and efforts on those verticals and opportunities deemed to have the greatest growth potential that can be realized through this Evolve, Enrich and Extend strategy. Management and staff are using the strategy to develop the Company's community media operations as well.

- Cost reduction initiatives. A variety of significant cost reduction measures have and are being implemented to reduce overall operating costs. The initiatives have been targeted to reduce costs by more than $10.0 million on an annualized basis. Savings from these initiatives began to be realized in both the third and fourth quarters of 2013 – and continue in the first quarter of 2014. In implementing these initiatives, management has been diligent to maintain the operating integrity of the businesses, and maintain development spending in areas where growth opportunities exist.

- Sale of real estate assets. The Company has been selling real estate properties to strengthen its financial position. In 2013, more than $12.0 million was raised through the sale of property. In early 2014, the Company entered into an agreement to sell its vacant real estate property in Kamloops for $4.8 million. The sale is expected to close in the summer of 2014. Other property dispositions are currently being pursued. Given current capitalization and interest rates, monetizing real estate value to reduce leverage has been deemed prudent.

  Real estate and other asset sales have been targeted to a) cover any required deposit relating to the previously reported notice of possible re-assessment from Canada Revenue Agency (CRA) for the 2008-2011 income tax years, should a deposit become payable and b) result in a net reduction of leverage from current levels. Any potential CRA re-assessment timing is not currently determinable.

- Sale of non-core assets. The Company continues to assess assets that may be considered non-core.

Business Information

Many of the Company's business information operations (which include business and professional and trade information) continue to grow and provide attractive opportunities for future growth in both existing and new verticals through multi-platform offerings. In particular, energy, agriculture, environmental risk, environmental compliance, manufacturing and financial services performed well.

Business information operations now represent more than half of Glacier's EBITDA, of which 45% comes from rich information digital data products. These products provide essential information that generate highly profitable recurring revenues, and are particularly well positioned for scalable growth. The product lines offer resiliency in challenging economic times as they provide critical insight and analysis to Glacier's customers. Much of 2014's strategic planning will focus on enhancing and expanding existing product lines, with a view to increasing the level of customer decision dependence, as a key aspect of the Evolve, Enrich and Extend strategy.

The Company is continuing to develop its business information content and marketing offerings with multi-platform solutions – with a key focus on mobile offerings – digitally designed to integrate more seamlessly with customer decision-making processes. Digital revenues now represent more than one quarter of Glacier's business information revenues. Efforts continue to be refined with respect to developing different types of digital revenues, including content, advertising and subscriptions. A consistent focus on various ways of enriching content is resulting in improved rates for advertising positioned alongside rich information.

In 2014, Glacier's business information divisions continued their focus on integrated solutions selling. Among the activities:

- A new National Network team was created, drawing together top sales and sales management personnel, with a view to offering national clients solutions that span the depth and breadth of all divisions;
- In February 2014, the business information division launched a new conference – the Next-Gen Forum – which focuses on the importance of corporate social responsibility in the extractive industries sectors. This forum represents a new practice area for Glacier and will include new publications and related events and conferences;
- The British Columbia, Alberta and Ontario Export Awards were added to the Company's growing stable of events and conferences. The events solidify important relationships with the Canadian Manufacturers and Exporters association, as well as respective provincial governments and the federal government, along with key marketing clients;
- Several divisions launched formal partnerships with key industry associations that represent lead business segments. These partnerships create new revenue opportunities via events, branded content and new supplements.

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

Community Media

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.

Generally weak economic conditions, as well as structural changes in the community newspaper industry, continued to affect revenue levels. National revenues have been generally lower as a result of these factors, although national revenues recovered in April to higher levels than the previous year. 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 still affected by cyclical downturns in key economies such as energy and agriculture, and the factors driving national revenues.

While print advertising revenues continue to be weak in some markets, digital revenues continue to grow steadily in Glacier’s community media operations with new product offerings including extended market coverage and specialty digital products. Operating expense investments are being made to improve the digital community media products in order to exploit new revenue opportunities, particularly of the larger markets, focusing on content delivery and advertising effectiveness. The investments are being made prudently with a view to generating profitable revenue. As a result, Glacier’s community media digital operations are contributing attractive net profit margins to the Company.

Significant efforts are also being made to develop new community media features and products. The scale of these efforts continues to build, with the segment generating strong print revenue growth over prior year, augmented with digital revenues and events.

Management continues to pursue cost efficiency, and has implemented a significant amount of cost reduction measures with a focus on integrated rationalization initiatives designed to maximize productivity and capacity.

While economic and market challenges have affected the community media operations, management believes that these businesses have unrealized opportunities available 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 fund growth and reduce leverage through both internal investment and acquisition of digital business information and community media assets, as well as debt repayments.

Glacier’s small market community media operations offer a unique selling proposition and competitive advantage through the local information that they provide – of which they are a primary source. The value of community content is provided to readers in print and online, by tablet and smartphone platforms. As described above, a number of new digital sales products and strategies have been introduced, and new digital sales and product staff are being hired and technology investments are being made to drive these growth initiatives. Given that the demand for local community information is expected to exist for the long term, Glacier expects to be able to monetize the information and marketing value. As 85% of Glacier’s local newspaper distribution is free, this also provides for a more durable reach of readership for advertisers over time wherein total market coverage can always be provided.

Operational Performance

As stated, for the period ended March 31, 2014 adjusted consolidated revenue was flat for the quarter and adjusted consolidated EBITDA increased $1.0 million or 13.2% to $8.9 million compared to $7.9 million for the same period last year. Glacier’s consolidated EBITDA margin, on an adjusted basis, increased to 11.6% for the period ended March 31, 2014 from 10.3% compared to the same quarter last year as a result of the reasons described. As stated, management is seeking to improve margins and profit performance through product and service evolution and enrichment, multi-platform revenue initiatives, general sales effectiveness efforts, as well as cost reduction measures and other initiatives.

The more than $10.0 million of cost reduction measures that have been implemented across a variety of the Company’s operations have been designed to be consistent with management’s strategy of maintaining strong product and editorial quality while reducing operating costs where possible through initiatives that do not impact quality, sales capacity or market and competitive positions. Management is being careful to maintain appropriate levels of resources in staff and technology as well as business development in order to facilitate long-term revenue growth.

Operating infrastructure and development resource investment continues to be made in both business information and community media areas including rich information and digital media management, staff, information technology and related resources, as well as other content and quality related areas, to ensure the long-term strength of the Company’s revenue base and business. A balance is being sought to properly transform Glacier’s businesses through a combination of investment in revenue generation innovation and evolution as well as prudent cost management.

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 the opportunities that digital media offers in Glacier's local community and business information markets. The strategy's premise is that customer utility and value should drive platform utilization and product design and functionality. Online, mobile, tablet and other information delivery devices will be fully utilized, while print content and design quality will also be fully maintained. While digital platforms offer many attractive new opportunities, print platforms continue to offer effective utility to both readers and advertisers. Maintaining strong print products also maintains strong brand image and awareness, which increases the likelihood of success online. As indicated, business information strategies are focused on increasing the value provided to customers through richer content, data and analytic value and heightening customer decision dependence. This dependence moves Glacier's products and services further up the value ladder, with higher revenue, profitability and recurring cash flow.

In particular, the Company intends to increase capital allocated to business information acquisitions and organic growth opportunities and use the 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, to include the Company's share of its joint ventures, Glacier's consolidated debt net of cash outstanding before deferred financing charges and other expenses was reduced to 2.3x trailing 12 months EBITDA as at March 31, 2014.

