Consolidated Financial Statements of

GLACIER MEDIA INC.

Year ended December 31, 2013

President's Message

Summary

Glacier Media Inc. ("Glacier" or the "Company") completed 2013 with a strong fourth quarter. Same-store consolidated revenue was up 1.2% and consolidated EBITDA was up 16.1% for the quarter compared to last year on an adjusted basis(1).

Notwithstanding a $79.0 million accounting charge taken for impairment of goodwill, intangible assets and investment in associate relating primarily to a reduction in the carrying value of community media assets, which resulted in a significant reduction in net income for 2013, the fourth quarter results were very encouraging and represented a significant improvement in business and operating results compared to the softness experienced earlier in the year. Significant reduction in debt and improved strength in operating position was also achieved during the year through principal repayments made from operating cash flows and the sale of real estate and non-core assets. Management intends to continue to use free cash flow to further reduce debt and pay dividends to shareholders, amongst other things. The improved operating performance was a result of both new revenue initiatives that resulted in higher sales, and significant cost reduction initiatives that were implemented in a variety of areas. Through its diversified range of businesses, Glacier is continuing to pursue a comprehensive strategy to Evolve, Enrich and Extend its information products and services. In 2013, a variety of new digital and data products were launched that contributed to higher sales and profitability in Glacier's business information verticals.

Within the Company's business information group, a variety of sectors continued to deliver growth, including energy, agriculture, environment, manufacturing, construction and financial services. Management is investing in a number of these verticals to develop new rich information tools, including, for example, new environmental risk information markets, weather, farm management and upstream oil and gas data platforms.

In the community media operations, significant progress was made developing new digital offerings with a focus on products 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 pursuing larger and wider digital revenues as are many digital media companies without a positive contribution. Glacier's community media digital revenues generated strong year over year growth in 2013 with a net overall EBITDA margin in excess of the community media group print margin.

While in 2013 a generally weak economy continued to affect business conditions for parts of the Company, significant progress was made towards improving overall operating and financial position strength through a series of value enhancement initiatives discussed below.

Consolidated revenue and EBITDA for the twelve months ending 2013 were off 0.3% and 14.8% respectively compared to last year on an adjusted basis(1), primarily due to weaker community media revenues, which were impacted by overall economic conditions in 2013 and digital competition, offset by stronger business information revenues. The variance in EBITDA was also the result of approximately $2.0 million of one-time non-cash expenses and changes in deferred revenue accounting, as well as $1.9 million of operating cost development investments in agriculture digital and data, the launch of the Company's environmental risk information business into the U.S. and REW.ca real estate information development initiatives. New revenues began to be realized from these investments in the fourth quarter of 2013 and the first quarter of 2014.

Excluding the $3.9 million of one-time non-cash expenses, accounting changes and development investments, adjusted (1) consolidated EBITDA for the year ending 2013 was $46.9 million, which was only 7.0% off of 2012 consolidated EBITDA of $50.4 million, despite the economic and other challenges faced in 2013.

Key Financial Highlights (1)

- Same-store consolidated revenue was up 1.2% for the quarter ending December 31, 2013 and consolidated EBITDA was up 16.1% for the same quarter compared to last year on an adjusted basis;

- For the year ended December 31, 2013, Glacier's adjusted consolidated revenues decreased 0.3% or $1.1 million to $328.9 million from $330.0 million the prior year;

- For the year ended December 31, 2013, adjusted consolidated earnings before interest taxes, depreciation and amortization (EBITDA) declined 14.8% to $42.9 million from $50.4 million the prior year. EBITDA was affected by $2.0 million in one-time accounting and other expense items, as well as $1.9 million of operating cost development investments made in agriculture digital and data, the launch of the Company's environmental risk information business into the U.S. and REW.ca real estate information development initiatives. Excluding these amounts, consolidated adjusted EBITDA was $46.8 million, off 7.0% from the prior year;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) decreased 15.6% from the prior year to $42.4 million;

- Adjusted net income attributable to common shareholders before non-recurring items was $22.2 million, compared to $18.5 million the prior year;

- Adjusted EBITDA per share decreased 14.6% to $0.48 per share from $0.56 per share for the year compared to the prior year and net income attributable to common shareholders before non-recurring items per share increased to $0.25 per share from $0.21 per share for last year;

- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) decreased to $0.48 per share from $0.56 per share for last year;

- The Company (excluding its joint ventures) reduced debt by $23.3 million during the year, of which $12.0 million was generated by the sale of real estate assets; and

- As a result of the continued structural changes in the print media industry resulting from digital competition and weaker economic conditions, and reduced valuations for print newspaper assets, the Company recorded an impairment of its goodwill, intangible assets and investment in associate of $79.0 million, primarily in its community media assets.

(1) These results are presented on a proportionate consolidation basis, and include 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. Refer to the *Impact of new Joint Venture Accounting,* below, for impact of proportionate consolidation accounting and the Company's results in accordance with IFRS.

Value Enhancement Initiatives

In 2013, the Company pursued a number of strategic initiatives to strengthen its financial position and operating performance. These initiatives included 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 will be using the strategy to improve its community media operations as well.

- Cost reduction initiatives. Given the softness experienced in the Company's community media operations, a variety of significant cost reduction measures have and are being implemented to reduce overall operating costs. The initiatives are targeted to reduce costs by more than $7.0 million on an annualized basis. Savings from these initiatives began to be realized in both the third and fourth quarters of 2013. In implementing these initiatives, management has been diligent to maintain the operating integrity of the businesses.

- Sale of real estate assets. The Company continues to implement its plans to sell a significant portfolio of real estate properties in the near term. Some $3.9 million was generated from the sale of property in

April 2013. $8.2 million was realized in December 2013 from the sale of the Company's property in Saskatoon. Subsequent to year end, the Company entered into an agreement to sell its 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 negotiated. Given current capitalization and interest rates, monetizing real estate value to reduce leverage has been deemed prudent. The real estate 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. During the fourth quarter of 2013, the Company sold two money-losing community newspapers and acquired several more profitable community media assets that provide a better strategic fit.

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.

Business information operations now represent more than half of Glacier's EBITDA, of which 45% comes from rich information digital data products designed for scalable growth and higher profitability. Many product lines offer resiliency in challenging economic times as they provide critical insight and analysis to Glacier's customers. Much of 2013's strategic planning focused on enhancing existing products and services to include increased decision-making utility refinements, as well as identifying new information products and services in both existing and new channels, as part of Glacier's Evolve, Enrich and Extend strategy.

Many business information operations continued to deliver growth despite prevailing economic conditions, with revenue increases generated across many verticals. While in some verticals this growth was slower than the prior year, they still performed well. These included energy, agriculture, environmental risk, environmental compliance, financial services, manufacturing and construction. Overall, however, general economic conditions resulted in decreased customer activity, which in turn, has resulted in decreased marketing and sales volumes. Glacier's management closely monitors its competitive sectors to discern when new opportunities may present themselves.

Glacier's business information portfolio contains many brands that have decades of service in their respective sectors. The intrinsic equity associated with these brands is a key competitive advantage as the Company pursues its Evolve, Enrich and Extend strategy. Consistent with this strategy, management is focused on initiatives designed to offer customers increasingly richer value propositions. These include multi-platform solutions – with a key focus on mobile offerings – designed to integrate more seamlessly with customer decision-making processes, thus ensuring heightened levels of decision dependency. Such dependence is enhanced through a focus on effective pricing and targeted timing. Digital revenues now represent more than one quarter of Glacier's business information revenues. Efforts are under way to distinguish different types of digital content, advertising and subscriptions based on research designed to highlight specific sector needs. A consistent focus on various ways of enriching content results in improved rates for advertising positioned alongside rich information.

In 2013, a variety of initiatives highlighted how sharper focus on sector and customer needs is facilitating successful development and growth. These developments are intended to play important mid-term and long-term roles in the evolution and extension of Glacier's business franchises. They include:

- Environmental Risk Information Service ("ERIS") expanded its business into the United States. The ERIS platform will now operate as a centralized hub for North America, conforming to both Canadian and United States standards;

- WeatherFarm was re-engineered and re-launched to integrate new tools and data sets that augment the meteorological information and analytics of the Company's new Weather INnovations Consulting LP business, through which real-time weather data and intelligence is supplied to Canadian farmers and agri-business companies;

- The BC and Alberta Export Awards were added to the Company's growing stable of events and conferences. Both events solidify important relationships with the Canadian Manufacturers and Exporters association, as well as respective provincial governments;

- Glacier FarmMedia (the new DBA for Glacier's agricultural group) contracted with the Alberta Wheat Commission to provide syndicated market information to commission members through its website;

- Canada's Outdoor Farm Show ("COFS") achieved record results with its 20th Anniversary exposition. Nearly 43,000 delegates attended the show which included more than 750 exhibitors. COFS attracts both global delegates and agricultural technology (seed, crop protection and equipment technology) exhibitors and strengthens Glacier's customer relationships and revenue opportunities through integrated marketing solutions along the agricultural value chain.

In 2013, Glacier's business information operations were impacted by a change in accounting with respect to revenue recognition for certain digital directory products, which has resulted in a $1.2 million reduction in accounting revenues and EBITDA. These revenues and corresponding EBITDA will increase by $1.2 million over the same period in 2014 assuming volumes remain the same.

Management continues to monitor key provincial and federal policy initiatives with respect to the opportunities they may offer. Important developments in areas of energy and climate change, as well as international trade with Pacific Rim and European markets offer openings for new information products. For example, British Columbia is seeking to develop a comprehensive Liquefied Natural Gas strategy as part of its overall market access development. Such initiatives provide key opportunities for a number of Glacier assets, including its energy group and B.C. community media properties, which will launch information products and communications into this space early in 2014.

As well, these international markets offer new advertising and marketing frontiers for Canadian customers seeking to expand internationally. Such enhanced distribution highlights the quality and integrity of Canadian goods and services, particularly when aligned with content that contextualizes Canada's increasingly important role in a global economy. In particular, management has been monitoring federal negotiations with the European Union that have now resulted in the framework being signed for the Comprehensive Economic and Trade Agreement (CETA) – the second largest free trade agreement in Canadian history after NAFTA.

Overall, the business information operations and various markets offer attractive opportunities for growth with high levels of profitability – particularly when aligned with Glacier's leading position in key sectors 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.

As mentioned, generally weak economic conditions as well as structural changes in the community newspaper industry adversely affected advertising revenues during 2013. This impact has been particularly true of community operations in urban markets, such as the Lower Mainland of British Columbia, where both print and digital competition is stronger. Many of the Company's smaller rural community media markets – largely spread across the Prairies – have enjoyed more steady performance due to their strong local positions and local advertising revenues, although they are from time to time affected by cyclical downturns in key economies such as energy and agriculture.

The media industry, as a whole, continues to pursue new "business models" intended to manage the future value of content against a backdrop of maturing traditional advertising and greater digital opportunities. Glacier is well advanced in this respect, with internal models balancing this maturation with innovative customer solutions more resilient to the peaks and valleys associated with economic cycles and more geared to the digital landscape. Significant efforts are also being made to develop new community media related special content and advertising focused products that are delivered in multiple platform formats.

While print advertising revenues were weaker in 2013, digital revenues continued to grow in Glacier's community media operations with new product offerings including extended market coverage and specialty digital products. Balanced against cost control initiatives, 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. In the third quarter, for example, Glacier entered into a new social commerce partnership with the purchase of VitaminDaily, Canada's premiere online magazine for women readers. VitaminDaily has six digital editions across Canada in major metropolitan centres and delivers more than 500,000 e-newsletters a week. Glacier's community media digital revenue continues to grow and is now contributing a net profit contribution to the Company.

As a result of softer print advertising revenues, management has implemented a significant amount of cost reduction measures, with a focus on integrated rationalization initiatives designed to maximize productivity and capacity. These initiatives include repatriation of printing of certain publications at the Company's printing operations, outsourcing certain functions resulting in improved product and lower production costs, and the sale of underperforming assets, including the sale of two money-losing newspapers in British Columbia.

While economic and market challenges have affected the community media operations, management believes that these businesses remain strong and will continue to generate solid cash flow given the nature of the markets in which Glacier operates – particularly within the more robust micro-economies of Western Canada. This cash flow can be used to fund growth 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. An important advantage is that being local often means being integrally rooted in the fabric of a community and Glacier's community media management and staff are focused on remaining committed to providing value to the markets they serve.

Impact of new Joint Venture Accounting

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

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

	Year ended December 31, 2013			Year ended December 31, 2012		
	Per IFRS	Joint Venture Adjustments	Adjusted	Per IFRS	Joint Venture Adjustments	Adjusted
Revenue	$ 295,623	$ 33,275	$ 328,898	$ 297,111	$ 32,905	$ 330,016
Gross profit (3)	$ 90,481	$ 15,726	$ 106,207	$ 95,190	$ 14,484	$ 109,674
Gross margin	30.6%		32.3%	32.0%		33.2%
EBITDA (1)	$ 32,691	$ 10,247	$ 42,938	$ 39,435	$ 10,958	$ 50,393
EBITDA margin (1)	11.1%		13.1%	13.3%		15.3%
EBITDA per share (1)	$ 0.37		$ 0.48	$ 0.44		$ 0.56
Net income attributable to common shareholders before non-recurring items (1)(2)(4)	$ 20,620	$ 1,595	$ 22,215	$ 17,337	$ 1,144	$ 18,481
Net income attributable to common shareholders per share before non-recurring items (1)(2)(4)	$ 0.23		$ 0.25	$ 0.19		$ 0.21
Cash flow from operations (1)(2)(4)	$ 33,692	$ 8,688	$ 42,380	$ 39,819	$ 10,378	$ 50,197
Cash flow from operations per share (1)(2)(4)	$ 0.38		$ 0.48	$ 0.45		$ 0.56
Total assets	$ 513,552	$ 23,844	$ 537,396	$ 605,418	$ 18,619	$ 624,037
Weighted average shares outstanding, net	89,160,254		89,160,254	89,357,465		89,357,465

Notes:
(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.
(2) 2013 excludes $5.7 million of restructuring expense, $1.3 million of transaction and transition costs, $79.0 million of impairment expense, $0.2 million gain on acquistion, and $0.4 million net gain on disposal of assets.
(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.

Under IFRS, revenues for the year ended December 31, 2013 decreased 0.5% to $295.6 million from $297.1 million for the year prior. Cash flow from operations (before changes in non-cash operating accounts and non-recurring items) decreased 15.4% to $33.7 million and earnings before interest, taxes, depreciation and amortization (EBITDA) decreased 17.1% to $32.7 million compared to the year prior. Net income attributable to common shareholders (before non-recurring items) increased by $3.3 million to $20.6 million.

Cash flow from operations (before changes in non-cash operating accounts and non-recurring items) for the year ended December 31, 2013 decreased to $0.38 per share from $0.45 per share in the prior year. EBITDA decreased to $0.37 per share from $0.44 per share and net income attributable to common shareholders (before non-recurring items) per share increased to $0.23 per share from $0.19 per share.

Operational Performance

As stated, for the year ended December 31, 2013, adjusted consolidated revenue declined 0.3% for the year and adjusted consolidated EBITDA declined $7.5 million or 14.8% to $42.9 million compared to $50.4 million last year. EBITDA was affected by $2.0 million of one-time accounting and other non-cash expense items and $1.9 million of operating cost development investments made in agriculture digital and data, the launch of the Company's environmental risk information business into the U.S. and REW.ca real estate information development initiatives. New revenues began to be realized from these investments in the fourth quarter of 2013 and the first quarter of 2014. Excluding the $3.9 million of one-time non-cash expenses, accounting changes and development investments, adjusted consolidated EBITDA for the year ending 2013 was $46.9 million, which was only 7.0% off of 2012 consolidated EBITDA of $50.4 million, despite the economic and other challenges faced in 2013.

Encouragingly, results improved in the fourth quarter, with same store operating revenue and EBITDA up 1.2% and 16.1% respectively compared to last year, reflecting the impact of the variety of business and EBITDA enhancement initiatives that have been recently implemented.

Glacier's consolidated EBITDA margin, on an adjusted basis, decreased to 13.1% for the year ended December 31, 2013 from 15.3% compared to last year as a result of the reasons described. As stated, management is seeking to improve margins and profit performance through improved print and digital sales effectiveness, new products and services, and cost reduction measures and other initiatives.

The more than $7.0 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 resource investment will continue to be made in 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 business through a combination of investment in revenue generation innovation and evolution as well as prudent but not detrimental cost management. Glacier's digital revenue continues to grow in both community media and business information and has both allowed this investment to be made and has been in part a result of the digital investments already made. These investments were made consistent with Glacier's complementary media platform and product strategy and business information strategies.

The complementary media platform and product strategy address 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. Studies of time spent across media platforms and reader satisfaction support the complementary platform and product strategy. 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 2.43x trailing 12 months EBITDA as at December 31, 2013.

The Company (excluding its joint ventures) reduced debt by $23.3 million during the year, of which $12.0 million was generated from the sale of real estate assets. Glacier's consolidated debt net of cash outstanding before deferred financing charges was $94.7 million as at December 31, 2013.

Capital expenditures were $11.7 million for the year ended December 31, 2013 compared to $7.1 million in the prior year. $10.1 million of these capital expenditures were investment capital expenditures, the majority of which relate to building, building improvements, new printing equipment, new office space and software. 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 year were $1.6 million. Management expects the level of investment capital expenditure in 2014 to be significantly reduced, with primarily only ongoing sustaining capital investments being required.

Impairment. As a result of the continued structural changes in the print media industry resulting from digital competition and weaker economic conditions, and reduced valuations for print newspaper assets, the Company recorded an impairment of its goodwill, intangible assets and investment in associate of $79.0 million, primarily in its community media assets.

Declaration of Dividend

The Board of Directors declared a quarterly dividend of $0.02 per share to shareholders of record on March 25, 2014 and payable on April 7, 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 information operations through its Evolve, Enrich and Extend strategy, which focuses on providing richer content, data and information, related analytics and business and market intelligence while achieving greater customer utility and decision dependence. The strategy is also being used to improve the community media operations as well. While economic conditions have impacted some community media operations and business information verticals, and digital competition is stronger in larger urban community media markets, management expects growth will continue in Glacier's business information operations, as well as community media markets where local market conditions are stronger.

While media maturation factors are having an impact as described, the softer economy is playing a significant role in dampening revenues, and economic strengthening should result in improved revenues at the margin. Management will continue to closely monitor economic conditions in various markets and verticals to ensure long-term viability.

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) sale of real estate assets to reduce leverage and cover a potential tax re-assessment deposit, b) sale of non-core assets including the disposition of several money losing community newspapers, c) significant cost reduction measures targeted to reduce costs by more than $7.0 million, and d) 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 expand markets that Glacier covers, expand the breadth of information products and marketing solutions, and expand Glacier's digital media staff, technology and related resources.

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.

As always, thanks are due to the entire management and staff at Glacier and our partnerships for the effort and performance they delivered during the year, for the long hours worked and the creativity engendered to generate the results achieved.

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

Jonathon J.L. Kennedy
President and Chief Executive Officer

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

Forward Looking Statements

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

The information in this report is as at March 27, 2014.

Glacier Media Inc.'s 2013 Annual Report, including this MD&A and the accompanying President's Message, contains forward-looking statements that relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and can generally be identified by the use of statements that include phrases such as "believe", "expected", "anticipate", "intend", "plan", "likely", "will", "may", "could", "should", "would", "suspect", "outlook", "estimate", "forecast", "objective", "continue" (or the negative thereof) or similar words or phrases. These forward-looking statements include, among other things, statements relating to the 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 Annual Report, including this MD&A and the accompanying President's Message, relate only to events or information as of the date on which the statements are made. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The Annual Report 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 March 27, 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").

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization, ("EBITDA"), EBITDA margin, EBITDA per share, cash flow from operations, cash flow from operations per share, net income attributable to common shareholders before non-recurring items and net income attributable to common shareholders before non-recurring items per share are not generally accepted measures of financial performance under IFRS. Management utilizes these financial performance measures to assess profitability and return on equity in its decision making. In addition, the Company and its lenders and investors use EBITDA to measure performance and value for various purposes. Investors are cautioned, however, that EBITDA should not be construed as an alternative to net income (loss) 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 (Loss) Income Attributable to Common Shareholders Before Non-Recurring Items Reconciliation 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, a joint venture interest in Fundata and associate interests in 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 2013 and Outlook

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

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

Revenues for the year ended December 31, 2013 decreased compared to the prior year primarily due to the general weakness in the Canadian economy and increased digital competition in community media. 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 weaker than in 2012. The Company's business and professional and trade information revenues, while not experiencing the same near record growth as last year continue to be strong in most markets and verticals. Softness in some business and professional and trade information verticals, particularly mining related products, affected year over year business and professional and trade information revenues. New revenues continue to be generated in a wide variety of areas including specialized information, online, mobile and tablet lead generation developments, special publishing initiatives, special features, supplements, new community magazines, production and promotion of community events, custom publishing, sponsored industry specific research studies, educational offerings, conferences and tradeshows, new directories, and a number of other initiatives. Efforts continue to be made to leverage and monetize content across 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.

Growth continues to be achieved across many of Glacier's business information verticals including energy, agriculture, environmental risk, environmental compliance networks, medical, financial, manufacturing, construction information and other business verticals. Revenue continues to be softer in community media and in some business and professional and trade information verticals and continues to be impacted by the economy. Weaker economic conditions continue to adversely affect both national and local revenues in the community media operations. Digital competition exacerbated the weaker economic conditions in urban markets, but has been less of a factor in the smaller regional markets. Customer demand for Glacier's electronic information and other digital products continues to grow.

The softness in community media and certain business and professional and trade information revenues have resulted in lower operating results for the year ended December 31, 2013. Comprehensive cost reduction measures are being implemented 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.

Despite the current softness, 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

Revenue for 2013 was 0.5% lower than revenue in 2012. Revenues were generally lower due to weaker advertising revenues at both the national and retail levels and in some business information verticals, reflecting overall uncertainty in the economy.

EBITDA decreased 17.1% to $32.7 million for 2013 from $39.4 million in 2012. The general softness in the advertising sales in community media and certain trade information sectors had a direct impact on EBITDA.

Excluding $2.0 million of one-time non-cash expenses and changes in deferred revenue accounting, adjusted EBITDA decreased 10.8% compared to last year. EBITDA was also impacted by operating expense investments made to enhance digital resources in the Glacier FarmMedia division, launch ERIS in the US and continued investment in the digital real estate information space.

As a result of the continued structural changes in the print media industry resulting from digital competition, weaker economic conditions, and reduced valuations for print newspaper assets, the Company recorded an impairment of its goodwill, intangible assets and investment in associate of $79.0 million, primarily in its community media assets.

Management believes that including its share of revenues and expenses from its joint venture operations provides an important basis for assessing the overall operations of the Company. Management therefore reports its results adjusted to include its joint ventures in the President's Message and under the heading **Change in Accounting Policy and Adjusted Operating Results**.

Annual Results and Overview of Operating Performance

Comparable Performance Highlights

For the year ended December 31, 2013, Glacier's adjusted consolidated revenues decreased 0.3% or $1.1 million to $328.9 million from $330.0 million the prior year.

For the year ended December 31, 2013, adjusted consolidated earnings before interest taxes, depreciation and amortization (EBITDA) declined 14.8% to $42.9 million from $50.4 million the prior year. EBITDA was affected by $2.0 million in one-time accounting and other expense items, as well as $1.9 million of operating cost development investments made in agriculture digital and data, the launch of the Company's environmental risk information business into the U.S. and REW.ca real estate information development initiatives. Excluding these amounts, consolidated adjusted EBITDA was $46.8 million, off 7.0% from prior year.

Selected Annual Information

The following outlines selected financial statistics and performance measures for Glacier, on an IFRS basis, excluding the Company's share of revenues and expenses from its joint ventures, for the years ended December 31, 2013, 2012 and 2011:

(thousands of dollars) except share and per share amounts		2013		2012		2011 [6]
Revenue	$	295,623	$	297,111	$	267,394
Gross profit [3]	$	90,481	$	95,190	$	99,376
Gross margin		30.6%		32.0%		37.2%
EBITDA [1]	$	32,691	$	39,435	$	49,140
EBITDA margin [1]		11.1%		13.3%		18.4%
EBITDA per share [1]	$	0.37	$	0.44	$	0.55
Interest expense, net	$	5,521	$	5,764	$	4,616
Net income attributable to common shareholders before non-recurring items [(1)(2)(4)]	$	20,620	$	17,337	$	22,615
Net income attributable to common shareholder before non-recurring items per share [(1)(2)(4)]	$	0.23	$	0.19	$	0.25
Net income (loss) attributable to common shareholders	$	(64,853)	$	9,995	$	25,731
Net income (loss) attributable to common shareholders per share	$	(0.73)	$	0.11	$	0.29
Cash flow from operations before non-recurring items [(1)(2)(4)]	$	33,692	$	39,819	$	44,874
Cash flow from operations per share before non-recurring items [(1)(2)(4)]	$	0.38	$	0.45	$	0.50
Investment capital expenditures	$	10,108	$	5,672	$	10,703
Sustaining capital expenditures	$	1,629	$	1,458	$	4,783
Total assets	$	513,552	$	605,418	$	591,756
Total non-current financial liabilities	$	96,296	$	117,716	$	131,132
Debt net of cash outstanding before deferred financing charges and other expenses	$	94,723	$	123,734	$	131,413
Equity attributable to common shareholders	$	282,951	$	347,705	$	340,416
Dividends paid [5]	$	5,520	$	5,536	$	2,681
Dividends paid per share [5]	$	0.06	$	0.06	$	0.03
Weighted average shares outstanding, net		89,160,254		89,357,465		89,991,561

Notes:
(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.
(2) 2013 excludes $5.7 million of restructuring expense, $1.3 million of transaction and transition costs, $79.0 million of impairment expense, $0.2 million gain on acquistion and $0.4 million net gain on disposal of assets.
(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 2013 total $0.08 per share paid quarterly, dividends in 2012 total $0.06 per share paid semi-annually. Quarterly dividends totalling $1.8 million or $0.02 per share were declared in November 2013 and paid on January 3, 2014.
(6) Previous IFRS refers to International Financial Reporting Standards prior to the implementation of the new accounting standards on January 1, 2013. Refer to *Change in Accounting Policy and Adjusted Operating Results* for more information.

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

- Operating performance of the Company's various business units and general market conditions during the reported periods;
- Impairment expense of $79.0 million in 2013 and $8.5 million in 2012;
- Impairment charges recognized in earnings from joint ventures and associates in 2013, of which $6.3 million was the Company's share;
- Restructuring expenses including severance payments and transition costs for new acquisitions;
- The additional revenues and expenses due to the acquisition of control of ANGLP on April 1, 2012;

- Other income of $3.1 million in 2012 related to the redemption of miscellaneous investments received in connection with the 2008 Sun Times settlement; and

- The cyclical nature of certain of Glacier's businesses.

Revenue

Glacier's consolidated revenue for the year ended December 31, 2013 was $295.6 million compared to $297.1 million last year.

Community Media and Trade Information

The community media and trade information group generated $285.6 million of revenue for the year ended December 31, 2013, as compared to $287.2 million last year. The decrease in revenue during the year compared to the prior year was the result of softer revenues in the Company's existing businesses in both the community media and certain trade information verticals. Partially offsetting the decrease in revenue is the acquisition of control of ANGLP on April 1, 2012 as its results were previously included in earnings from joint ventures and associates for the first three months of 2012.

Energy, agriculture, environmental, manufacturing, construction and financial services and a variety of Glacier's other business information verticals continued to experience strong revenue and profitability. These verticals remain strong 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, resulting in a same store revenue decrease in Glacier's community media markets. A wide array of digital media initiatives resulted in growth in digital revenues.

Business and Professional Information

The business and professional group – which includes STP, Inceptus Media (formerly CD-Pharma), and ERIS - generated revenues of $10.0 million compared to $9.9 million last 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 health and safety information business had strong growth in its products for the year. ERIS launched its environmental risk information business into the United States late in 2013.

Gross Profit

Glacier's consolidated gross profit, being revenues less direct expenses, for the year ended December 31, 2013 was $90.5 million compared to $95.2 million last year. The decrease in gross profit is largely attributable to revenue decreases in the Company's community media operations and certain trade information sectors, partially offset by the acquisition of control of ANGLP.

Gross profit as a percentage of revenues ("gross profit margin") for the year ended December 31, 2013 decreased to 30.6% from 32.0% in the year ended December 31, 2012 primarily as a result of the overall general softness in revenues, increased digital operating expenses and accounting changes relating to certain business directory digital revenue recognition. The Company is in the process of implementing significant cost reduction initiatives throughout its operations to improve gross profit and operating profit margins going forward.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $57.8 million for the year ended December 31, 2013 as compared to $55.8 million last year. The increase primarily relates to higher pension and post-retirement benefit costs, the acquisition of control of ANGLP, other small acquisitions and increased operating infrastructure investment made in digital media management, staff, and information technology and related resources, offset by the implementation of cost reduction measures.

EBITDA

EBITDA was $32.7 million for the year ended December 31, 2013 as compared to $39.4 million in the prior year. The decrease in EBITDA was due to various reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

As indicated, the $6.7 million decline in EBITDA included $2.0 million of one-time non-cash expenses and changes in deferred revenue accounting, as well as $1.9 million of operating cost investments in agriculture digital and data, the launch of the Company's environmental risk information business into the U.S. and REW.ca real estate information development initiatives. New revenues began to be realized from these investments in the fourth quarter of 2013 and the first quarter of 2014.