The Company (excluding its joint ventures) reduced debt by $1.7 million during the period. Glacier's consolidated debt net of cash outstanding before deferred financing charges was $94.0 million as at March 31, 2014.

Capital expenditures (excluding the Company's joint ventures) were $0.8 million for the quarter ended March 31, 2014 compared to $1.1 million for the same period in the prior year. $0.5 million of these capital expenditures were investment capital expenditures, the majority of which relate to printing equipment, software and other digital infrastructure. These investment capital expenditures are expected to result in attractive direct revenues and cash flow improvements, including lower operating costs and payback consistent with Glacier's targeted return on investment. Sustaining capital expenditures for the quarter were $0.3 million. Management expects the level of investment capital expenditure in 2014 to be significantly reduced.

Declaration of Dividend

The Board of Directors declared a quarterly dividend of $0.02 per share to shareholders of record on June 13, 2014 and payable on July 4, 2014. The dividend is consistent with the Company's dividend policy of paying $0.08 per share per annum, payable quarterly.

Outlook

The Company continues to grow its business operations through its Evolve, Enrich and Extend strategy and is making good progress in this transformation.

While media maturation factors are having an impact as described, the softer economy has continued to play a significant role in dampening revenues, and economic strengthening should result in improved revenues at the margin.

As indicated, management has undertaken a number of Value Enhancement Initiatives to strengthen the Company's financial position and operating performance in the near term, including a) a wide variety of revenue development initiatives, b) sale of real estate assets to reduce leverage and cover a potential tax re-assessment deposit, c) sale of non-core assets, d) significant cost reduction measures targeted to reduce costs by more than $10.0 million, and e) review of the spectrum of verticals in which the Company operates to focus operating and financial resources on those verticals deemed to have the greatest growth potential. Profitability enhancements and asset sale initiatives are intended to significantly improve Glacier's financial position and place the Company in a better position from which to take advantage of growth opportunities.

Management will focus in the short-term on a balance of paying down debt, reducing costs and improving profitability, enhancing existing operations, targeting select acquisition opportunities and returning value to shareholders through growth in cash flow per share and payment of dividends.

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

Once leverage is reduced to more moderate levels, management will seek an ongoing balance of maintaining debt at those levels and delivering increased value to shareholders through both operations and acquisitions, as well as dividends and share buy-backs.

Jonathon J.L. Kennedy
President and Chief Executive Officer

First Quarter 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 May 13, 2014.

Glacier Media Inc.'s first quarter 2014 Interim 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 and future profitability and the effect of our strategic initiatives, including our expectations to grow our business information operations, to implement cost reduction measures, to sell real estate properties and utilize proceeds of such sales to cover required CRA re-assessment deposits, to produce products and services that provide growth opportunities and to launch information products, to organic development and new business acquisitions and 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, to repurchase shares 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, and are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements.

Important factors that could cause actual results to differ materially from these expectations 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 real estate 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 Interim 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 Interim Report and this MD&A and the documents to which we refer herein should be read completely and with the understanding that our actual future results may be materially different from what we expect.

Basis of Discussion and Analysis

The following management discussion and analysis of the financial condition and results of operations of the Company and other information is dated as at May 13, 2014 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, 2013. 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"). These condensed interim consolidated financial statements include only significant events and transactions affecting the Company during the current fiscal period and do not include all disclosures normally provided in the Company's annual consolidated financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2013 and related MD&A which can be obtained on the Company's website: www.glaciermedia.ca and on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Interim results are not necessarily indicative of the results expected for the fiscal year.

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization, ("EBITDA"), EBITDA margin, EBITDA per share, cash flow from operations, cash flow from operations per share, net income attributable to common shareholders before non-recurring items, and net income attributable to common shareholders before non-recurring items per share are not generally accepted measures of financial performance under IFRS. 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. 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 and its lenders and investors use EBITDA to measure performance and value for various purposes. Investors are cautioned, however, that EBITDA should not be construed as an alternative to net income attributable to common shareholders determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating these financial performance measures may differ from other companies and, accordingly, they may not be comparable to measures used by other companies. A quantitative reconciliation of these non-IFRS measures is included in the section entitled EBITDA, Cash Flow from Operations and Net Income Attributable to Common Shareholders Before Non-Recurring Items Reconciliation and a reconciliation of the adjusted non-IFRS measures is included in the section entitled Reconciliation of Financial 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, the Business in Vancouver Media Group, the Business Information Group and the Glacier community media group, which includes direct, joint venture and other interests in community and local daily newspapers and related publications, websites and digital products in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States.

Glacier's operations in the business and professional information group include Specialty Technical Publishers, Inceptus Media (formerly CD-Pharma), 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

Adjusted[1] revenues for the quarter ended March 31, 2014 returned to prior year levels as a number of the Company's operations continue to benefit from market opportunities and revenue growth. Growth continues to be achieved across many of Glacier's business information verticals including energy, agriculture, environmental risk, environmental compliance networks, medical, financial, manufacturing and other business verticals.

The Company is pursuing a comprehensive strategy to grow its business information operations through an Evolve, Enrich and Extend strategy. This strategy focuses on the provision of richer content, data and information, related analytics and business and market intelligence, and the achievement of greater customer utility and decision dependence. Management is currently reviewing the spectrum of verticals in which it operates with a view of focusing resources and efforts on those verticals and opportunities deemed to have the greatest growth potential that can be realized through this Evolve, Enrich and Extend strategy. Business information operations now represent more than half of Glacier's EBITDA, of which 45% comes from rich information digital data products. These products provide essential information that generate highly profitable recurring revenues, and are particularly well positioned for scalable growth. The product lines offer resiliency in challenging economic times as they provide critical insight and analysis to Glacier's customers.

The Company is continuing to develop its business information content and marketing offerings with multi-platform solutions – with a key focus on mobile offerings – digitally designed to integrate more seamlessly with customer decision-making processes. Digital revenues now represent more than one quarter of Glacier's business information revenues. Efforts continue to be refined with respect to developing different types of digital revenues, including content, advertising and subscriptions. A consistent focus on various ways of enriching content is resulting in improved rates for advertising positioned alongside rich information.

The general weakness in the Canadian economy and increased digital competition in community media continue to affect the community media revenues. Traditional print advertising revenues within the community media operations have been impacted by digital competition, more significantly in larger urban areas, and continue to be weak. Community media and trade information revenues were also lower due to the closure of the Kamloops Daily News and other small publications. The Company's business and professional and trade information revenues continue to be strong in most markets and verticals. Softness in some business and professional and trade information verticals, particularly mining related products, affected quarter over quarter business and professional and trade information revenues. New revenues continue to be generated in a wide variety of areas, including specialized information delivered online and over mobile and tablet platforms. Other sources include special publishing initiatives, special features, supplements, new community magazines, production and promotion of community events, custom publishing, sponsored industry specific research studies, educational offerings, conferences and tradeshows, new directories, and a number of other initiatives. Efforts continue to be made to leverage and monetize content across various channels and platforms. Efforts are also being made to improve inter-divisional marketing and branding collaboration to create new organic growth and market opportunities.

Despite the softness in community media and certain business and professional and trade information revenues, the Company experienced increased operating results for the quarter ended March 31, 2014 as a result of the comprehensive cost reduction measures implemented in 2013 to address the revenue softness. Consistent with management's strategy of maintaining strong product and editorial quality while reducing operating costs where possible through initiatives that do not impact quality, sales capacity or market and competitive positions, management is being careful to maintain appropriate levels of resources in staff and technology in order to facilitate long-term revenue growth as the economic situation improves.