Net Interest Expense

Glacier's consolidated net interest expense for the year ended December 31, 2013 was $5.5 million as compared to $5.8 million in the prior year, a decrease of $0.3 million. The decrease reflects debt repayments made throughout 2013 and 2012, offset by higher borrowing rates.

Depreciation and Amortization

Depreciation of property, plant and equipment for the year ended December 31, 2013 was flat at $6.0 million as compared to the prior year. Amortization of intangible and other assets decreased $0.2 million for the year ended December 31, 2013 as compared to the prior year as a result of the dispositions in 2013 and the impairments taken in 2012. Both depreciation and amortization were affected by the acquisition of control of ANGLP.

Other Income

The Company recognized $0.3 million of other income during the year ended December 31, 2013, which relates to fee income. In the prior year, the Company recognized $3.7 million of other income, of which $3.1 million related to the redemption of miscellaneous asset-backed paper investments received in connection with an affiliated entity's participation in the $6.3 million 2008 settlement between Sun Times Media Group and CanWest Global Communications Inc. The Company's participation in the settlement was previously reported in the December 31, 2008 consolidated financial statements. The carrying value of these investments was $nil. The Company does not have any other such investments.

Gain on Acquisition

The Company recognized a gain on acquisition of $0.2 million during the year ended December 31, 2013. On April 1, 2012, the Company acquired control of its joint venture partner Alta Newspaper Group Limited Partnership ("ANGLP"). The consideration paid is equal to the net carrying value of the Company's interest in ANGLP immediately prior to the acquisition of control including net working capital, property plant and equipment, intangible assets, goodwill, and long-term debt. Non-controlling interest was valued at the minority shareholders percentage of the net assets of ANGLP on April 1, 2012. As a result, the Company recognized a gain on the acquisition of $1.1 million during the year ended December 31, 2012.

Net (Gain) Loss on Disposal of Assets

The Company recognized a net gain on disposal of assets of $0.4 million during the year ended December 31, 2013. The disposals relate to property consisting of land and buildings, and other community media assets.

Impairment Expense

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

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

For the year ended December 31, 2013, the Company recorded a $79.0 million impairment of its goodwill, intangible assets and investment in joint ventures and associates compared to an impairment of $8.5 million in the prior year. The $79.0 million impairment represents $34.6 million in total goodwill impairments primarily within the BC Newspaper group and the Prairie Community Media group of cash generating units ("CGU"), $37.4 million of intangible asset impairments primarily within the BC Newspaper group of CGUs and $7.0 million of investment in joint ventures and associates. The 2012 amount represents $6.8 million of total goodwill impairments and $1.7 million of intangible assets impairments primarily in the BC Newspaper group of CGUs.

Other Expenses

Other expenses for the year ended December 31, 2013 were $7.3 million compared to $3.6 million in the prior year. Other expenses include restructuring costs, transaction and transition costs and foreign exchange. The majority of the expenses related to severance costs incurred for the significant cost reduction initiatives implemented during the 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, decreased $7.6 million as compared to the prior year. The decrease was due primarily to a $6.3 million impairment charge which was the Company's share of impairment taken in the joint ventures and associates, in addition to the overall weaker results from the Company's community media joint ventures.

The results for ANGLP are also included in the earnings from joint ventures and associates for the three months ended March 31, 2012 which results in an overall decrease in equity earnings for that period, as ANGLP's results are consolidated and therefore are included in revenues and expenses for same period in 2013.

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

(thousands of dollars)	**2013**	2012
	$	$
Assets	**115,289**	113,254
Liabilities	**40,055**	48,173
Net assets	**75,234**	65,081
Revenues	**75,737**	77,038
Net income for the period	**1,481**	8,248
Other comprehensive income	**1,387**	1,090

Net Loss Attributable to Common Shareholders

Net loss attributable to common shareholders decreased by $74.8 million compared to 2012. The change resulted from i) decreased operating results, ii) lower other income of $3.4 million ($3.1 million was realized in the third quarter of 2012 from the sale of miscellaneous asset backed commercial paper that had been received in connection with the 2008 Sun Times settlement), iii) lower gain on acquisition of $0.9 million (there was a $1.1 million gain in the prior year relating to the acquisition of control of ANGLP), iv) higher impairment expense of $70.5 million (primarily relates to the impairment of the Community Media assets), v) higher other expenses of $3.7 million mainly as a result of higher restructuring costs and vi) lower earnings from joint ventures and associates of $7.6 million (which includes $6.3 million of impairment expense). These decreases were partially offset by i) lower interest expense of $0.3 million, ii) lower depreciation and amortization of $0.2 million, iii) an increase in the net gain on disposal of assets of $0.5 million, iv) lower income tax expense of $15.2 million and v) lower non-controlling interest of $1.8 million.

Cash Flow from Operations

Glacier's consolidated cash flow from operations decreased to $33.7 million (before changes in non-cash operating accounts and non-recurring items) for the year ended December 31, 2013 from $39.8 million in the prior year. The decrease in cash flow from operations is primarily due to decreased operating results for the year as stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**.

Capital expenditures were $11.7 million for the year ended December 31, 2013 compared to $7.1 million in the prior year. $10.1 million of these capital expenditures were investment capital expenditures, the majority of which relate to building, building improvements, new printing equipment, new office space and software. 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 year were $1.6 million.

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

Related Party Transactions

During the year ended December 31, 2013, the Company and its affiliates recorded administration, consulting and interest expenses of $2.2 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 Glacier on an ongoing basis and received $0.7 million for these services in 2013. 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. $1.3 million of the $2.2 million of related party expenses incurred were for a) re-imbursement of interest expense on a Glacier subsidiary loan of which Madison was the direct and guarantor borrower, b) re-imbursement of Glacier's proportionate share of general liability insurance purchased with Madison to obtain lower rates and c) rent, office, telephone and utilities costs for space shared with Madison to reduce Glacier's overhead costs. There were no amounts due to Madison as at December 31, 2013.

During the year ended December 31, 2013, the Company paid its joint venture GWNLP for printing services as part of its normal operations. These services were provided at the exchange amount. Total printing charged to the Company for the year was $0.8 million. At December 31, 2013 $1.5 million was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

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

During the year ended December 31, 2013, the Company received interest from its joint venture, RISN on an outstanding loan. The loan was made to fund historical acquisitions. Total interest charged to RISN for the year was $0.1 million. At December 31, 2013 the loan balance was US $0.6 million and is due in 2016. During the year ended December 31, 2013, the Company invested an additional $1.1 million cash and converted $0.5 million of its loan to equity.

During the year ended December 31, 2013, the Company paid rent to an associate, Grant Street Properties Inc., of $0.1 million for leased office space. The rent is charged at market rate. During the year ended December 31, 2013, the Company sold property consisting of land and buildings, for consideration of $5.2 million. The Company received $3.9 million in cash and a $1.3 million equity interest in Grant Street Properties Inc.

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

During the year ended December 31, 2013, a subsidiary of the Company received fee income of $0.3 million related to providing a guarantee on the debt of one of its associates.

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

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

Contingency

In March 2013, an affiliate of the Company received correspondence from Canada Revenue Agency ("CRA") proposing to issue a notice of reassessment with respect to the utilization of non-capital losses by the affiliate, pertaining to taxation years 2008, 2009, 2010 and 2011. The Company believes that it has reported its tax position appropriately. No provision has been made in these financial statements for additional income taxes, if any, which may be determined to be payable on ultimate resolution of this matter. Should CRA issue the notice of reassessment, the Company's affiliate would be obligated to pay an initial payment of fifty percent of the reassessed tax amount plus penalties and interest, in conjunction with appealing the reassessment. The Company believes its affiliate has substantial defences in response to the matters raised by CRA and would vigorously appeal any reassessment. The initial payment upon appeal, as well as the proposed reassessment by CRA, if upheld, would have a material impact on the Company's financial statements and cash flows. Notwithstanding, the Company's affiliate has the financial capacity to pay such amounts, if any. The likely timing to resolve this matter may take years. As of March 27, 2014, there has been no change in the status of this matter. No provision or contingency has been recorded for this item as December 31, 2013 or December 31, 2012.

Fourth Quarter Results and Overview of Operating Performance

Comparable Performance Highlights

Fourth quarter 2013 results were stronger than the prior year. On an adjusted(1) basis, results for the quarter were very encouraging and represented a significant improvement in business and operating results compared to the softness experienced earlier in the year. Adjusted consolidated revenue was up 3.0% and adjusted consolidated EBITDA was up 8.4% for the quarter compared to last year. On a same-store, adjusted consolidated revenue was up 1.2% and consolidated EBITDA was up 16.1% for the quarter compared to last year. The improved operating performance was a result of both new revenue initiatives that resulted in higher sales, and significant cost reduction initiatives that were implemented in a variety of areas.

(1) These results are presented on a proportionate consolidation basis, and include 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. Refer to the *Change in Accounting Policy and Adjusted Operating Results,* below, for impact of proportionate consolidation accounting and the Company's annual results in accordance with IFRS.

Revenue

On an IFRS basis, excluding the Company's share of revenues and expenses from its joint ventures, Glacier's consolidated revenue for the quarter ended December 31, 2013 was $76.1 million compared to $77.2 million in the same period last year.

In a number of the Company's operations fourth quarter results showed improvements over the same period in the prior year and are reflective of overall operating improvements that took place during 2013. In particular, the environmental, financial, agriculture, energy, environmental, manufacturing, construction, financial and other business and trade information areas continued to deliver growth.

Community media experienced softness in the fourth quarter of 2013 in some of Glacier's markets due primarily to softer national advertising, although local advertising generally held up well and digital community media revenues grew significantly.

Gross Profit

Glacier's consolidated gross profit for the three months ended December 31, 2013 was $24.3 million compared to $24.4 million in the same period last year. The gross profit remained flat for the quarter, compared to the prior year, as a result of the lower revenue in the Company's community media operations and certain trade information sectors, which were offset by the realization of cost saving initiatives and growth in a number of the trade information sectors.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $14.5 million for the three months ended December 31, 2013 as compared to $13.6 million in the same period in the prior year. The increase was due to increases in costs for the Company's digital operations, annual salary and wage increases.

EBITDA

Consolidated EBITDA decreased to $9.8 million for the three months ended December 31, 2013 as compared to $10.8 million in the same period in the prior year. The decrease in EBITDA was due to the reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

Net Loss Attributable to Common Shareholders

Net loss attributable to common shareholders decreased by $59.7 million compared to the fourth quarter of 2012. The change resulted from i) increased impairment expense of $70.5 million, ii) decreased operating results, iii) decreased other income of $0.5 million, iv) increased other expense of $0.8 million (primarily relating to restructuring costs), and v) lower earnings from joint ventures and associates of $1.2 million (which includes $6.3 million of impairment expense). These decreases were partially offset by i) decreased interest costs of $0.2 million, ii) lower depreciation and amortization of $0.7 million, iii) lower income tax expense of $11.7 million and iv) lower non-controlling interest of $1.7 million.

Cash Flow from Operations

Glacier's consolidated cash flow from operations was $13.4 million (before changes in non-cash working capital and non-recurring items) for the three month period ended December 31, 2013 compared to $15.2 million for the same period last year. The decrease in cash flow from operations was primarily a result of the reasons described under **Revenue, Gross Profit** and **General & Administrative Expenses**.

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

Summary of Selected Quarterly Results

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

(thousands of dollars) *except share and per share amounts*		Trailing 12 Months		Q4 2013		Q3 2013		Q2 2013		Q1 2013
Revenue	$	295,623	$	76,076	$	68,341	$	80,680	$	70,526
EBITDA (1)	$	32,691	$	9,828	$	5,610	$	11,021	$	6,232
EBITDA margin (1)		11.1%		12.9%		8.2%		13.7%		8.8%
EBITDA per share (1)	$	0.37	$	0.12	$	0.06	$	0.12	$	0.07
Interest expense, net	$	5,521	$	1,380	$	1,440	$	1,468	$	1,233
Net income attributable to common shareholders before non-recurring items (1)(2)(3)	$	20,620	$	16,202	$	1,080	$	2,609	$	729
Net income attributable to common shareholders before non-recurring items per share (1)(2)(3)	$	0.23	$	0.18	$	0.01	$	0.03	$	0.01
Net income (loss) attributable to common shareholders	$	(64,853)	$	(64,340)	$	(1,531)	$	1,386	$	(368)
Net income (loss) attributable to common shareholders per share	$	(0.73)	$	(0.73)	$	(0.02)	$	0.02	$	0.00
Cash flow from operations (1)(2)(3)	$	33,692	$	13,351	$	4,635	$	10,021	$	5,685
Cash flow from operations per share (1)(2)(3)	$	0.38	$	0.16	$	0.05	$	0.11	$	0.06
Capital expenditures	$	11,737	$	1,315	$	1,234	$	8,057	$	1,131
Debt net of cash outstanding before deferred financing charges and other expenses	$	94,723	$	94,723	$	109,482	$	118,148	$	118,494
Equity attributable to common shareholders	$	282,951	$	282,951	$	348,152	$	349,843	$	348,905
Weighted average shares outstanding, net		89,160,254		89,083,105		89,083,105		89,234,311		89,243,102

		Trailing 12 Months		Q4 2012		Q3 2012		Q2 2012		Q1 2012
Revenue	$	297,111	$	77,173	$	71,282	$	83,797	$	64,859
EBITDA (1)	$	39,435	$	10,847	$	7,338	$	14,029	$	7,221
EBITDA margin (1)		13.3%		14.1%		10.3%		16.7%		11.1%
EBITDA per share (1)	$	0.44	$	0.12	$	0.08	$	0.16	$	0.08
Interest expense, net	$	5,764	$	1,528	$	1,243	$	1,573	$	1,420
Net income attributable to common shareholders before non-recurring items (1)(3)	$	17,337	$	3,794	$	3,007	$	7,402	$	3,134
Net income attributable to common shareholders before non-recurring items per share (1)(3)	$	0.19	$	0.04	$	0.03	$	0.08	$	0.04
Net income attributable to common shareholders (4)	$	9,995	$	(4,668)	$	5,335	$	6,748	$	2,580
Net income attributable to common shareholders per share (4)	$	0.11	$	(0.05)	$	0.06	$	0.08	$	0.03
Cash flow from operations (1)(3)	$	39,819	$	15,223	$	5,938	$	12,901	$	5,757
Cash flow from operations per share (1)(3)	$	0.45	$	0.17	$	0.07	$	0.14	$	0.06
Capital expenditures	$	7,130	$	1,429	$	1,561	$	2,404	$	1,736
Debt net of cash outstanding before deferred financing charges and other expenses	$	123,734	$	123,734	$	129,719	$	136,173	$	111,167
Equity attributable to common shareholders	$	347,705	$	347,705	$	352,713	$	346,954	$	343,288
Weighted average shares outstanding, net		89,357,465		89,354,650		89,358,410		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) 2013 excludes $5.7 million of restructuring expense, $1.3 million of transaction and transition costs, $0.2 million gain on acquisition, $79.0 million of impairment expense and $0.4 milllion net gain on disposal of assets.
(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 during the second quarter of 2012 and the first, second, third and fourth quarters of 2013;
- Restructuring expenses in 2012 and 2013;
- Transaction and transition costs of $0.1 million, $0.3 million, $0.6 million and $1.1 million in the first, second, third and fourth quarters of 2012 respectively, and $0.4 million, $0.5 million, $0.7 million in the first, second and third quarters of 2013 respectively;

- 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;
- 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.

Change in Accounting Policy and Adjusted Operating Results

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

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

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

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

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

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

	Year ended December 31, 2013			Year ended December 31, 2012		
	Per IFRS	**Joint Venture Adjustments**	**Adjusted**	Per IFRS	Joint Venture Adjustments	Adjusted
Revenue	$ 295,623	$ 33,275	$ 328,898	$ 297,111	$ 32,905	$ 330,016
Gross profit [3]	$ 90,481	$ 15,726	$ 106,207	$ 95,190	$ 14,484	$ 109,674
Gross margin	30.6%		32.3%	32.0%		33.2%
EBITDA [1]	$ 32,691	$ 10,247	$ 42,938	$ 39,435	$ 10,958	$ 50,393
EBITDA margin [1]	11.1%		13.1%	13.3%		15.3%
EBITDA per share [1]	$ 0.37		$ 0.48	$ 0.44		$ 0.56
Net income attributable to common shareholders before non-recurring items [1][2][4]	$ 20,620	$ 1,595	$ 22,215	$ 17,337	$ 1,144	$ 18,481
Net income attributable to common shareholders per share before non-recurring items [1][2][4]	$ 0.23		$ 0.25	$ 0.19		$ 0.21
Cash flow from operations [1][2][4]	$ 33,692	$ 8,688	$ 42,380	$ 39,819	$ 10,378	$ 50,197
Cash flow from operations per share [1][2][4]	$ 0.38		$ 0.48	$ 0.45		$ 0.56
Total assets	$ 513,552	$ 23,844	$ 537,396	$ 605,418	$ 18,619	$ 624,037
Weighted average shares outstanding, net	89,160,254		89,160,254	89,357,465		89,357,465

Notes:
(1) Refer to "Non-IFRS Measures" section for calculation of non-IFRS measures used in this table.
(2) 2013 excludes $5.7 million of restructuring expense, $1.3 million of transaction and transition costs, $79.0 million of impairment expense, $0.2 million gain on acquistion, and $0.4 million net gain on disposal of assets.
(3) Gross profit for these purposes excludes depreciation and amortization.
(4) For non-recurring items excluded in the prior period, refer to previously reported financial statements.

- For the year ended December 31, 2013, Glacier's adjusted consolidated revenue decreased 0.3% to $328.9 million from $330.0 million in the prior year;
- Adjusted consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 14.8% to $42.9 million from $50.4 million in the prior year. Excluding $2.0 million in one-time accounting and other expense items, adjusted consolidated EBITDA was off 10.8% compared to last year. EBITDA was also affected by $1.9 million of operating cost investments made in agriculture digital and data, the launch of the Company's environmental risk information business into the U.S. and REW.ca real estate information development initiatives;
- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) decreased 15.6% to $42.4 million;
- Adjusted net income attributable to common shareholders before non-recurring items was $22.2 million compared to $18.5 million in the prior year;
- Adjusted EBITDA per share decreased 14.6% to $0.48 from $0.56 in the prior year and net income attributable to common shareholders (before non-recurring items) per share increased to $0.25 from $0.21 in the prior year; and
- Adjusted cash flow from operations (before changes in non-cash operating accounts and non-recurring items) per share decreased to $0.48 per share from $0.56 in the prior year.

For the year ended December 31, 2013, excluding its share of revenues and expenses from its joint ventures and in accordance with IFRS, consolidated revenues were $295.6 million, a decrease of 0.5% over the prior year; EBITDA was $32.7 million, a decrease of $6.7 million or 17.1%; and cash flow from operations was $33.7 million, a decrease of $6.1 million or 15.4%. On a per share basis, EBITDA decreased to $0.37 for the year ended December 31, 2013, and cash flow from operations decreased to $0.38.

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

The following table reconciles the Company's net (loss) 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		2013		2012		2011 [(2)]
EBITDA [(1)]						
Net (loss) income attributable to common shareholders	**$**	**(64,853)**	$	9,995	$	25,731
Add (deduct):						
Non-controlling interest	**$**	**3,024**	$	4,823	$	1,988
Net interest expense	**$**	**5,521**	$	5,764	$	4,616
Depreciation of property, plant and equipment	**$**	**5,955**	$	5,993	$	5,708
Amortization of intangible assets	**$**	**7,931**	$	8,151	$	8,357
Other income	**$**	**(266)**	$	(3,703)	$	-
Gain on acquisition	**$**	**(168)**	$	(1,102)	$	-
Net (gain) loss on disposal of assets	**$**	**(361)**	$	183	$	-
Impairment expense	**$**	**78,991**	$	8,503	$	9,151
Other expenses	**$**	**7,293**	$	3,618	$	3,266
Share of earnings from joint ventures and associates	**$**	**(468)**	$	(8,073)	$	(16,257)
Income tax (recovery) expense	**$**	**(9,908)**	$	5,283	$	6,580
EBITDA [(1)]	**$**	**32,691**	$	39,435	$	49,140
Cash flow from operations [(1)]						
Net (loss) income attributable to common shareholders	**$**	**(64,853)**	$	9,995	$	25,731
Add (deduct):						
Non-controlling interest	**$**	**3,024**	$	4,823	$	1,988
Depreciation and amortization	**$**	**13,886**	$	14,144	$	14,065
Gain on acquisition	**$**	**(168)**	$	(1,102)	$	-
Net (gain) loss on disposal of assets	**$**	**(361)**	$	158	$	-
Impairment expense	**$**	**78,991**	$	8,503	$	9,151
Employee future benefits	**$**	**941**	$	737	$	69
Deferred income taxe (recovery) expense	**$**	**(9,908)**	$	5,277	$	5,761
Interest expense	**$**	**5,643**	$	5,775	$	-
Non-cash interest expense	**$**	**-**	$	-	$	1,042
Share of earnings from joint ventures and associates	**$**	**(468)**	$	(8,073)	$	(16,257)
Other non-cash (income) expenses	**$**	**(46)**	$	(176)	$	692
Other income	**$**	**-**	$	(3,415)	$	-
Restucturing costs	**$**	**5,723**	$	1,092	$	1,555
Transaction and transition costs	**$**	**1,288**	$	2,081	$	1,077
Cash flow from operations [(1)]	**$**	**33,692**	$	39,819	$	44,874
Net income attributable to common shareholders before non-recurring items [(1)]						
Net (loss) income attributable to common shareholders	**$**	**(64,853)**	$	9,995	$	25,731
Add (deduct):						
Net (gain) loss on disposal of assets	**$**	**(361)**	$	183	$	-
Other income	**$**	**-**	$	(3,415)	$	(44)
One-time gain included in associate earnings	**$**	**-**	$	-	$	(15,144)
Gain on acquisition	**$**	**(168)**	$	(1,102)	$	-
Impairment expense	**$**	**78,991**	$	8,503	$	9,151
Restructuring costs	**$**	**5,723**	$	1,092	$	1,555
Transaction and transition costs	**$**	**1,288**	$	2,081	$	1,077
Other expenses	**$**	**-**	$	-	$	289
Net income attributable to common shareholders before non-recurring items [(1)]	**$**	**20,620**	$	17,337	$	22,615
Weighted average shares outstanding, net		**89,160,254**		89,357,465		89,991,561
EBITDA per share [(1)]	**$**	**0.37**	$	0.44	$	0.55
Net income attributable to common shareholders before non-recurring items per share [(1)]	**$**	**0.23**	$	0.19	$	0.25
Net (loss) income attributable to common shareholders per share	**$**	**(0.73)**	$	0.11	$	0.29
Cash flow from operations per share [(1)]	**$**	**0.38**	$	0.45	$	0.50

Notes:
[(1)] Refer to "**Non-IFRS Measures**" section for calculation of non-IFRS measures used in this table.
[(2)] Previous IFRS refers to International Financial Reporting Standards prior to the implementation of the new accounting standards on January 1, 2013. Refer to *Change in Accounting Policies and Adjusted Operating Results* for more information.

Summary of Financial Position, Financial Requirements and Liquidity

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

As at December 31, 2013, Glacier had consolidated cash and cash equivalents of $7.0 million, current and long-term debt of $101.7 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $24.8 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; 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 $11.7 million for the year ended December 31, 2013 compared to $7.1 million for prior year, $10.1 million of these capital expenditures were investment capital expenditures, the majority of which relate to building, building improvements, new press equipment, new office facilities and software. Sustaining capital expenditures for the quarter were $1.6 million.

Changes in Financial Position

(thousands of dollars)	**2013**	**2012**	2011 [1]
Cash generated from (used in)			
Operating activities	**34,341**	35,237	49,407
Investing activities	**3,416**	(55)	(79,461)
Financing activities	**(32,020)**	(37,054)	38,840
Increase (Decrease) in cash	**5,737**	(1,872)	8,786

[1] Previous IFRS refers to International Financial Reporting Standards prior to the implementation of the new accounting standards on January 1, 2013. Refer to *Change in Accounting Policy and Adjusted Operating Results* for more information.

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

Operating Activities

Glacier generated cash from operations before non-recurring items and changes in non-cash operating accounts of $33.7 million compared to $39.8 million in the prior year. The decrease was primarily due to the decreased operating results for the year. Cash from operations before non-recurring items and after change in non-cash working capital was $41.4 million compared to $35.0 million in the prior year.

Investing Activities

Cash generated by investing activities totalled $3.4 million for the year ended December 31, 2013 compared to $0.1 million used in 2012. Investing activities included $10.1 million of investment capital expenditures, $1.6 million of sustaining capital expenditures, distributions received of $6.4 million, cash proceeds on disposal of assets of $14.7 million and other investing activities.

Financing Activities

Cash used for financing activities was $32.0 million for the year ended December 31, 2013 compared to $37.1 million in 2012. The Company made net debt repayments of $19.4 million for the year ended December 31, 2013 compared to $24.1 million in the prior year (total debt repayments in 2013 include a net $3.6 million reduction of debt realized from the transfer of a mortgage liability upon sale of real estate). In the year ended December 31, 2013, the Company distributed $1.4 million to its minority partners (non-controlling interests), paid $5.4 million in interest and $5.5 million of dividends.

Outstanding Share Data

As at December 31, 2013, there were 89,083,105 common shares, 475,000 share purchase options and 1,115,000 share purchase warrants outstanding. The options have an exercise price of $2.44 per share and expire on March 29, 2014. The warrants outstanding allow the holder to purchase one common share per warrant at $4.48 per share. The warrants expire on June 28, 2014, unless extended.

At March 27, 2014, there were 89,083,105 common shares, 475,000 share purchase options and 1,115,000 share purchase warrants outstanding.

Contractual Agreements

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

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

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

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	101,388	6,733	88,392	5,590	79	83	511
Operating leases	27,824	5,743	4,528	3,929	3,686	2,990	6,948
	129,212	12,476	92,920	9,519	3,765	3,073	7,459

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

Financial Instruments

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, interest rate, 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 occasionally hedged a portion of its foreign exchange exposure with financial forward contracts. As at December 31, 2013, the Company did not have any foreign exchange forward contracts. During the year ended December 31, 2012, Glacier had foreign exchange forward contracts to sell USD $125,000 per month at a rate of CAD $1.162, which expired in April 2012 and entered into foreign exchange forward contracts to sell USD $100,000 per month which commenced June 2012 at rates between CAD $1.030 and CAD $1.036, and expired in May 2013. The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks associated with the customer and other relevant information. The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity.

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

The 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

Foreign Exchange

A portion of Glacier's revenue is generated in U.S. dollars and as such is subject to exchange rate fluctuations. In order to partially hedge this risk, the Company, as required, hedged a portion of its foreign exchange exposure with financial forward contracts. As at December 31, 2013, Glacier did not have any foreign exchange forward contracts. As at December 31, 2012 Glacier had foreign exchange forward contracts to sell USD $100,000 per month which commenced in June 2012 at rates between CAD $1.030 and CAD $1.036, and expired in May 2013. During the year ended December 31, 2012 Glacier had foreign exchange forward contracts to sell USD $125,000 per month which commenced in April 2009 at a rate of CAD $1.162, and expired in April 2012. Despite any hedges, a strengthening in the Canadian dollar could have an impact on Glacier's revenue given that the amount of Glacier's revenue received in U.S. dollars exceeds the amount of the hedge contracts. Glacier monitors foreign exchange markets on an ongoing basis to determine appropriate levels of hedging.

Government Programs

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

General Market Conditions

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

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

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

- The community media group publishes newspapers in a variety of communities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario Quebec and the United States, and is diversified as a result;
- The trade information group (Glacier FarmMedia, June Warren-Nickle's Energy Group, Business Information Group and the Business In Vancouver Media Group) publishes a wide variety of trade publications distributed across Canada;
- Fundata competes with other companies in the financial information market in Canada;
- ERIS provides comprehensive information from a variety of databases regarding potential environmental liability; and
- Glacier disseminates its information in print, online and digital format.

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

Additional information on the Company's business environment and risks is included in the Company's Annual Information Form ("AIF") filed on SEDAR.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have evaluated the effectiveness of these disclosure controls and procedures for the year ending December 31, 2013, and have concluded that they are effective.

The CEO and CFO, while acknowledging responsibility for the design of internal controls over financial reporting ("ICFR"), and confirming that there were no changes in these controls that occurred during the most recent year ended December 31, 2013 which materially affected, or are reasonably likely to materially affect, the Company's ICFR and based upon their evaluation of these controls for the year ended December 31, 2013, the CEO and CFO have concluded that these controls are effective. The CEO and CFO have certified such findings and reported to the Audit Committee, who in turn, has included such certification and report in the Audit Committee's recommendation to the Board of Directors. The Board of Directors in passing its resolutions acknowledges that it is basing and relying on such certification and report.

Future Accounting Policies

There are no accounting standards that are issued but not yet applied that are applicable to the Company as at December 31, 2013.

Critical Accounting Estimates

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

Income Taxes

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

Retirement Benefit Assets/Obligations

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

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

Share-Based Payments

The Company provides incentives via share-based payment entitlements. The fair value of entitlements is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. If certain assumptions used in the fair value calculation were to change, there would be an impact on the statement of operations in future financial periods.

Impairment of Intangible Assets and Goodwill

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

The Company used the aggregate recoverable amount of its finite life intangible assets and compared it to the carrying amount. Recoverable amount has been determined based on the value in use of the CGUs using a five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective business segments and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates. Based upon the analysis performed, the Company concluded that there was an impairment of finite life intangibles in 2013 in the BC Community Media and the Business and Professional groups of CGUs. In 2012, there was an impairment of finite life intangibles in the Business and Professional group of CGUs.