Notwithstanding the uncertain revenues in community media, significant growth opportunities are available to Glacier in a variety of business information segments. Consequently, the Company's strategy is to invest cash flow generated from the community media and certain business and professional and trade information operations in both operational opportunities and acquisitions. In particular, the Company intends to increase capital allocated to business and professional and trade information acquisitions and growth opportunities, which includes internal technology investments. In the immediate term the Company is focused on reducing debt to lower levels as a priority.

Operational Performance – Comparable Basis

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 assessing the overall operations of the Company. The discussion following adjusts the Company's reported results under IFRS to include the revenues, expenses and cash flows of its joint ventures. 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.

Adjusted(1) revenue for the first quarter of 2014 returned to prior year levels, increasing by $0.1 million or 0.1% as compared to the same period in 2013. Revenue remained consistent despite the closure of the Kamloops Daily News and other small publications. Revenues were also affected by weaker community media revenues, which were impacted by overall economic conditions in 2013 and which continue in 2014, as well as digital competition. These community media revenue shortfalls were offset by stronger business information revenues and increased printing revenues in one of Glacier's joint venture operations.

Adjusted EBITDA increased 13.2% to $8.9 million for the first quarter of 2014 from $7.9 million in the first quarter of 2013. This profit performance was the result of value enhancement initiatives that were initiated in 2013 and continue into 2014.

For the three months ended March 31, 2014, adjusted net income attributable to common shareholders before non-recurring items increased $1.4 million to $1.9 million from $0.5 million for the same period in the prior year. Adjusted cash flow from operations before non-recurring items increased 11.2% to $9.2 million from $8.3 million for the same period in the prior year.

Note:

(1) Adjusted 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 reflects the basis on which management makes its operating decisions and performance evaluation. 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 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 President's Message and in the MD&A under the headings **Significant Developments in 2014 and Outlook, Operational Performance – Comparable Basis, First Quarter Results – Comparable Basis** and **Reconciliation of Adjusted Results.**

First Quarter Results – Comparable Basis[1]

(thousands of dollars) *except share and per share amounts*	Three months ended March 31, 2014 [1]		Three months ended March 31, 2013 [1]	
Revenue	$	76,895	$	76,840
EBITDA	$	8,927	$	7,889
EBITDA margin		11.6%		10.3%
EBITDA per share	$	0.10	$	0.09
Net income attributable to common shareholders before non-recurring items [2][3]	$	1,941	$	540
Net income attributable to common shareholder before non-recurring items per share [2][3]	$	0.02	$	0.01
Net income (loss) attributable to common shareholders	$	1,591	$	(430)
Net income (loss) attributable to common shareholders per share	$	0.02	$	0.00
Cash flow from operations before non-recurring items [2][3]	$	9,184	$	8,261
Cash flow from operations per share before non-recurring items [2][3]	$	0.10	$	0.09
Weighted average shares outstanding, net		89,083,105		89,243,102

Notes:

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

(2) 2014 excludes $0.8 million of restructuring expense, $0.1 million of transaction and transition costs and $0.5 million of other income.

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

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

- Operating performance of the Company's various business units and general market conditions during the reported periods;
- Decreased revenues and expenses due to the closure of the Kamloops Daily News;
- The acquisition of additional media assets in the second quarter of 2013 by one of the Company's joint ventures;
- Increased revenues and expenses in Great West Newspapers LP, one of the Company's joint ventures, which began printing the Edmonton Journal late in the second quarter of 2013;
- Restructuring expenses including severance payments and transition costs for new acquisitions; and
- The cyclical nature of certain of Glacier's businesses.

First Quarter 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 period ended March 31, 2014, and 2013:

(thousands of dollars) *except share and per share amounts*	Three months ended March 31, 2014	Three months ended March 31, 2013
Revenue	$ 67,215	$ 70,526
Gross profit (3)	$ 20,232	$ 19,365
Gross margin	30.1%	27.5%
EBITDA (1)	$ 5,818	$ 6,232
EBITDA margin (1)	8.7%	8.8%
EBITDA per share (1)	$ 0.07	$ 0.07
Interest expense, net	$ 1,182	$ 1,233
Net income attributable to common shareholders before non-recurring items (1)(2)(4)	$ 1,893	$ 729
Net income attributable to common shareholder before non-recurring items per share (1)(2)(4)	$ 0.02	$ 0.01
Net income (loss) attributable to common shareholders	$ 1,537	$ (368)
Net income (loss) attributable to common shareholders per share	$ 0.02	$ 0.00
Cash flow from operations before non-recurring items (1)(2)(4)	$ 6,334	$ 6,855
Cash flow from operations per share before non-recurring items (1)(2)(4)	$ 0.07	$ 0.08
Investment capital expenditures	$ 453	$ 615
Sustaining capital expenditures	$ 304	$ 516
Total assets	$ 508,043	$ 606,455
Total non-current financial liabilities	$ 94,623	$ 116,214
Debt net of cash outstanding before deferred financing charges and other expenses	$ 94,000	$ 118,494
Equity attributable to common shareholders	$ 281,042	$ 348,905
Dividends paid (5)	$ 1,838	-
Dividends paid per share (5)	$ 0.02	-
Weighted average shares outstanding, net	89,083,105	89,243,102

Notes:

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

(2) 2014 excludes $0.8 million of restructuring expense, $0.1 million of transaction and transition costs and $0.5 million of other income.

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

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

(5) Dividends in 2014 and 2013 total $0.08 per share, paid quarterly. Dividends in 2013 were declared in March and paid in April.

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

- Operating performance of the Company’s various business units and general market conditions during the reported periods;
- Decreased revenues and expenses due to the closure of the Kamloops Daily News;
- Restructuring expenses including severance payments and transition costs for new acquisitions; and
- The cyclical nature of certain of Glacier’s businesses.

Revenue

Glacier's consolidated revenue for the quarter ended March 31, 2014 was $67.2 million compared to $70.5 million for the same period last year.

Community Media and Trade Information

The community media and trade information group generated $64.6 million of revenue for the period ended March 31, 2014, as compared to $67.9 million for the same period in the prior year. The decrease in revenue during the quarter compared to the same quarter in the prior year was due to softer revenues in the Company's existing businesses in both the community media and certain trade information verticals, as well as the closure of the Kamloops Daily News and other smaller publications.

Agriculture, environmental, manufacturing and financial services and a variety of Glacier's other business information verticals continued to experience strong revenue and profitability. These verticals remain resilient despite the general softness in the economy which has impacted year over year results. Other verticals including mining have shown weaker results consistent with the overall economic slowdown in the mining industry in Canada. Glacier's community media operations continued to experience softness in revenues in various markets as a result of weaker economic conditions and digital competition, particularly in national advertising. A wide array of digital media initiatives resulted in growth in digital community media revenues. New product print revenues also increased on a year over year basis in the community media operations.

Business and Professional Information

The business and professional group – which includes STP, Inceptus Media, and ERIS - generated revenues of $2.6 million for the first quarter which were consistent with the same quarter in the prior year. Inceptus and ERIS generated stronger growth in particular. STP's revenue is beginning to stabilize as a result of continued strength in larger electronic network sales, several new environmental content partnerships and a variety of other efforts. Inceptus generated stronger revenues as a result of the launch of a new iPad based medical education product and contracts from new pharmaceutical clients. The environmental risk information business had strong growth in its products, especially from those launched in the US in late 2013.