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

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

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

Based upon the analysis performed in 2013, the Company concluded that there was an impairment of indefinite life intangible assets in the BC Community Media, Prairie Community Media, and Other Trade Information groups of CGUs. In 2012, there was an impairment of indefinite life intangible assets in the BC Community Media group of CGUs.

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

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

The value in use was determined using five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective CGU or groups of CGUs and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates. The recoverable value is also affected by the discount rate, the weighted average cost of capital, future growth rates and tax rates, which may or may not occur, resulting in the need for future revisions of estimates.

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

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

Based upon the analysis performed in 2013, the Company concluded that there was an impairment of goodwill at December 31, 2013 within the BC Community Media, Prairie Community Media, Business and Professional and Other Trade Information groups of CGUs. Accordingly, the Company has recorded an estimated impairment of goodwill in the year ended December 31, 2013. In 2012, the Company concluded that there was an impairment of goodwill within the Business and Professional, Prairie Community Media and Other Trade Information groups of CGUs.

Derivative Financial Instruments

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

Fair Value of Business Combinations

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

Estimated Useful Lives

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

March 27, 2014

Independent Auditor's Report

To the Shareholders of
Glacier Media Inc.

We have audited the accompanying consolidated financial statements of Glacier Media Inc. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2013, December 31, 2012 and January 1, 2012 and the consolidated statements of operations, comprehensive (loss) income, changes in equity, and cash flows for the years ended December 31, 2013 and December 31, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Glacier Media Inc. and its subsidiaries as at December 31, 2013, December 31, 2012 and January 1, 2012 and their financial performance and their cash flows for the years ended December 31, 2013 and December 31, 2012 in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants

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CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2013 and 2012

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

	2013	2012
	$	$
Revenue	**295,623**	297,111
Expenses before depreciation and amortization		
Direct expenses (Note 24)	**205,142**	201,921
General and administrative (Note 24)	**57,790**	55,755
	32,691	39,435
Interest expense, net (Note 22)	**5,521**	5,764
Depreciation of property, plant and equipment (Note 10)	**5,955**	5,993
Amortization of intangible assets (Note 11)	**7,931**	8,151
Other income (Note 20)	**(266)**	(3,703)
Gain on acquisition (Note 6)	**(168)**	(1,102)
Net (gain) loss on disposal of assets	**(361)**	183
Impairment expense (Notes 8, 11 and 12)	**78,991**	8,503
Other expenses (Note 23)	**7,293**	3,618
Share of earnings from joint ventures and associates (Note 8)	**(468)**	(8,073)
Net (loss) income before income taxes	**(71,737)**	20,101
Income tax (recovery) expense (Note 21)	**(9,908)**	5,283
Net (loss) income for the year	**(61,829)**	14,818
Net (loss) income attributable to:		
Common shareholders	**(64,853)**	9,995
Non-controlling interest	**3,024**	4,823
(Loss) earnings per share attributable to common shareholders (Note 18)		
Basic and diluted	**(0.73)**	0.11
Weighted average number of common shares		
Basic and diluted	**89,160,254**	89,357,465

See accompanying notes to these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
Years ended December 31, 2013 and 2012

(Expressed in thousands of Canadian dollars)

	2013	2012
	$	$
Net (loss) income for the year	**(61,829)**	14,818
Other comprehensive income (net of tax) (Note 19)		
Actuarial gains (losses) on defined benefit pension plans [(1)]	**6,610**	(491)
Unrealized loss on investments classified as available-for-sale [(2)]	**(420)**	(82)
Share of other comprehensive income from joint ventures and associates [(1)] (Note 8)	**1,535**	1,090
Other comprehensive income, net of tax	**7,725**	517
Total comprehensive (loss) income	**(54,104)**	15,335
Total comprehensive (loss) income attributable to:		
Common shareholders	**(57,368)**	10,504
Non-controlling interest	**3,264**	4,831

[(1)] Recorded directly in retained earnings.

[(2)] Recycles through the consolidated statement of operations in future periods.

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED BALANCE SHEETS
As at December 31, 2013 and 2012

(Expressed in thousands of Canadian dollars)

	December 31, 2013	December 31, 2012	January 1, 2012
	$	$	$
Assets			
Current assets			
Cash and cash equivalents	**6,970**	1,233	3,105
Trade and other receivables (Note 7)	**56,212**	55,121	48,807
Inventory	**5,104**	5,538	5,042
Prepaid expenses	**2,487**	3,268	2,782
	70,773	65,160	59,736
Non-current assets			
Investments in joint ventures and associates (Note 8)	**108,539**	114,222	160,360
Other investments	**3,367**	3,848	3,945
Other assets	**2,073**	2,591	3,065
Property, plant and equipment (Note 10)	**50,372**	66,261	59,638
Intangible assets (Note 11)	**111,019**	151,177	128,503
Goodwill (Note 12)	**167,409**	202,159	141,263
Total assets	**513,552**	605,418	556,510
Liabilities			
Current liabilities			
Trade and other payables (Note 13)	**33,987**	28,726	30,259
Dividends payable	**1,781**	-	2,770
Deferred revenue	**16,195**	15,824	14,783
Current portion of long-term debt (Note 14)	**6,733**	8,163	3,171
Other current liabilities	**3,523**	1,700	2,748
	62,219	54,413	53,731
Non-current liabilities			
Non-current portion of deferred revenue	**1,576**	736	652
Other non-current liabilities	**1,641**	1,491	1,856
Post-employment benefit obligation (Note 15)	**4,539**	12,484	10,430
Long-term debt (Note 14)	**94,655**	116,225	114,115
Deferred income taxes (Note 21)	**16,166**	23,836	21,534
Total liabilities	**180,796**	209,185	202,318
Equity			
Share capital (Note 17)	**198,605**	198,962	199,216
Contributed surplus	**8,951**	8,844	8,792
Accumulated other comprehensive loss (Note 19)	**(927)**	(520)	(441)
Retained earnings	**76,322**	140,419	132,517
Total equity attributable to common shareholders	**282,951**	347,705	340,084
Non-controlling interest	**49,805**	48,528	14,108
Total equity	**332,756**	396,233	354,192
Total liabilities and equity	**513,552**	605,418	556,510

See accompanying notes to these consolidated financial statements

Approved by the Directors

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

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

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years ended December 31, 2013 and 2012

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

	Attributable to common shareholders								
	Share capital			Accumulated other			Non-		
	Shares	Amount	Contributed surplus	comprehensive loss	Retained earnings	Total	controlling interest	Total equity
		$	$	$	$	$	$	$
Balance, December 31, 2012	89,243,102	198,962	8,844	(520)	140,419	347,705	48,528	396,233
Net (loss) income for the year	-	-	-	-	(64,853)	(64,853)	3,024	(61,829)
Other comprehensive income (loss) (net of tax):	-	-	-	(407)	7,892	7,485	240	7,725
Total comprehensive (loss) income for the year	-	-	-	(407)	(56,961)	(57,368)	3,264	(54,104)
Dividends declared on common shares	-	-	-	-	(7,136)	(7,136)	(226)	(7,362)
Non-controlling interest on acquisition	-	-	-	-	-	-	502	502
Distributions to non-controlling interests	-	-	-	-	-	-	(2,263)	(2,263)
Repurchase of common shares	(159,997)	(357)	107	-	-	(250)	-	(250)
Balance, December 31, 2013	**89,083,105**	**198,605**	**8,951**	**(927)**	**76,322**	**282,951**	**49,805**	**332,756**
Balance, January 1, 2012	89,358,410	199,216	8,792	(441)	132,517	340,084	14,108	354,192
Net income for the year	-	-	-	-	9,995	9,995	4,823	14,818
Other comprehensive income (loss) (net of tax):	-	-	-	(79)	588	509	8	517
Total comprehensive income (loss) for the year	-	-	-	(79)	10,583	10,504	4,831	15,335
Dividends declared on common shares	-	-	-	-	(2,681)	(2,681)	(85)	(2,766)
Distributions to non-controlling interests	-	-	-	-	-	-	(1,569)	(1,569)
Acquisition of control of ANGLP	-	-	-	-	-	-	31,474	31,474
Repurchase of non-controlling interest	-	-	-	-	-	-	(231)	(231)
Repurchase of common shares	(115,308)	(254)	52	-	-	(202)	-	(202)
Balance, December 31, 2012	89,243,102	198,962	8,844	(520)	140,419	347,705	48,528	396,233

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2013 and 2012

(Expressed in thousands of Canadian dollars)

	2013	2012
	$	$
Operating activities		
Net (loss) income	(61,829)	14,818
Items not affecting cash		
Depreciation of property, plant and equipment	5,955	5,993
Amortization of intangible assets	7,931	8,151
Gain on acquisition	(168)	(1,102)
Net (gain) loss on disposal of assets	(361)	158
Impairment expense	78,991	8,503
Employee future benefit expense in excess of employer contributions	941	737
Deferred income taxes (recovery)	(9,908)	5,277
Interest expense	5,643	5,775
Share of earnings from joint ventures and associates	(468)	(8,073)
Other non-cash income	(46)	(176)
Cash flow from operations before changes in non-cash operating accounts	26,681	40,061
Changes in non-cash operating accounts		
Trade and other receivables	2,552	(1,835)
Inventory	345	(294)
Prepaid expenses	731	(149)
Trade and other payables	2,843	(2,218)
Deferred revenue	1,189	(328)
Cash generated from operating activities	34,341	35,237
Investing activities		
Acquisitions, inclusive of bank indebtedness assumed and related financing liabilities	(1,843)	349
Net cash acquired on acquisitions	524	2,154
Investments in and cash advances to joint ventures and associates	(3,460)	(187)
Other investing activities	(1,201)	(1,600)
Proceeds from disposal of assets	14,685	437
Distributions received from joint ventures and associates	6,448	5,922
Purchase of property, plant and equipment	(9,533)	(4,233)
Purchase of intangible assets	(2,204)	(2,897)
Cash generated from (used in) investing activities	3,416	(55)
Financing activities		
Proceeds from long-term debt	3,829	19,624
Distribution to non-controlling interests	(1,385)	(1,601)
Dividends paid	(5,523)	(5,536)
Interest paid	(5,440)	(5,618)
Repayment of long-term debt	(23,251)	(43,721)
Repurchase of common shares	(250)	(202)
Cash used in financing activities	(32,020)	(37,054)
Net cash inflow (outflow)	5,737	(1,872)
Cash and cash equivalents, beginning of year	1,233	3,105
Cash and cash equivalents, end of year	6,970	1,233

See accompanying notes to these consolidated financial statements

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

1. General business description

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

The Company is incorporated under the Canada Business Corporations Act, with common shares listed on the Toronto Stock Exchange ("TSX"). The address of its head office is 2188 Yukon Street, Vancouver, British Columbia.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of consolidated financial statements.

These consolidated financial statements have been approved by the Board of Directors for issue on March 27, 2014.

In accordance with IFRS, new accounting standards were applied effective January 1, 2013 and require retrospective application. Therefore, the prior year comparative balances have been restated to present the Company's new accounting policies resulting from the implementation of the new standards (refer to Note 30).

3. Significant accounting policies

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

(a) Basis of measurement

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

(b) Principles of consolidation

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

3. Significant accounting policies (continued)

(b) *Principles of consolidation (continued)*

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

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

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

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

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

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

3. Significant accounting policies (continued)

(c) Foreign currency

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

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

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

(d) Revenue recognition

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

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

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

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

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

(e) Income taxes

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

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

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

3. Significant accounting policies (continued)

(e) Income taxes (continued)

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

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

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

Deferred tax liabilities are not recognized on temporary differences that arise from goodwill. Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

(f) Cash and cash equivalents

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

(g) Inventory

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

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

(h) Property, plant and equipment

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

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

3. Significant accounting policies (continued)

(h) Property, plant and equipment (continued)

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

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

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

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

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

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

(i) Identifiable intangible assets

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

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

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

3. Significant accounting policies (continued)

(i) Identifiable intangible assets (continued)

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

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

(j) Goodwill

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

(k) Impairment of non-financial assets

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

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

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

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

3. Significant accounting policies (continued)

(l) Leases

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

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

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

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

(m) Provisions

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

(n) Employee pension and other post-employment benefits

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

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

3. Significant accounting policies (continued)

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

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

(o) Stock-based compensation

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

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

(p) Government grants

Income based government grants provided to offset an expense are recorded as a decrease in the expense in the year in which the expense is incurred. Any amounts due from the government for qualifying expenses are recorded in trade receivables. Any amounts received in advance are recorded in current liabilities until the related expense is incurred.

(q) Share capital

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

(r) Dividends

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

(s) Earnings per share

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

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

3. Significant accounting policies (continued)

(t) Borrowing costs

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

(u) Financial instruments

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

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

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

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. The only instruments held by the Company classified in this category are interest rate swaps and foreign exchange forward contracts.

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

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

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

3. Significant accounting policies (continued)

(u) Financial instruments (continued)

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

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

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

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

(v) Derivative financial instruments: The Company uses derivatives in the form of interest rate swaps and foreign exchange forward contracts to manage risks related to its variable rate debt and fluctuations in the value of the U.S. dollar. All derivatives have been classified as held-for-trading and are included on the consolidated balance sheet at their fair value. Interest rate swaps are included within long-term debt and foreign exchange forward contracts are included within trade and other receivables, and are classified as current or non-current based on the contractual terms specific to the instrument. Gains and losses on re-measurement of the interest rate swap are included in interest income (expense) and on foreign exchange forward contracts are included in unrealized gains and losses on derivative financial instruments.

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

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

3. Significant accounting policies (continued)

(v) Impairment of financial assets

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

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

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

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

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

4. 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 December 31, 2013.

5. Critical accounting estimates and judgements

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

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

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

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

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

5. Critical accounting estimates and judgements (continued)

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

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

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

(b) *Retirement benefit assets/obligations*

The asset/liability in respect of the defined benefit pension plans are calculated as the defined benefit obligation less plan assets and other adjustments. The methodology utilized by the Company to determine the benefit obligation is consistent with the prior year.

(c) *Income taxes*

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

(d) *Derivative financial instruments*

The fair values of over-the-counter derivatives are determined using valuation techniques adopted by management with assumptions that are based on market conditions existing at each balance sheet date. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows. The Company does not have any foreign exchange swaps as at December 31, 2013.

(e) *Fair value assessment of business combinations*

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

(f) *Estimated useful lives*

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

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

5. Critical accounting estimates and judgements (continued)

(g) *Utilization of tax losses*

The recognition of income tax assets (Notes 16 and 21), including those in associates, related to the utilization of non-capital losses requires significant judgement and is subject to uncertainty as to the timing and ability to utilize the losses in the future.

6. Acquisitions and disposals

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

(b) The Company completed the disposition of some community media assets for non-cash consideration of $0.8 million.