Gross Profit

Glacier's consolidated gross profit, being revenues less direct expenses, for the quarter ended March 31, 2014 was $20.2 million compared to $19.4 million for the same period last year. The increase in gross profit is largely attributable to cost savings initiatives taken in the Company's community media operations and certain trade information sectors.

Gross profit as a percentage of revenues ("gross profit margin") for the quarter ended March 31, 2014 increased to 30.1% from 27.5% for the same period last year primarily as a result of the cost reduction initiatives.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $14.4 million for the quarter ended March 31, 2014 as compared to $13.1 million for the same period last year. The increase primarily relates to a reclassification made in the prior year.

EBITDA

EBITDA was $5.8 million for the quarter ended March 31, 2014 as compared to $6.2 million for the same period in the prior year. The decrease in EBITDA was due to various reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

Depreciation and Amortization

Depreciation of property, plant and equipment for the three months ended March 31, 2014 decreased $0.1 million as compared to the same period in the prior year. Amortization of intangible and other assets decreased $0.1 million for the quarter as compared to the same period in the prior year.

Earnings from Joint Ventures and Associates

Earnings from joint ventures and associates ("equity earnings"), which include the Company's share of Continental Newspapers Ltd. ("Continental"), certain assets acquired from Postmedia, InfoMine Inc. ("InfoMine"), Great West Newspapers Limited Partnership ("GWNLP"), Fundata Canada Inc. ("Fundata"), Rhode Island Suburban Newspapers ("RISN"), and other joint ventures and associates, increased $1.4 million as compared to the same period in the prior year. The increase was primarily related to additional printing revenues in GWNLP from printing the Edmonton Journal, additional community media assets acquired by RISN and operating improvements in a number of our other joint ventures and associates.

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)	**March 31, 2014**	December 31, 2013
	$	$
Assets	**113,961**	**115,289**
Liabilities	**45,947**	**51,008**
Net assets	**68,014**	**64,281**

	For the three months ended	
	March 31, 2014	March 31, 2013
	$	$
Revenues	**19,402**	**17,240**
Net income for the period	**2,108**	**674**
Other comprehensive income	**135**	**520**

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders increased by $1.9 million compared to the same period in the prior year. The increase resulted from i) lower depreciation and amortization of $0.2 million, ii) higher other income of $0.5, iii) lower other expenses of $0.4 million, iv) higher income from joint ventures and associates of $1.4 million and v) lower non-controlling interest of $0.1 million, partially offset by i) a $0.4 million decrease in operating results and ii) higher income tax expense of $0.3 million.

Cash Flow from Operations

Glacier's consolidated cash flow from operations decreased to $6.3 million (before changes in non-cash operating accounts and non-recurring items) for the year period ended March 31, 2014 from $6.9 million for the same period in the prior year. The decrease in cash flow from operations resulted from a $0.4 million decrease in operating results as well as other factors stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**.

Capital expenditures were $0.8 million for the quarter ended March 31, 2014 compared to $1.1 million for the same period in the prior year. $0.5 million of these capital expenditures were investment capital expenditures, the majority of which relate to printing equipment, software and other digital infrastructure. These investment capital expenditures are expected to result in attractive direct revenues and cash flow improvements, including lower operating costs and payback consistent with Glacier's targeted return on investment. Sustaining capital expenditures for the quarter were $0.3 million.

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

Related Party Transactions

During the quarter ended March 31, 2014, the Company and its affiliates recorded administration, consulting, interest and other expenses of $0.3 million (2013: $0.4 million) from Madison Venture Corporation (“Madison”) and its subsidiaries. Madison is a minority 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 $0.1 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 exchange amount, which represented 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. $0.2 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 or for the guarantee, which was $22 thousand for the quarter.

Other de-minimis office related expenses were paid to Madison during the quarter in relation to office space shared to reduce expenses. Included in trade payables at March 31, 2014 there was $0.1 million due to Madison.

As part of the Company’s initiatives to dispose of non-core assets to generate funds with which to reduce leverage, the Company sold several real estate properties to an associated entity, Grant Street Properties Inc. (“Grant Street”), in 2013. Glacier retained a minority interest in Grant Street in order to maintain a connection and influence for operational purposes with the properties.

The Company realized $0.5 million of other income related to the sale of a building that was sold to Grant Street in early 2013. Under the terms of the sales agreement Glacier was entitled for a period of time to a share of gains, if any, from the resale of the property by Grant Street. One of Glacier’s operations as well as some additional staff occupied the building that was sold. The proceeds from the sale of the building were used by Grant Street to acquire another property that Glacier will occupy with three of its operations and digital staff to realize greater operating efficiencies and collaboration.

The related party transactions have been reviewed by the independent members of the Company’s Audit Committee and have been deemed to be fair and incurred in the best interests of the Company and its shareholders.

Summary of Selected Quarterly Results

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

(thousands of dollars) *except share and per share amounts*	Trailing 12 Months	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Revenue	$ 292,312	$ 67,215	$ 76,076	$ 68,341	$ 80,680
EBITDA [1]	$ 32,277	$ 5,818	$ 9,828	$ 5,610	$ 11,021
EBITDA margin [1]	11.0%	8.7%	12.9%	8.2%	13.7%
EBITDA per share [1]	$ 0.36	$ 0.07	$ 0.12	$ 0.06	$ 0.12
Interest expense, net	$ 5,470	$ 1,182	$ 1,380	$ 1,440	$ 1,468
Net income attributable to common shareholders before non-recurring items [1][2][3]	$ 21,784	$ 1,893	$ 16,202	$ 1,080	$ 2,609
Net income attributable to common shareholders before non-recurring items per share [1][2][3]	$ 0.24	$ 0.02	$ 0.18	$ 0.01	$ 0.03
Net income (loss) attributable to common shareholders	$ (62,948)	$ 1,537	$ (64,340)	$ (1,531)	$ 1,386
Net income (loss) attributable to common shareholders per share	$ (0.71)	$ 0.02	$ (0.73)	$ (0.02)	$ 0.02
Cash flow from operations [1][2][3]	$ 33,171	$ 6,334	$ 9,360	$ 5,991	$ 11,486
Cash flow from operations per share [1][2][3]	$ 0.37	$ 0.07	$ 0.11	$ 0.07	$ 0.13
Capital expenditures	$ 11,363	$ 757	$ 1,315	$ 1,234	$ 8,057
Debt net of cash outstanding before deferred financing charges and other expenses	$ 94,000	$ 94,000	$ 94,723	$ 109,482	$ 118,148
Equity attributable to common shareholders	$ 281,042	$ 281,042	$ 282,951	$ 348,152	$ 349,843
Weighted average shares outstanding, net	89,120,803	89,083,105	89,083,105	89,083,105	89,234,311