(c) On April 1, 2012, the Company acquired control of its joint venture partner Alta Newspaper Group Limited Partnership ("ANGLP"). In accordance with IFRS 3, this acquisition was treated as a step acquisition by the Company, whereby its existing investment was disposed of at April 1, 2012 and a new investment reacquired. Effective April 1, 2012, the Company accounts for its investment in ANGLP as a subsidiary and consolidates the financial position and results of the Company. Prior to April 1, 2012, the Company accounted for its investment in ANGLP using the equity method.

The Company acquired total assets of $110.8 million, liabilities of $36.3 million, a non-controlling interest of $41.9 million and recognized a gain on the acquisition transaction of $1.1 million and finalized its purchase accounting in the fourth quarter of 2012.

7. Trade and other receivables

(thousands of dollars)	**2013**	2012
	$	$
Trade receivables	**56,078**	57,862
Less: allowance for doubtful accounts	**(2,664)**	(2,741)
Trade receivables - net	**53,414**	55,121
Other receivables	**2,798**	-
	56,212	55,121

8. Investments in joint ventures and associates

Set out below are the material joint ventures and associates of the Company as at December 31, 2013 and 2012. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Company. All of these entities are accounted for using the equity method.

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

8. Investments in joint ventures and associates (continued)

The tables below provide summarized financial information for those joint ventures and associates of the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and associates, and not the Company's share of those amounts.

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

[1] The Company does not have control over this investment as it does not have a majority of members on the Board of Directors, nor does it have voting control over the entity.

[2] These entities have a March 31 year-end.

[3] The Company has significant influence over this investment due to the composition of the Board of Directors.

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

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

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

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

	Joint ventures		Associates	
(thousands of dollars)	**2013**	2012	**2013**	2012
	$	$	**$**	$
Current assets				
Cash and cash equivalents	**6,268**	7,986	**6,077**	4,141
Other current assets	**20,774**	14,402	**11,736**	12,510
Non-current assets	**67,235**	48,213	**125,169**	144,063
Current liabilities				
Current financial liabilities				
(excluding trade and other payables)	**(8,997)**	(13,461)	**(15,202)**	(18,422)
Other current liabilities	**(21,712)**	(17,571)	**(13,854)**	(17,374)
Non-current liabilities	**(18,543)**	(4,046)	**(20,307)**	(22,712)
Net assets	**45,025**	35,523	**93,619**	102,206

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

8. Investments in joint ventures and associates (continued)

	Joint ventures		Associates	
(thousands of dollars)	**2013**	2012	**2013**	2012
	$	$	**$**	$
Reconciliation of net assets:				
Opening net assets	**35,523**	28,342	**102,206**	106,821
Income (loss) for the year	**12,729**	14,381	**(8,565)**	629
Other comprehensive income	**-**	-	**2,357**	1,852
Dividends paid	**(11,100)**	(7,200)	**(2,405)**	(7,096)
Acquisitions	**7,873**	-	**26**	-
Closing net assets	**45,025**	35,523	**93,619**	102,206
Revenue	**68,803**	63,932	**85,059**	90,948
Depreciation and amortization	**3,378**	2,205	**3,895**	3,204
Interest income	**(12)**	(15)	**-**	(17)
Interest expense	**860**	693	**4,713**	2,506
Income tax expense (recovery)	**2,143**	1,561	**(2,845)**	1,026
Income (loss) for the year	**12,221**	16,539	**(8,565)**	666
Other comprehensive income	**-**	-	**2,357**	1,852
Total comprehensive income (loss)	**12,221**	16,539	**(6,208)**	2,518
Dividends received by the Company from joint ventures and associates	**(5,550)**	(3,600)	**(898)**	(1,831)

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

(thousands of dollars)	**2013**	2012
	$	$
Aggregate net assets of individually immaterial associates	**8,998**	74
Aggregate amounts of the Company's share of:		
Income (loss) for the year	**1,765**	(590)
Other comprehensive income	**-**	-
Total comprehensive income (loss)	**1,765**	(590)

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

8. Investments in joint ventures and associates (continued)

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

(thousands of dollars)	**2013**	2012
	$	$
Balance, beginning of year	**114,222**	160,360
Investments in (derecognition of) joint ventures and associates (a)	**5,775**	(49,379)
Share of earnings for the year	**468**	8,073
Share of other comprehensive income for the year (net of tax)	**1,535**	1,090
Distributions and dividends received and other equity movements	**(6,448)**	(5,922)
Impairment of investment in associate (b)	**(7,013)**	-
Balance, end of year	**108,539**	114,222

(a) Investments in (derecognition of) joint ventures and associates

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

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

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

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

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

8. Investments in joint ventures and associates (continued)

(b) Impairment of investment in associate

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

In its assessment of the recoverable amounts of the investments in joint ventures and associates, the Company performed a sensitivity analysis of the discount rates and in EBITDA. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would have an impact of approximately $0.7 million and a $0.8 million, respectively. A 0.5% increase and 0.5% decrease in EBITDA would not have a significant impact on the calculated impairment expense.

9. Subsidiaries, affiliated entities and non-controlling interests

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

Name of entity	Principal place of business	Principal activities
Alta Newspaper Group LP	Alberta	Community media
Prairie Newspaper Group LP	Saskatchewan & Manitoba	Community media
GVIC Communications Corp.	British Columbia	Information communications

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

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

9. Subsidiaries, affiliated entities and non-controlling interests (continued)

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

(thousands of dollars)	**2013**	2012
	$	$
Summarized balance sheets		
Current assets	**80,211**	74,649
Non-current assets	**559,249**	659,552
Current liabilities	**(72,459)**	(62,453)
Non-current liabilities	**(163,198)**	(208,050)
Net assets	**403,803**	463,698
Summarized statements of comprehensive (loss) income		
Revenue	**352,368**	349,466
(Loss) income for the year	**(53,750)**	25,945
Other comprehensive income	**7,725**	517
Total comprehensive (loss) income	**(46,025)**	26,462
Profit allocated to non-controlling interest	**1,872**	4,027
Dividends paid to non-controlling interest	**(1,592)**	(1,599)
Summarized cash flows		
Cash flows from operating activities	**49,918**	52,194
Cash flows from investing activities	**229**	(1,112)
Cash flows from financing activities	**(48,986)**	(54,387)
Net increase (decrease) in cash and cash equivalents	**1,161**	(3,305)

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

10. Property, plant and equipment

(thousands of dollars)	Land	Buildings	Production equipment	Office equipment and leaseholds	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2012	14,568	16,325	44,387	20,002	95,282
Additions	-	792	829	2,612	4,233
Acquisitions on business combinations	1,569	4,204	5,430	2,365	13,568
Disposals	(489)	(1,090)	(2,870)	(1,090)	(5,539)
Balance at December 31, 2012	15,648	20,231	47,776	23,889	107,544
Additions	4,829	2,122	604	1,978	9,533
Acquisitions on business combinations	27	154	12	335	528
Disposals	(12,869)	(7,073)	(974)	(1,481)	(22,397)
Balance at December 31, 2013	**7,635**	**15,434**	**47,418**	**24,721**	**95,208**
Accumulated depreciation					
Balance at January 1, 2012	-	1,220	21,536	12,888	35,644
Additions	-	605	2,340	3,048	5,993
Disposals	-	(25)	(249)	(80)	(354)
Balance at December 31, 2012	-	1,800	23,627	15,856	41,283
Additions	-	663	2,800	2,492	5,955
Disposals	-	(614)	(521)	(1,267)	(2,402)
Balance at December 31, 2013	-	**1,849**	**25,906**	**17,081**	**44,836**
Carrying amounts					
At January 1, 2012	14,568	15,105	22,851	7,114	59,638
At December 31, 2012	15,648	18,431	24,149	8,033	66,261
At December 31, 2013	**7,635**	**13,585**	**21,512**	**7,640**	**50,372**

During the year ended December 31, 2013, the Company acquired property, plant and equipment of $9.5 million, which included land and building, printing equipment and office furnishings. The purchase of the land and building was partially financed by a mortgage for $3.8 million (Note 14).

During the year ended December 31, 2013, the Company disposed of two properties consisting of land and buildings, which were purchased from Postmedia and had an allocated value of $5.6 million. The Company received $3.9 million in cash and an equity interest in a real estate company, which is a related party, valued at $1.3 million, for total consideration of $5.2 million, the fair value of the properties.

In addition, the Company disposed of a number of properties consisting of land and buildings for cash consideration of $14.7 million and non-cash proceeds of $3.8 million.

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

11. 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:

	Indefinite life	Finite life				
(thousands of dollars)	Mastheads and Trademarks	Copyrights	Customer relationships	Subscription lists	Software and websites	Total
	$	$	$	$	$	$
Cost						
Balance at January 1, 2012	83,198	12,650	52,291	3,570	15,423	167,132
Additions	-	-	342	-	2,555	2,897
Acquisitions on business combinations	10,631	-	16,584	385	-	27,600
Disposals	-	-	(204)	-	-	(204)
Impairment	(643)	(168)	(111)	-	(756)	(1,678)
Balance at December 31, 2012	93,186	12,482	68,902	3,955	17,222	195,747
Additions	107	-	210	-	1,887	2,204
Acquisitions on business combinations	863	-	2,772	106	34	3,775
Disposals	(393)	-	(236)	(210)	(1,025)	(1,864)
Impairment	(22,358)	-	(15,050)	-	-	(37,408)
Balance at December 31, 2013	**71,405**	**12,482**	**56,598**	**3,851**	**18,118**	**162,454**
Accumulated amortization						
Balance at January 1, 2012	-	8,891	16,209	2,706	10,823	38,629
Amortization	-	884	5,331	45	1,891	8,151
Disposals	-	-	(2,210)	-	-	(2,210)
Balance at December 31, 2012	-	9,775	19,330	2,751	12,714	44,570
Amortization	-	324	6,000	13	1,594	7,931
Disposals	-	-	(41)	-	(1,025)	(1,066)
Balance at December 31, 2013	**-**	**10,099**	**25,289**	**2,764**	**13,283**	**51,435**
Carrying amounts						
At January 1, 2012	83,198	3,759	36,082	864	4,600	128,503
At December 31, 2012	93,186	2,707	49,572	1,204	4,508	151,177
At December 31, 2013	**71,405**	**2,383**	**31,309**	**1,087**	**4,835**	**111,019**

Indefinite life intangible assets

In each of fiscal 2013 and 2012, the Company conducted its annual impairment test of indefinite life intangible assets. The Company used the aggregate recoverable amount of the indefinite life intangible assets included in each CGU or group of CGUs, and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less cost to sell. The value in use was determined using five year budgeted revenues to determine the relief from royalties that the mastheads and trademarks provide. For periods beyond the budget period, revenues were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry.

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

Key assumptions for all CGUs or groups of CGUs included in the 2013 testing are: royalty rates of 3.5% - 5.0% (2012: 3.5% - 5.0%), annual revenue growth rates of 0.0% - 3.0% (2012: 4.0% - 7.5%) and pre-tax discount rates of 11.5% - 12.6% (2012: 9.3% - 10.7%).

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

11. Intangible assets (continued)

As a result of generally weak economic conditions, as well as structural changes in the community newspaper industry, advertising revenues were adversely affected during the year. The media industry, as a whole is facing the maturation of traditional print advertising. As a result of these declines, the Company recorded an impairment of $22.4 million on its indefinite life intangible assets. From this, $16.0 million was included in the BC Community Media group of CGUs, $1.1 million was included in the Prairie Community Media group of CGUs, $1.1 million was included in the Energy group of CGUs, and $4.2 million was included in the Other Trade Information group of CGUs.

In fiscal 2012, the Company recorded an impairment of $0.6 million on its indefinite life intangible assets in the BC Community Media group of CGUs.

In its assessment of the recoverable amounts of the indefinite life intangible assets, the Company performed a sensitivity analysis of the discount rate and revenue assumptions. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would have an impact of approximately $2.4 million and $2.7 million on the impairment expense, respectively. A 0.5% increase and 0.5% decrease in revenue would have an impact of approximately $0.3 million and $0.3 million on the impairment expense, respectively.

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

(thousands of dollars)	2013	2012
	$	$
BC Community Media	**23,244**	38,635
Prairie Community Media	**11,381**	12,454
Agriculture and Energy	**13,714**	14,866
Business and Professional	**-**	-
Other Trade Information	**23,066**	27,231
	71,405	93,186

Finite life intangible assets

The Company also reviewed indicators of impairment on its finite life intangible assets in both 2013 and 2012, and identified certain copyright and customer relationship assets that required additional testing.

The Company used the aggregate recoverable amount of its finite life intangible assets and compared it to the carrying amount. Recoverable amount has been determined based on the value in use of the CGUs using a five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective business segments and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates. Key assumptions included in the 2013 testing are: annual growth rates of 0.0% - 0.5% (2012: 1.0% - 5.0%) and pre-tax discount rates of 13.4% - 14.9% (2012: 14.7% - 16.5%).

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

11. Intangible assets (continued)

As a result of generally weak economic conditions, as well as structural changes in the community newspaper industry, advertising revenues were adversely affected during the year. The media industry, as a whole is facing the maturation of traditional print advertising. As a result of these declines, the Company recorded impairment expense of $15.1 million on certain finite life intangible assets, of which $11.7 million was related to the BC Community Media group of CGUs and $3.4 million was related to certain assets in the Business and Professional group of CGUs.

In fiscal 2012, the Company recorded an impairment of $1.1 million on certain finite life intangible assets, of which $0.8 million was related to website hosting assets that were no longer in use in the BC Community Media group of CGUs and $0.3 million was related to certain assets in the Business and Professional group of CGUs.

In its assessment of the recoverable amounts of the finite life intangible assets, the Company performed a sensitivity analysis of the discount rate and EBITDA assumptions. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would not have an impact on the impairment expense. A 0.5% increase and 0.5% decrease in EBITDA would have an impact of approximately $0.1 million and $0.1 million on the impairment expense, respectively.

12. Goodwill

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

(thousands of dollars)	**2013**	2012
	$	$
Balance, beginning of year	**202,159**	141,263
Acquisition on business combinations	**308**	67,899
Disposition	**(487)**	(179)
Impairment	**(34,571)**	(6,824)
Balance, end of life	**167,409**	202,159

Goodwill impairment

In each of fiscal 2013 and 2012, the Company conducted its annual impairment test of goodwill. The Company used the aggregate recoverable amount of the assets included in each CGU or group of CGUs and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less cost to sell of the CGUs or groups of CGUs.

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

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

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

12. Goodwill (continued)

Key assumptions for all CGUs or groups of CGUs included in the 2013 testing are: annual growth rates of 0.0% - 2.0% (2012: 1.0% - 5.0%) and pre-tax discount rates of 10.7% - 13.5% (2012: 9.9% - 10.7%).