	Trailing 12 Months	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Revenue	$ 302,778	$ 70,526	$ 77,173	$ 71,282	$ 83,797
EBITDA [1]	$ 38,446	$ 6,232	$ 10,847	$ 7,338	$ 14,029
EBITDA margin [1]	12.7%	8.8%	14.1%	10.3%	16.7%
EBITDA per share [1]	$ 0.43	$ 0.07	$ 0.12	$ 0.08	$ 0.16
Interest expense, net	$ 5,577	$ 1,233	$ 1,528	$ 1,243	$ 1,573
Net income attributable to common shareholders before non-recurring items [1][3]	$ 14,932	$ 729	$ 3,794	$ 3,007	$ 7,402
Net income attributable to common shareholders before non-recurring items per share [1][3]	$ 0.17	$ 0.01	$ 0.04	$ 0.03	$ 0.08
Net income attributable to common shareholders	$ 7,047	$ (368)	$ (4,668)	$ 5,335	$ 6,748
Net income attributable to common shareholders per share	$ 0.08	$ 0.00	$ (0.05)	$ 0.06	$ 0.08
Cash flow from operations [1][3]	$ 39,541	$ 6,855	$ 11,166	$ 7,109	$ 14,411
Cash flow from operations per share [1][3]	$ 0.44	$ 0.08	$ 0.12	$ 0.08	$ 0.16
Capital expenditures	$ 6,525	$ 1,131	$ 1,429	$ 1,561	$ 2,404
Debt net of cash outstanding before deferred financing charges and other expenses	$ 118,494	$ 118,494	$ 123,734	$ 129,719	$ 136,173
Equity attributable to common shareholders	$ 348,905	$ 348,905	$ 347,705	$ 352,713	$ 346,954
Weighted average shares outstanding, net	89,213,722	89,243,102	89,354,650	89,358,410	89,358,410

Notes:
[1] Refer to "**Non-IFRS Measures**" section for calculation of non-IFRS measures used in this table.
[2] 2014 excludes $0.8 million of restructuring expense, $0.1 million of transaction and transition costs and $0.5 million of other income.
[3] For non-recurring items in the prior quarters, refer to the prior quarter management discussion & analysis.

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 2013;
- Restructuring expenses in 2014, 2013 and 2012;
- Transaction and transition costs in 2014, 2013 and 2012;
- A goodwill, intangible asset and investment in associate impairment charge of $8.5 million in the fourth quarter of 2012 and $79.0 million in the fourth quarter of 2013;

- Goodwill and intangible asset impairments in certain joint ventures and associates included in equity earnings in the fourth quarter of 2013;
- Gain on acquisition of $1.1 million in the second quarter of 2012 related to the acquisition of control of ANGLP, and consolidation of the results thereafter;
- Other income of $3.1 million in the third quarter of 2012 related to the redemption of miscellaneous investments received in connection with the 2008 Sun Times settlement; and
- The cyclical nature of some of Glacier's businesses.

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

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

(thousands of dollars) *except share and per share amounts*	For the three months ended March 31, **2014**	2013
EBITDA [(1)]		
Net income (loss) attributable to common shareholders	**$ 1,537**	$ (368)
Add (deduct):		
Non-controlling interest	**$ 1,060**	$ 1,145
Net interest expense	**$ 1,182**	$ 1,233
Depreciation of property, plant and equipment	**$ 1,436**	$ 1,553
Amortization of intangible assets	**$ 1,954**	$ 2,037
Other income	**$ (565)**	$ (89)
Other expenses	**$ 654**	$ 1,075
Share of earnings from joint ventures and associates	**$ (1,860)**	$ (500)
Income tax expense	**$ 420**	$ 146
EBITDA [(1)]	**$ 5,818**	$ 6,232
Cash flow from operations [(1)]		
Net income (loss) attributable to common shareholders	**$ 1,537**	$ (368)
Add (deduct):		
Non-controlling interest	**$ 1,060**	$ 1,145
Depreciation and amortization	**$ 3,390**	$ 3,590
Employee future benefits	**$ 88**	$ 324
Deferred income tax expense	**$ 420**	$ 146
Interest expense	**$ 1,231**	$ 1,233
Share of earnings from joint ventures and associates	**$ (1,860)**	$ (500)
Other non-cash expense	**$ 117**	$ 184
Other income	**$ (500)**	$ -
Restucturing costs	**$ 782**	$ 684
Transaction and transition costs	**$ 69**	$ 417
Cash flow from operations [(1)]	**$ 6,334**	$ 6,855
Net income (loss) attributable to common shareholders before non-recurring items [(1)]		
Net income (loss) attributable to common shareholders	**$ 1,537**	$ (368)
Add (deduct):		
Net loss (gain) on disposal of assets	**$ 5**	$ (4)
Other income	**$ (500)**	$ -
Restructuring costs	**$ 782**	$ 684
Transaction and transition costs	**$ 69**	$ 417
Net income attributable to common shareholders before non-recurring items [(1)]	**$ 1,893**	$ 729
Weighted average shares outstanding, net	**89,083,105**	89,243,102
EBITDA per share [(1)]	**$ 0.07**	$ 0.07
Net income attributable to common shareholders before non-recurring items per share [(1)]	**$ 0.02**	$ 0.01
Net income attributable to common shareholders per share	**$ 0.02**	$ 0.00
Cash flow from operations per share [(1)]	**$ 0.07**	$ 0.08

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

Reconciliation of 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.

(thousands of dollars) except share and per share amounts	**Three months ended March 31, 2014** Per IFRS	Differential	Adjusted[1]	Three months ended March 31, 2013 Per IFRS	Differential	Adjusted[1]
Revenue	$ 67,215	$ 9,680	$ 76,895	$ 70,526	$ 6,314	$ 76,840
Gross profit [3]	$ 20,232	$ 4,579	$ 24,811	$ 19,365	$ 2,908	$ 22,273
Gross margin	30.1%		32.3%	27.5%		29.0%
EBITDA [1]	$ 5,818	$ 3,109	$ 8,927	$ 6,232	$ 1,657	$ 7,889
EBITDA margin [1]	8.7%		11.6%	8.8%		10.3%
EBITDA per share [1]	$ 0.07		$ 0.10	$ 0.07		$ 0.09
Net income attributable to common shareholders before non-recurring items [1][2][4]	$ 1,893	$ 48	$ 1,941	$ 729	$ (189)	$ 540
Net income attributable to common shareholders per share before non-recurring items [1][2][4]	$ 0.02		$ 0.02	$ 0.01		$ 0.01
Cash flow from operations [1][2][4]	$ 6,334	$ 2,850	$ 9,184	$ 6,855	$ 1,406	$ 8,261
Cash flow from operations per share [1][2][4]	$ 0.07		$ 0.10	$ 0.08		$ 0.09
Total assets	$ 508,043	$ 22,148	$ 530,191	$ 606,455	$ 15,783	$ 622,238
Weighted average shares outstanding, net	89,083,105		89,083,105	89,243,102		89,243,102

Notes:
(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.
(2) Adjusted 2014 excludes $0.8 million of restructuring expense, $0.1 million of transaction and transition costs and $0.5 million of other income.
(3) Gross profit for these purposes excludes depreciation and amortization.
(4) For non-recurring items excluded in the prior period, refer to previously reported financial statements.

Summary of Financial Position, Financial Requirements and Liquidity

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

As at March 31, 2014, Glacier had consolidated cash and cash equivalents of $6.0 million, current and long-term debt of $100.0 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $29.2 million excluding deferred revenue. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to quarterly updates, renewals and newspaper subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities as Glacier receives cash revenue on an ongoing basis that offsets the deferred revenue liability.

Capital expenditures were $0.8 million for the quarter ended March 31, 2014 compared to $1.1 million for the same period in the prior year. $0.5 million of these capital expenditures were investment capital expenditures, the majority of which relate to printing equipment, software and other digital infrastructure. Sustaining capital expenditures for the quarter were $0.3 million.

Changes in Financial Position

(thousands of dollars)	**For the three months ended** **March 31, 2014**	March 31, 2013
Cash generated from (used in)		
Operating activities	**2,145**	6,824
Investing activities	**2,074**	(11)
Financing activities	**(5,190)**	(4,138)
Increase (Decrease) in cash	**(971)**	2,675

The changes in the components of cash flows during the 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 $6.3 million compared to $6.9 million for the same period in the prior year. The decrease was primarily due to a $0.4 million decrease in operating results as well as other factors stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**. Cash from operations before non-recurring items and after change in non-cash working capital was $2.5 million compared to $7.9 million for the same period in the prior year.

Investing Activities

Cash generated by investing activities totalled $2.1 million for the three months ended March 31, 2014 compared to $ nil used for the same quarter in 2013. Investing activities included $0.5 million of investment capital expenditures, $0.3 million of sustaining capital expenditures, distributions received of $2.3 million and other investing activities.

Financing Activities

Cash used for financing activities was $5.2 million for the period ended March 31, 2014 compared to $4.1 million for the same period in 2013. The Company made net debt repayments of $1.7 million for the quarter ended March 31, 2014 compared to $2.5 million for the same period in the prior year. In the three months ended March 31, 2014, the Company distributed $0.4 million to its minority partners (non-controlling interests), paid $1.3 million in interest and $1.8 million of dividends.

Outstanding Share Data

As at March 31, 2014, 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, 2014, unless extended.

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

At May 13, 2014, there were 89,083,105 common shares and 1,115,000 share purchase warrants outstanding.

Contractual Agreements

As at March 31, 2014, Glacier has agreements with a syndicate of major Canadian banks whereby the lenders provided a single revolving loan facility with no required principal repayments during its term. During the quarter ended March 31, 2014, the Company extended this facility to May 30, 2015. 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 2023.

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

(thousands of dollars)	Total	2014	2015	2016	2017	2018	Thereafter
Long-term debt	99,606	5,055	88,305	5,590	79	83	494
Operating leases	26,388	4,307	4,528	3,929	3,686	2,990	6,948
	125,994	9,362	92,833	9,519	3,765	3,073	7,442

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 March 31, 2014 and March 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 March 31, 2014, the Company did not have any foreign exchange forward contracts.

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

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

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

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

The carrying value of certain financial instruments maturing in the short-term approximates their fair value. These financial instruments include cash and cash equivalents, trade 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

A comprehensive discussion of Risks and Uncertainties was included in the 2013 Annual Report and can be found on SEDAR.

Disclosure Controls and Internal Controls over Financial Reporting

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

The Company did not make any changes to its internal controls over financial reporting ("ICFR") during the most recent period ended March 31, 2014 which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Future Accounting Policies

There are no accounting standards that are issued but not yet applied that are applicable to the Company as at March 31, 2014.

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.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
Three months ended March 31, 2014 and 2013

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

	Three months ended March 31,	
	2014	2013
	$	$
Revenue	**67,215**	70,526
Expenses before depreciation and amortization		
Direct expenses (Note 14)	**46,983**	51,161
General and administrative (Note 14)	**14,414**	13,133
	5,818	6,232
Interest expense, net (Note 13)	**1,182**	1,233
Depreciation of property, plant and equipment	**1,436**	1,553
Amortization of intangible assets	**1,954**	2,037
Other income	**(565)**	(89)
Other expenses	**654**	1,075
Share of earnings from joint ventures and associates (Note 7)	**(1,860)**	(500)
Net income before income taxes	**3,017**	923
Income tax expense (Note 12)	**420**	146
Net income for the period	**2,597**	777
Net income (loss) attributable to:		
Common shareholders	**1,537**	(368)
Non-controlling interest	**1,060**	1,145
Earnings per share attributable to common shareholders		
Basic and diluted	**0.02**	0.00
Weighted average number of common shares		
Basic and diluted	**89,083,105**	89,243,102

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three months ended March 31, 2014 and 2013

(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three months ended March 31, 2014	2013
	$	$
Net income for the period	**2,597**	777
Other comprehensive (loss) income (net of tax) (Note 11)		
Actuarial (loss) gain on defined benefit pension plans [1]	**(1,828)**	2,411
Unrealized loss on investments classified as available-for-sale [2]	**(28)**	(171)
Share of other comprehensive income from joint ventures and associates [1]	**135**	667
Other comprehensive (loss) income, net of tax	**(1,721)**	2,907
Total comprehensive income	**876**	3,684
Total comprehensive (loss) income attributable to:		
Common shareholders	**(128)**	2,448
Non-controlling interest	**1,004**	1,236

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

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED BALANCE SHEETS
As at March 31, 2014 and December 31, 2013

(Expressed in thousands of Canadian dollars)
(Unaudited)

	As at March 31, 2014	As at December 31, 2013
	$	$
Assets		
Current assets		
Cash and cash equivalents	**5,999**	6,970
Trade and other receivables	**53,590**	56,212
Inventory	**6,829**	5,104
Prepaid expenses	**1,856**	2,487
	68,274	70,773
Non-current assets		
Investments in joint ventures and associates (Note 7)	**108,256**	108,539
Other investments	**3,334**	3,367
Other assets	**2,017**	2,073
Property, plant and equipment (Note 8)	**49,616**	50,372
Intangible assets (Note 9)	**109,137**	111,019
Goodwill	**167,409**	167,409
Total assets	**508,043**	513,552
Liabilities		
Current liabilities		
Trade and other payables	**26,555**	33,987
Dividends payable	**1,781**	1,781
Deferred revenue	**18,786**	16,195
Current portion of long-term debt (Note 10)	**6,735**	6,733
Other current liabilities	**3,998**	3,523
	57,855	62,219
Non-current liabilities		
Non-current portion of deferred revenue	**1,553**	1,576
Other non-current liabilities	**1,752**	1,641
Post-employment benefit obligation	**7,118**	4,539
Long-term debt (Note 10)	**92,871**	94,655
Deferred income taxes	**15,853**	16,166
Total liabilities	**177,002**	180,796
Equity		
Share capital	**198,605**	198,605
Contributed surplus	**8,951**	8,951
Accumulated other comprehensive loss (Note 11)	**(954)**	(927)
Retained earnings	**74,440**	76,322
Total equity attributable to common shareholders	**281,042**	282,951
Non-controlling interest	**49,999**	49,805
Total equity	**331,041**	332,756
Total liabilities and equity	**508,043**	513,552

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Three months ended March 31, 2014 and 2013

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

	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 for the period	-	-	-	-	1,537	1,537	1,060	2,597
Other comprehensive loss (net of tax)	-	-	-	(27)	(1,638)	(1,665)	(56)	(1,721)
Total comprehensive (loss) income for the period	-	-	-	(27)	(101)	(128)	1,004	876
Dividends declared on common shares	-	-	-	-	(1,781)	(1,781)	(57)	(1,838)
Distributions to non-controlling interests	-	-	-	-	-	-	(753)	(753)
Balance, March 31, 2014	**89,083,105**	**198,605**	**8,951**	**(954)**	**74,440**	**281,042**	**49,999**	**331,041**
Balance, December 31, 2012	89,243,102	198,962	8,844	(520)	140,419	347,705	48,528	396,233
Net income (loss) for the period	-	-	-	-	(368)	(368)	1,145	777
Other comprehensive income (loss) (net of tax)	-	-	-	(166)	2,982	2,816	91	2,907
Total comprehensive income (loss) for the period	-	-	-	(166)	2,614	2,448	1,236	3,684
Dividends declared on common shares	-	-	-	-	(1,785)	(1,785)	(56)	(1,841)
Distributions to non-controlling interests	-	-	-	-	-	-	(879)	(879)
Non-controlling interest on acquisition	-	-	-	-	-	-	46	46
Balance, March 31, 2013	89,243,102	198,962	8,844	(686)	141,248	348,368	48,875	397,243