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

For the year ended December 31, 2013, the Company recorded impairments of $34.6 million to its goodwill. From this, $13.3 million was included in the BC Community Media group of CGUs, $13.2 million was included in the Prairie Community Media group of CGUs, $2.8 million was included in the Business and Professional group of CGUs and $5.3 million was included in the Other Trade Information group of CGUs. This amount excludes $6.3 million (2012: $nil), which is the Company's share of goodwill impairment in the Company's joint ventures and associates.

For the year ended December 31, 2012, the Company recorded impairments of $6.8 million to its goodwill, of which $4.3 million was included in the Business and Professional group of CGUs, $2.4 million was included in the BC Community Media group of CGUs and $0.1 million was included in the Other Trade Information group of CGUs.

In its assessment of the recoverable amounts of the groups of CGUs, the Company performed a sensitivity analysis of the discount rates and EBITDA assumptions. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would have an impact of approximately $7.5 million and $8.4 million on the impairment expense, respectively. A 0.5% increase and 0.5% decrease in EBITDA would have an impact of approximately 1.0% increase or decrease, respectively, to the overall impairment expense.

A 0.5% increase and a 0.5% decrease in either the discount rates or EBITDA would not result in an impairment loss to other groups of CGUs for which an impairment loss was not already recorded.

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

(thousands of dollars)	**2013**	2012
	$	$
BC Community Media	**48,522**	61,740
Prairie Community Media	**79,276**	92,617
Agriculture and Energy	**36,956**	37,026
Business and Professional	**-**	2,883
Other Trade Information	**2,655**	7,893
	167,409	202,159

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

13. Trade and other payables

(thousands of dollars)	**2013**	2012
	$	$
Trade payables	**10,120**	9,302
Accrued liabilities	**23,867**	19,424
	33,987	28,726

All trade payables are due within three months of year end.

14. Long-term debt

The Company has the following long-term debt outstanding:

(thousands of dollars)	**2013**	2012
	$	$
Current		
ANGLP non-recourse debt (b)	**6,667**	6,736
Finance lease liability (c)	**-**	660
Mortgages and other loans	**66**	767
	6,733	8,163
Non-current		
Revolving bank loan (a)	**82,000**	97,000
ANGLP non-recourse debt (b)	**12,102**	18,727
Mortgages and other loans	**553**	498
	94,655	116,225
	101,388	124,388

Changes to the Company's debt obligation for the years ended December 31, 2013 and 2012 were as follows:

(thousands of dollars)	**2013**	2012
	$	$
Balance, beginning of year	**124,388**	117,286
Proceeds from additional borrowings	**3,832**	32,114
Financing charges	**203**	251
Principal portion of finance lease payments	**(660)**	(1,556)
Repayment of debt	**(26,375)**	(23,707)
Balance, end of year	**101,388**	124,388

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

14. Long-term debt (continued)

(a) Revolving bank loan

Glacier has a revolving bank loan facility with a syndicate of major Canadian banks which requires no principal repayments during its term and matures on March 30, 2015. The maximum that can be drawn on the amended facility is dependent on the Company's debt to earnings ratio. The facility bears interest at varying rates based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 1.50% to 2.75% or the bank prime rate plus 0.50% to 1.75%, depending on Glacier's debt to earnings ratio. The facility is secured by a general security agreement including fixed and floating charges over all of Glacier's and its subsidiaries' assets.

Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was in compliance with these covenants at December 31, 2013 and 2012.

(b) Alta Newspaper Group Limited Partnership

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

At December 31, 2013, ANGLP has $18.8 million outstanding on its senior loan facility which matures on November 1, 2016. The facility requires annual payments of $7.5 million plus interest until September 1, 2013 and $6.7 million plus interest thereafter.

On April 1, 2012, the Company acquired control of ANGLP and as a result recorded an additional $12.6 million in long-term debt owing by ANGLP (Note 6(c)). The debt is non-recourse to the Company.

(c) Finance lease obligation

The Company had certain lease arrangements which were considered finance lease arrangements. They were secured by the related equipment, which is included in property, plant and equipment. The total carrying value of these leased assets at December 31, 2013 is $nil (2012: $0.7 million).

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

	2014	2015	2016	2017	2018	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Long-Term Debt	6,733	88,392	5,590	79	83	511	**101,388**

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

15. Post employment benefit obligations

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

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

Actuarial valuations are performed every three years for the defined benefit pension plans. The plans will undergo actuarial valuations for funding purposes which will be completed in 2014.

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2013**	2012	**2013**	2012
	$	$	**$**	$
Present value of benefit obligation	**(41,415)**	(42,139)	**(4,025)**	(3,968)
Fair value of plan assets	**40,901**	33,623	**-**	-
Net benefit obligation	**(514)**	(8,516)	**(4,025)**	(3,968)

The movement in the defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2013**	2012	**2013**	2012
	$	$	**$**	$
Balance, beginning of year	**42,139**	35,911	**3,968**	3,716
Current service cost	**2,013**	1,810	**210**	204
Interest cost on the defined benefit obligation	**1,763**	1,661	**166**	164
Plan participants' contributions	**482**	538	**-**	-
Actuarial (gain) loss	**(3,915)**	1,512	**(264)**	(60)
Benefits paid from plan assets	**(1,067)**	(1,062)	**(55)**	(56)
Acquisition (Note 6(c))	**-**	1,769	**-**	-
Balance, end of year	**41,415**	42,139	**4,025**	3,968

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

15. Post employment benefit obligations (continued)

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2013**	2012	**2013**	2012
	$	$	**$**	$
Beginning of year	**33,623**	29,156	**-**	-
Interest income on plan assets	**1,512**	1,166	**-**	-
Return on plan assets greater than discount	**4,707**	985	**-**	-
Employer contributions	**1,644**	1,316	**55**	56
Plan participants' contributions	**482**	538	**-**	-
Benefits paid	**(1,067)**	(1,062)	**(55)**	(56)
Acquisition (Note 6(c))	**-**	1,524	**-**	-
Balance, end of year	**40,901**	33,623	**-**	-

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2013**	2012	**2013**	2012
	$	$	**$**	$
Current service cost	**2,013**	1,810	**210**	204
Past service cost	**-**	-	**-**	-
Net interest on defined benefit (asset) liability	**351**	312	**166**	164
Other	**-**	44	**-**	-
	2,364	2,166	**376**	368

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

	2013	2012	**2013**	2012
	Pension benefit plans	Pension benefit plans	**Other benefit plans**	Other benefit plans
Benefit obligations:				
Discount rate	**4.75%**	4.00%	**4.75%**	4.00%
Rate of compensation increases	**3.00%**	3.00%	**3.00%**	3.00%
Net benefit expense:				
Discount rate	**4.00%**	4.25%	**4.00%**	4.25%
Rate of compensation increases	**3.00%**	3.00%	**3.00%**	3.00%

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

15. Post employment benefit obligations (continued)

The assumed trend in health care costs was as follows:

	2013	2012
	Other benefit plans	Other benefit plans
Initial health care cost trend rate	**7.00%**	8.00%
Annual rate of decline in trend rate	**1.00%**	1.00%
Ultimate health care trend rate	**5.00%**	5.00%
Year ultimate rate is reached	**2016**	2016

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

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(5,578)	6,565
Rate of compensation increases	1.00%	1,553	(1,338)

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

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(421)	471
Heath care trend rates	1.00%	134	(148)

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

In addition to the significant assumptions listed in the table above, as at December 31, 2013, the weighted average duration of the defined benefit plan and the other benefit plans is 18.6 years (2012: 17.2 years) and 12.2 years (2012: 13.5 years), respectively.

Expected contributions to the benefit plans for the year ended December 31, 2014 are $1.8 million. As at December 31, 2013, the accumulated actuarial losses recognized in other comprehensive income were $2.6 million (2012: $11.5 million).

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

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

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

15. Post employment benefit obligations (continued)

The plan assets are comprised of:

	Acceptable range	Normal policy	**2013**	2012
Canadian equities	20% - 90%	75%	**67%**	64%
US equities	0% - 40%	15%	**10%**	9%
Fixed income	10% - 80%	5%	**13%**	13%
Other	10% - 80%	5%	**10%**	14%
		100%	**100%**	100%

Risk management practices

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

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

16. Contingencies and commitments

(a) The Company has the following guarantees and contingencies at December 31, 2013.

(i) 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 March 27, 2014, there has been no change in the status of this matter.

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

16. Contingencies and commitments (continued)

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

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

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

No provisions or contingencies have been recorded for these items as at December 31, 2013 or December 31, 2012.

(b) The Company and its subsidiaries have entered into operating leases for premises and office equipment which expire on various dates up to 2023.

The minimum annual lease payments are required as follows:

	2014	2015	2016	2017	2018	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Operating leases:	5,743	4,528	3,929	3,686	2,990	6,948	**27,824**

The Company's joint ventures have $0.6 million of minimum lease payments due through 2018.

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

17. Share capital

At December 31, 2013 and 2012, the Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

At December 31, 2013, the Company has 89,083,105 (2012: 89,243,102) common shares outstanding. At December 31, 2013 and 2012, the Company did not have any preferred shares issued.

The Company had the following common share options issued:

		2013		2012
	Common shares options	**Weighted average exercise price**	Common shares options	Weighted average exercise price
		$		$
Options outstanding at beginning of year	**475,000**	**2.44**	1,575,000	3.01
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired			(1,100,000)	3.25
Outstanding at end of year	**475,000**	**2.44**	475,000	2.44
Exercisable at end of year	**475,000**	**2.44**	475,000	2.44

During the year ended December 31, 2013, the Company repurchased for cancellation 159,997 shares at a price of $1.55 under its September 2012 Normal Course Issuer Bid ("NCIB").

On September 27, 2013, the Company filed a renewed normal course issuer bid ("September 2014 NCIB") which authorized the Company to repurchase for cancellation up to 2,500,000 common shares until September 26, 2014.

At December 31, 2013, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The warrants will expire on June 28, 2014, unless extended.

The Company has a stock option plan for officers, directors and certain employees. The maximum number of options available for issuance is 2,238,348. On March 30, 2011, the Company granted 475,000 share purchase options to certain directors and senior management. The options entitle the holder to acquire a common share of the Company at an exercise price equal to the closing price of the common shares on the TSX on March 30, 2011, being $2.44, and expire on March 29, 2014. The Company recognizes compensation expense for all stock options awarded based on the fair value of the option on the date of grant. The fair value of the stock options granted in 2011 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: expected volatility of 40.4%; risk-free interest rate of 2.0%; expected life of three years; and annual dividend yield of 2.5%. There was no stock-based compensation recorded for the years ended December 31, 2013 or 2012.

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

18. (Loss) earnings per share

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

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

	Income	Shares	Per share
2012	$		$
Basic EPS:			
Net income	9,995	89,357,465	0.11
Effect of dilutive securities	-	-	-
Diluted EPS:			
Net income	9,995	89,357,465	0.11

19. Other comprehensive income (loss)

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

	Accumulated other comprehensive income (loss)			**Retained earnings**			
(thousands of dollars)	**Equity Securities classified as available for sale**	**Cumulative Translation Adjustment**	**Total**	**Actuarial gains (losses) on defined benefit plans**	**Total**	**Non-controlling interest**	**Total comprehensive loss**
	$	$	$	$	$	$	$
Balance, December 31, 2012	(398)	(122)	(520)	(7,498)	(7,498)	(265)	(8,283)
Actuarial gain on defined benefit plans	-	-	-	6,405	6,405	205	6,610
Unrealized loss on available-for-sale investments	(407)	-	(407)	-	-	(13)	(420)
Share of other comprehensive income from joint ventures and associates	-	-	-	1,487	1,487	48	1,535
Other comprehensive income (loss) for the year			(407)		7,892	240	7,725
Balance, December 31, 2013	**(805)**	**(122)**	**(927)**	**394**	**394**	**(25)**	**(558)**
Balance, January 1, 2012	(319)	(122)	(441)	(8,086)	(8,086)	(273)	(8,800)
Actuarial loss on defined benefit plans	-	-	-	(468)	(468)	(23)	(491)
Unrealized loss on available-for-sale investments	(79)	-	(79)	-	-	(3)	(82)
Share of other comprehensive income from joint ventures and associates	-	-	-	1,056	1,056	34	1,090
Other comprehensive income (loss) for the year			(79)		588	8	517
Balance, December 31, 2012	(398)	(122)	(520)	(7,498)	(7,498)	(265)	(8,283)

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

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

19. Other comprehensive income (loss) (continued)

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

(thousands of dollars)	**2013**	2012
	$	$
Income tax effect of:		
Actuarial gain (loss) on defined benefit plans	**(2,278)**	163
Unrealized loss on available-for-sale investments	**62**	12

20. Other income

(thousands of dollars)	**2013**	2012
	$	$
Asset Backed Commercial Paper (a)	**-**	3,136
Fee income (b)	**266**	385
Other income	**-**	182
	266	3,703

(a) During the year ended December 31, 2012, the Company recognized $3.1 million of other income related to the redemption of miscellaneous asset-backed paper investments received in connection with an affiliated entity's participation in the $6.3 million 2008 settlement between Sun Times Media Group and CanWest Global Communications Inc. The Company's participation in the settlement was previously reported in the December 31, 2008 consolidated financial statements. The carrying value of these investments was $nil. The Company does not have any other such investments.

(b) During the years ended December 31, 2013 and 2012, the Company received fee income related to providing a guarantee on the debt of one of its associates.

21. Income taxes

Income tax (recovery) 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 year ended December 31, 2013 was 25.75% (2012: 25.0%). The components of income tax (recovery) expense are shown in the following table:

(thousands of dollars)	**2013**	2012
	$	$
Current tax	**-**	-
Deferred tax	**(9,908)**	5,283
Income tax (recovery) expense	**(9,908)**	5,283

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

21. Income taxes (continued)

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

(thousands of dollars)	**2013**	2012
	$	$
Net (loss) income before income taxes	**(71,737)**	20,101
Tax rate	**25.75%**	25.0%
	(18,472)	5,025
Non-deductible expenses and other	**1,012**	1,296
Impairment of assets	**9,014**	-
Effect of future tax rate increases	**734**	-
Income from joint ventures and associates and non-controlling interest	**(1,405)**	(1,587)
Adjustment in respect of prior years	**(791)**	549
Income tax expense	**(9,908)**	5,283

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

(thousands of dollars)	**2013**	2012
	$	$
Deferred Tax Assets:		
Available non-capital losses and other tax deductions	**6,374**	10,137
Pension asset and post retirement benefit	**1,008**	3,255
Deferred revenue	**1,775**	1,399
	9,157	14,791
Deferred Tax Liabilities:		
Property, plant and equipment	**(7,523)**	(8,350)
Intangible assets	**(12,933)**	(23,747)
Deferred income and other	**(4,867)**	(6,530)
	(25,323)	(38,627)
	(16,166)	(23,836)

The Company has recognized non-capital tax loss and other deductions of approximately $3.8 million (2012: $14.1 million) that can be carried forward and may be used to reduce future year's net income for tax purposes from the Canadian tax jurisdictions.