See accompanying notes to these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Three months ended March 31, 2014 and 2013

(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three months ended March 31, 2014	2013
	$	$
Operating activities		
Net income	**2,597**	777
Items not affecting cash		
Depreciation of property, plant and equipment	**1,436**	1,553
Amortization of intangible assets	**1,954**	2,037
Employee future benefit expense in excess of employer contributions	**88**	324
Deferred income taxes	**420**	146
Interest expense (Note 13)	**1,231**	1,233
Share of earnings from joint ventures and associates	**(1,860)**	(500)
Other non-cash expense	**117**	184
Cash flow from operations before changes in non-cash operating accounts	**5,983**	5,754
Changes in non-cash operating accounts		
Trade and other receivables	**2,499**	759
Inventory	**(1,725)**	(889)
Prepaid expenses	**631**	817
Trade and other payables	**(7,811)**	(3,662)
Deferred revenue	**2,568**	4,045
Cash generated from operating activities	**2,145**	6,824
Investing activities		
Acquisitions, inclusive of bank indebtedness assumed and related financing liabilities	**-**	(74)
Net cash acquired on acquisitions	**-**	132
Investments in and cash advances to joint ventures and associates	**-**	(45)
Other investing activities	**553**	-
Distributions received from joint ventures and associates	**2,278**	1,107
Purchase of property, plant and equipment	**(685)**	(574)
Purchase of intangible assets	**(72)**	(557)
Cash generated from (used in) investing activities	**2,074**	(11)
Financing activities		
Distribution to non-controlling interests	**(395)**	(506)
Dividends paid	**(1,781)**	-
Interest paid	**(1,318)**	(1,170)
Repayment of long-term debt	**(1,696)**	(2,462)
Cash used in financing activities	**(5,190)**	(4,138)
Net cash (outflow) inflow	**(971)**	2,675
Cash and cash equivalents, beginning of period	**6,970**	1,233
Cash and cash equivalents, end of period	**5,999**	3,908

See accompanying notes to these interim consolidated financial statements

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

1. General business description

Glacier Media Inc. ("Glacier" or the "Company") is an information communications company providing primary and essential information and related services through print 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 condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim consolidated financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

These consolidated financial statements have been approved by the Board of Directors for issue on May 13, 2014.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2013. The policies applied are based on the International Financial Reporting Standards issued and outstanding as at the date the board of directors approved these consolidated financial statements.

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

There are no accounting standards that are issued but not yet applied that are applicable to the Company as at March 31, 2014.

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

6. Critical accounting estimates and judgements

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2013.

7. Investments in joint ventures and associates

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

(thousands of dollars)	**As at and for the period ended March 31, 2014**	As at and for the year ended December 31, 2013
	$	$
Balance, beginning of period	**108,539**	114,222
Investments in joint ventures and associates	**-**	5,775
Share of earnings for the period	**1,860**	468
Share of other comprehensive income for the year (net of tax)	**135**	1,535
Distributions and dividends received and other equity movements	**(2,278)**	(6,448)
Impairment of investment in associate	**-**	(7,013)
Balance, end of period	**108,256**	108,539

8. Property, plant and equipment

		As at March 31, 2014	
(thousands of dollars)	**Cost**	**Accumulated depreciation**	**Carrying amount**
	$	**$**	**$**
Land	**7,635**	**-**	**7,635**
Buildings	**15,434**	**(1,974)**	**13,460**
Production equipment	**47,553**	**(26,438)**	**21,115**
Office equipment and leaseholds	**25,079**	**(17,673)**	**7,406**
	95,701	**(46,085)**	**49,616**

		As at December 31, 2013	
(thousands of dollars)	Cost	Accumulated depreciation	Carrying amount
	$	$	$
Land	7,635	-	7,635
Buildings	15,434	(1,849)	13,585
Production equipment	47,418	(25,906)	21,512
Office equipment and leaseholds	24,721	(17,081)	7,640
	95,208	(44,836)	50,372

The Company has classified certain land and building assets with a carrying value of $3.0 million as available-for-sale. These assets are recorded at their carrying value as the fair value less cost to sell is greater than the carrying amount. These assets are no longer being amortized.

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

9. Intangible assets

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

		As at March 31, 2014	
(thousands of dollars)	**Cost**	**Accumulated amortization**	**Carrying amount**
	$	**$**	**$**
Indefinite life			
Mastheads and trademarks	**71,405**	**-**	**71,405**
Finite life			
Copyrights	**12,482**	**(10,170)**	**2,312**
Customer relationships	**56,598**	**(26,718)**	**29,880**
Subscription lists	**3,851**	**(2,769)**	**1,082**
Software and websites	**18,206**	**(13,748)**	**4,458**
	162,542	**(53,405)**	**109,137**

		As at December 31, 2013	
(thousands of dollars)	Cost	Accumulated amortization	Carrying amount
	$	$	$
Indefinite life			
Mastheads and trademarks	71,405	-	71,405
Finite life			
Copyrights	12,482	(10,099)	2,383
Customer relationships	56,598	(25,289)	31,309
Subscription lists	3,851	(2,764)	1,087
Software and websites	18,118	(13,283)	4,835
	162,454	(51,435)	111,019

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

10. Long-term debt

The Company has the following long-term debt outstanding:

(thousands of dollars)	**As at March 31, 2014**	As at December 31, 2013
	$	$
Current		
ANGLP non-recourse debt	**6,667**	6,667
Mortgages and other loans	**68**	66
	6,735	6,733
Non-current		
Revolving bank loan	**82,000**	82,000
ANGLP non-recourse debt	**10,436**	12,102
Mortgages and other loans	**435**	553
	92,871	94,655
	99,606	101,388

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

(thousands of dollars)	**As at March 31, 2014**	As at December 31, 2013
	$	$
Balance, beginning of period	**101,388**	124,388
Proceeds from additional borrowings	**-**	3,832
Financing charges	**(86)**	203
Principal portion of finance lease payments	**-**	(660)
Repayment of debt	**(1,696)**	(26,375)
Balance, end of period	**99,606**	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 March 31, 2014 and December 31, 2013.

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

11. Other comprehensive (loss) income

The components of other comprehensive (loss) income 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 gain on defined benefit plans	-	-	-	(1,769)	(1,769)	(59)	(1,828)
Unrealized loss on available-for-sale investments	(27)	-	(27)	-	-	(1)	(28)
Share of other comprehensive income from joint ventures and associates	-	-	-	131	131	4	135
Other comprehensive (loss) for the period			(27)		(1,638)	(56)	(1,721)
Balance, March 31, 2014	**(832)**	**(122)**	**(954)**	**(1,244)**	**(1,244)**	**(81)**	**(2,279)**
Balance, December 31, 2012	(398)	(122)	(520)	(7,498)	(7,498)	(265)	(8,283)
Actuarial loss on defined benefit plans	-	-	-	2,336	2,336	75	2,411
Unrealized loss on available-for-sale investments	(166)	-	(166)	-	-	(5)	(171)
Share of other comprehensive income from joint ventures and associates	-	-	-	646	646	21	667
Other comprehensive income (loss) for the period			(166)		2,982	91	2,907
Balance, March 31, 2013	(564)	(122)	(686)	(4,516)	(4,516)	(174)	(5,376)

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

Other comprehensive (loss) income 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	**666**	(802)
Unrealized loss on available-for-sale investments	**4**	25

12. Income taxes

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

	For the three months ended March 31,	
(thousands of dollars)	**2014**	2013
	$	$
Current tax	**-**	-
Deferred tax	**420**	146
Income tax expense	**420**	146

As at March 31, 2014, the Company has available non-capital losses and unclaimed tax credits which may be used to reduce future Canadian income taxes otherwise payable.

Refer to note 17.

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

13. Net interest expense

(thousands of dollars)	For the three months ended March 31, 2014	2013
	$	$
Interest income	**(49)**	-
Interest expense	**1,231**	1,233
Net interest expense	**1,182**	1,233

14. Expense by nature

(thousands of dollars)	For the three months ended March 31, 2014	2013
	$	$
Wages and benefits	**32,732**	34,942
Newsprint, ink and other printing costs	**8,892**	10,433
Delivery costs	**6,611**	6,953
Rent, utilities and other property costs	**2,887**	2,866
Advertising, marketing and other promotion costs	**2,942**	2,794
Third party production and editorial costs	**3,596**	3,325
Legal, bank, insurance and professional services	**1,486**	1,505
Data services, system maintenance, telecommunications and software licenses	**888**	692
Fees, licenses and other services	**653**	601
Event costs	**584**	157
Other	**126**	26
	61,397	64,294
Direct expenses	**46,983**	51,161
General and administrative expenses	**14,414**	13,133
	61,397	64,294

15. 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 quarter ended March 31, 2014, the Company and its affiliates recorded administration, consulting, interest and other expenses of $0.3 million (2013: $0.4 million) from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a minority 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 $0.1 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.

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

15. Related party transactions (continued)

These services were provided in the normal course of operations and were measured at the exchange amount, which represented the amount of consideration established and agreed to by the related parties. The Company also shares office space and purchases 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)	For the three months ended March 31, 2014	2013
	$	$
Interest (i)	**169**	248
Consulting and administration fees (ii)	**138**	113
Office, telephone and other (iii)	**27**	34
Directors fees (iv)	**13**	13
	347	408

(i) $0.2 million (2013: $0.2 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 $22 thousand for the quarter.

(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 as those for the independent directors.

Included in trade payables at March 31, 2014 was $0.1 million due to Madison.

(b) As part of the Company's initiatives to dispose of non-core assets to generate funds with which to reduce leverage, the Company sold several real estate properties to an associated entity, Grant Street Properties Inc. ("Grant Street"), in 2013. Glacier retained a minority interest in Grant St. in order to maintain a connection and influence for operational purposes with the properties.

The Company realized $0.5 million of other income related to the sale of a building that was sold to Grant Street in early 2013. Under the terms of the sales agreement Glacier was entitled for a period of time to a share of gains, if any, from the resale of the property by Grant Street. One of Glacier's operations as well as some additional staff occupied the building that was sold. The proceeds from the sale of the building were used by Grant Street to acquire another property that Glacier will occupy with three of its operations and digital staff to realize greater operating efficiencies and collaboration.

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

15. Related party transactions (continued)

The related party transactions have been reviewed by the independent members of the Company's Audit Committee and have been deemed to be fair and incurred in the best interests of the Company and its shareholders.

16. Segment disclosure

The Company and its subsidiaries operate in two distinct operating segments throughout Canada and the United States. These segments are the business and professional market that Specialty Technical Publishers ("STP"), Inceptus Media and 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 March 31, 2014 and December 31, 2013 and for the periods ended March 31, 2014 and 2013:

(thousands of dollars)	Community Media and Trade Information	Business and Professional	Corporate and Other	Total Operations	Differential[(1)]	IFRS Total
Three months ended March 31, 2014	**$**	**$**	**$**	**$**	**$**	**$**
Revenue						
Canada	**67,479**	**3,580**	**-**	**71,059**	**(6,892)**	**64,167**
United States	**4,947**	**889**	**-**	**5,836**	**(2,788)**	**3,048**
				76,895		**67,215**
Income (loss) before interest, taxes, depreciation and amortization	**7,514**	**1,432**	**(19)**	**8,927**	**(3,109)**	**5,818**
Net interest expense	**1,299**	**21**	**-**	**1,320**	**(138)**	**1,182**
Depreciation and amortization	**3,975**	**189**	**-**	**4,164**	**(774)**	**3,390**
Other income	**(65)**	**-**	**(500)**	**(565)**	**-**	**(565)**
Other expense	**714**	**17**	**(56)**	**675**	**(21)**	**654**
Share of (earnings) loss from joint ventures and associates	**272**	**(114)**	**-**	**158**	**(2,018)**	**(1,860)**
Income tax (recovery) expense	**509**	**196**	**-**	**705**	**(285)**	**420**
Segment net income	**810**	**1,123**	**537**	**2,470**	**127**	**2,597**
Assets	**484,546**	**44,428**	**1,217**	**530,191**	**(22,148)**	**508,043**
Capital expenditures	**2,129**	**59**	**-**	**2,188**	**(1,431)**	**757**
Investments in joint ventures and associates	**43,279**	**11,428**	**-**	**54,707**	**53,549**	**108,256**

(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
Three months ended March 31, 2013	$	$	$	$	$	$
Revenue						
Canada	69,032	3,047	-	72,079	(5,373)	66,706
United States	3,633	1,128	-	4,761	(941)	3,820
				76,840		70,526
Income (loss) before interest, taxes, depreciation and amortization	6,673	1,237	(21)	7,889	(1,657)	6,232
Net interest expense	1,246	46	-	1,292	(59)	1,233
Depreciation and amortization	3,813	153	-	3,966	(376)	3,590
Other income	(89)	-	-	(89)	-	(89)
Other expense	56	2	930	988	87	1,075
Share of (earnings) loss from joint ventures and associates	458	365	-	823	(1,323)	(500)
Income tax expense	141	208	-	349	(203)	146
Segment net income (loss)	1,048	463	(951)	560	217	777
Assets	587,012	35,231	(5)	622,238	(108,686)	513,552
Capital expenditures	1,867	243	-	2,110	(979)	1,131
Investments in joint ventures and associates	53,934	7,609	-	61,543	46,996	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.

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

17. Commitments

In March 2013, an affiliate of the Company received correspondence from Canada Revenue Agency ("CRA") proposing to issue a notice of reassessment with respect to the utilization of non-capital losses by the affiliate, pertaining to taxation years 2008, 2009, 2010 and 2011. The Company believes that it has reported its tax position appropriately. No provision has been made in these consolidated financial statements for additional income taxes, if any, which may be determined to be payable on ultimate resolution of this matter. Should CRA issue the notice of reassessment, the Company's affiliate would be obligated to pay an initial payment of fifty percent of the reassessed tax amount plus penalties and interest, in conjunction with appealing the reassessment. The Company believes its affiliate has substantial defences in response to the matters raised by CRA and would vigorously appeal any reassessment. The initial payment upon appeal, as well as the proposed reassessment by CRA, if upheld, would have a material impact on the Company's consolidated financial statements and cash flows. Notwithstanding, the Company's affiliate has the financial capacity to pay such amounts, if any. The likely timing to resolve this matter may take years. As of May 13, 2014, there has been no change in the status of this matter.

Board of Directors

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

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