The Company has recognized SRED expenditures of $21.6 million (2012: $24.2 million) that can be carried forward indefinitely to offset against the Company's future years' net income for tax purposes.

The Company also has unrecognized investment tax credits of $5.9 million (2012: $5.9 million) that can be carried forward to be used to reduce future years' federal tax payable. The credit carryforwards, if unused, expire between 2018 and 2025.

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

22. Net interest expense

The net interest expense for the years ended December 31, 2013 and 2012 is comprised of:

(thousands of dollars)	**2013**	2012
	$	$
Interest income	**(122)**	(11)
Interest expense	**5,643**	5,775
Net interest expense	**5,521**	5,764

23. Other expenses

(thousands of dollars)	**2013**	2012
	$	$
Restructuring expense (a)	**5,723**	1,092
Transaction and transition costs (b)	**1,288**	2,081
Other	**282**	445
	7,293	3,618

(a) Restructuring expense

During the year ended December 31, 2013, restructuring expenses of $5.7 million were recognized (2012: $1.1 million). Restructuring expenses were recognized with respect to severance costs incurred as the Company restructured and reduced its workforce.

(b) Transaction and transition costs

The Company incurred costs related to its acquisitions completed in 2013 and 2012. These costs include both the costs of completing the transaction and the costs of integrating these new operations into the Company. Transaction costs include legal, accounting, due diligence, consulting and general acquisition costs. Transition costs include information technology costs, transitional staffing requirements, service fees paid to the vendor during the transition period and other costs directly related to the operational integration of the newly acquired businesses.

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

24. Expense by nature

(thousands of dollars)	**2013**	2012
	$	$
Wages and benefits	**139,968**	134,686
Newsprint, ink and other printing costs	**39,060**	41,101
Delivery costs	**27,838**	27,325
Rent, utilities and other property costs	**11,822**	11,699
Advertising, marketing and other promotion costs	**12,018**	12,277
Third party production and editorial costs	**14,709**	13,951
Legal, bank, insurance and professional services	**7,015**	6,801
Data services, system maintenance, telecommunications and software licenses	**5,442**	5,168
Fees, licenses and other services	**2,597**	2,560
Event costs	**1,707**	1,476
Other	**756**	632
	262,932	257,676
Direct expenses	**205,142**	201,921
General and administrative expenses	**57,790**	55,755
	262,932	257,676

Expenses for the year ended December 31, 2012 include the additional share of ANGLP's operations from April 1, 2012 as a result of the Company's acquisition of control (Note 6(c)).

25. Wages and employee benefits expense

Wages and benefits expense for the year consists of the following:

(thousands of dollars)	**2013**	2012
	$	$
Salaries and wages	**122,215**	118,171
Pension and benefit plan costs	**16,613**	15,446
Other	**1,140**	1,069
	139,968	134,686

Expenses for the year ended December 31, 2012 include the additional share of ANGLP's operations from April 1, 2012 as a result of the Company's acquisition of control (Note 6(c)).

Compensation awarded to key management for the year consists of salaries and short-term benefits of $4.9 million (2012: $4.5 million).

Key management includes the Company's directors, officers and divisional managers.

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

26. Related party transactions

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

(a) During the year ended December 31, 2013, the Company and its affiliates recorded administration, consulting, interest and other expenses of $2.2 million (2012: $2.6 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 $0.7 million for these services in 2013. 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. 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)	**2013**	2012
	$	$
Interest (i)	**865**	1,043
Consulting and administration fees (ii)	**715**	868
Rent, office, telephone and other (iii)	**105**	242
Insurance (iv)	**431**	385
Directors fees (v)	**66**	77
	2,182	2,615

(i) $0.9 million (2012: $1.0 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 this transaction, which amounts to $0.1 million (2012: $0.1 million) for the year ended December 31, 2013.

(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 rent, utilities, telephones, reception and other office services.

(iv) The Company purchased its general liability insurance in conjunction with Madison in order to obtain lower rates as part of a larger group and the Company reimbursed Madison for its proportionate share of the insurance.

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

26. Related party transactions (continued)

(v) 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 December 31, 2013 was $nil (2012: $0.4 million) due to Madison.

(b) During the year ended December 31, 2013, the Company paid its joint venture Great West Newspapers LP ("GWNLP") for printing services as part of its normal operations. These services were provided at the exchange amount. Total printing charged to the Company for the year was $0.8 million (2012: $1.4 million).

At December 31, 2013 $1.5 million (2012: $0.6 million) was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

(c) During the year ended December 31, 2013, the Company charged management fees to its joint venture, Fundata Canada Inc. for management services as part of its normal operations. Total fees charged by the Company for the year were $0.6 million (2012: $0.6 million).

(d) During the year ended December 31, 2013, the Company received interest from its joint venture, RISN on an outstanding loan. The loan was made to fund historical acquisitions. Total interest charged to RISN for the year was $0.1 million (2012: $0.1 million). At December 31, 2013 the loan balance was US $0.6 million (2012: US $1.1 million) and is due in 2016.

(e) During the year ended December 31, 2013, the Company paid rent to an associate, Grant Street Properties Inc., of $0.1 million (2012: $nil) for leased office space. The rent is charged at market rate. During the year ended December 31, 2013, the Company sold property consisting of land and buildings, for consideration of $5.2 million. The Company received $3.9 million in cash and a $1.3 million equity interest in Grant Street Properties Inc.

(f) At December 31, 2013, the Company had amounts due to InfoMine of $0.2 million (2012: $1.6 million) related to deferred payments on the acquisition of the Company's 50% interest in InfoMine. These amounts are non-interest bearing and are due on demand. These amounts are included in other current liabilities.

(g) During the year ended December 31, 2013, a subsidiary of the Company received fee income of $0.3 million (2012: $0.4 million) related the provision of a guarantee on the debt of one of its associates.

(h) At December 31, 2013, the Company had amounts due from an associate of $4.7 million (2012: $2.7 million) relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade receivables.

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

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

27. Segment disclosure

The Company and its subsidiaries operate in two distinct operating segments throughout Canada and the United States. These segments are the business and professional market that Specialty Technical Publishers ("STP"), Inceptus Media, ERIS and Fundata operate in and the community media and trade information market in which the rest of Glacier's businesses operate. All of the Company's assets are located in Canada except the assets of a joint venture located in the United States. The following segment information is as at and for the year ended December 31, 2013 and 2012:

(thousands of dollars)	Community Media and Trade Information	Business and Professional	Corporate and Other	Total Operations	Joint Venture Adjustment (1)	IFRS Total
Year ended December 31, 2013	**$**	**$**	**$**	**$**	**$**	**$**
Revenue						
Canada	**296,115**	**13,021**	**-**	**309,136**	**(25,700)**	**283,436**
United States	**16,206**	**3,556**	**-**	**19,762**	**(7,575)**	**12,187**
				328,898		**295,623**
Income (loss) before interest, taxes, depreciation and amortization	**37,444**	**5,585**	**(91)**	**42,938**	**(10,247)**	**32,691**
Net interest expense	**5,827**	**112**	**-**	**5,939**	**(418)**	**5,521**
Depreciation and amortization	**15,541**	**570**	**-**	**16,111**	**(2,225)**	**13,886**
Other income	**(266)**	**-**	**-**	**(266)**	**-**	**(266)**
Gain on acquisition	**(168)**	**-**	**-**	**(168)**	**-**	**(168)**
Net (gain) loss on disposal of assets	**(218)**	**-**	**44**	**(174)**	**(187)**	**(361)**
Impairment expense	**73,509**	**6,082**	**-**	**79,591**	**(600)**	**78,991**
Other expense	**6,871**	**433**	**1,282**	**8,586**	**(1,293)**	**7,293**
Income tax (recovery) expense	**(10,058)**	**767**	**-**	**(9,291)**	**(617)**	**(9,908)**
Share of (earnings) loss from joint ventures and associates	**4,223**	**746**	**-**	**4,969**	**(5,437)**	**(468)**
Segment net loss	**(57,817)**	**(3,125)**	**(1,417)**	**(62,359)**	**530**	**(61,829)**
Assets	**490,026**	**46,178**	**1,192**	**537,396**	**(23,844)**	**513,552**
Capital expenditures	**14,152**	**566**	**-**	**14,718**	**(2,981)**	**11,737**
Investments in joint ventures and associates	**43,718**	**11,314**	**-**	**55,032**	**53,507**	**108,539**

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

(thousands of dollars)	Community Media and Trade Information	Business and Professional	Corporate and Other	Total Operations	Joint Venture Adjustment (1)	IFRS Total
Year ended December 31, 2012	$	$	$	$	$	$
Revenue						
Canada	301,048	12,302	-	313,350	(28,582)	284,768
United States	13,263	3,403	-	16,666	(4,323)	12,343
				330,016		297,111
Income (loss) before interest, taxes, depreciation and amortization	45,555	4,987	(149)	50,393	(10,958)	39,435
Net interest expense	5,785	289	-	6,074	(310)	5,764
Depreciation and amortization	14,912	989	-	15,901	(1,757)	14,144
Other income	(567)	-	(3,136)	(3,703)	-	(3,703)
Gain on acquisition	(1,102)	-	-	(1,102)	-	(1,102)
Net loss on disposal of assets	183	-	-	183	-	183
Impairment expense	3,879	4,624	-	8,503	-	8,503
Other expense	2,076	(17)	1,543	3,602	16	3,618
Income tax expense	5,965	298	-	6,263	(980)	5,283
Share of (earnings) loss from joint ventures and associates	(1,144)	875	-	(269)	(7,804)	(8,073)
Segment net income (loss)	15,568	(2,071)	1,444	14,941	(123)	14,818
Assets	577,206	46,818	13	624,037	(18,619)	605,418
Capital expenditures	16,083	789	-	16,872	(9,742)	7,130
Investments in joint ventures and associates	53,963	7,974	-	61,937	52,285	114,222

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

(thousands of dollars)	Community Media and Trade Information	Business and Professional	Corporate and Other	Total Operations	Venture Adjustment (1)	IFRS Total
As at January 1, 2012	$	$	$	$	$	$
Assets	541,649	50,096	11	591,756	(35,246)	556,510
Investments in joint ventures and associates	53,525	8,844	-	62,369	97,991	160,360

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

28. Financial instruments

Financial risk management

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

(a) Market risk

(i) Foreign exchange risk

A small portion of the Company's products are sold at prices denominated in U.S. dollars or based on prevailing U.S. dollar prices while the majority of its operational costs and expenses are incurred in Canadian dollars. Therefore, an increase in the value of the Canadian dollar relative to the U.S. dollar reduces the revenue in Canadian dollar terms realized by the Company from sales made in U.S. dollars. The Company also has investments in the U.S. with a different functional currency, whose earnings are exposed to foreign exchange risk.

The Company occasionally hedges a portion of its foreign exchange exposure with financial forward contracts. As at December 31, 2013, the Company had no foreign exchange contracts outstanding. As at December 31, 2012 Glacier had foreign exchange forward contracts to sell USD $100,000 per month which commenced in June 2012 at rates between CAD $1.030 and CAD $1.036, and expired in May 2013. During the year ended December 31, 2012 Glacier had foreign exchange forward contracts to sell USD $125,000 per month which commenced in April 2009 at a rate of CAD $1.162, and expired in April 2012. At December 31, 2013, the exchange contracts are recorded at fair market value of $nil (2012: $0.1 million) and are included in trade receivables. The Company has concluded that these contracts do not qualify for hedge accounting; therefore changes in fair value of the contracts are recorded in the consolidated statement of operations each year.

An assumed $0.01 increase in the USD/CAD foreign exchange rate during the year ended December 31, 2013 would have a $0.2 million (2012: $0.2 million) impact on pre-tax net income. An assumed $0.01 decrease would have an equal but opposite effect on pre-tax net income.

(ii) Interest rate risk

The Company's interest rate risk mainly arises from the interest rate impact on cash and floating rate debt. The Company actively manages its interest rate risk through ongoing monitoring of market interest rates and the overall economic situation. Where appropriate, the Company has in the past and may in the future enter into derivative transactions to fix its interest rates.

An assumed 100 basis points increase in interest rates during the year ended December 31, 2013 would have a $1.1 million (2012: $1.3 million) impact on pre-tax net (loss) income. An assumed 100 basis points decrease would have had an equal but opposite effect on pre-tax net (loss) income.

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

28. Financial instruments (continued)

(b) Credit risk

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

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

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers.

The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable allowances for doubtful accounts and returns, which are estimated based on past experience, specific risks associated with the customer and other relevant information.

The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity. As at December 31, 2013, no single customer accounts for more than 5% of consolidated trade receivables.

Management regularly monitors trade receivable aging, customer credit limits, performs credit reviews and provides allowances for potentially uncollectible trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowances for doubtful accounts. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivables. Trade receivables are impaired when there is evidence that collection is unlikely. At December 31, 2013, the Company had trade receivables of $53.4 million (2012: $55.1 million), net of allowance for doubtful accounts of $2.7 million (2012: $2.7 million).

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

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

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

		2013		2012
	Gross	**Impairment**	Gross	Impairment
	$	**$**	$	$
Not past due	**28,640**	**(25)**	29,685	(17)
Past due 0 - 30 days	**15,001**	**(44)**	15,707	(19)
Past due 30 - 60 days	**6,668**	**(85)**	6,578	(35)
Past due > 60 days	**5,769**	**(2,510)**	5,892	(2,670)

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

28. Financial instruments (continued)

(b) Credit risk (continued)

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

(thousands of dollars)	**2013**	2012
	$	$
Balance, beginning of year	(2,741)	(1,897)
Impairment loss, net of recoveries	77	(844)
Balance, end of year	(2,664)	(2,741)

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations on a current basis. The Company is exposed to liquidity risk with respect to trade payables, long-term debt, derivatives and contractual obligations. Refer to Notes 14 and 16 for repayment terms of the Company's financial liabilities.

The Company manages liquidity by maintaining adequate cash balances and by having appropriate lines of credit available. In addition, the Company continuously monitors and reviews both actual and forecasted cash flows. Management believes that future cash flows from operations and the availability under existing banking arrangements will be adequate to support its financial liabilities.

Fair value

The carrying value of certain financial instruments maturing in the short-term approximates their fair value. These financial instruments include cash and cash equivalents, trade and other receivables, trade payables, dividends payable and other current liabilities. The table below shows the fair value and the carrying value of other financial instruments as at December 31, 2013 and 2012.

The fair value is determined essentially by discounting cash flows or quoted market prices. The fair values calculated approximate the amounts for which the financial instruments could be settled between consenting parties, based on current market data for similar instruments. Consequently, as estimates must be used to determine fair value, they must not be interpreted as being realizable in the event of an immediate settlement of the instruments.

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

28. Financial instruments (continued)

Fair value (continued)

	2013	2012
Carrying values:	**$**	$
Assets		
Loans and receivables		
Cash and cash equivalents	6,970	1,233
Trade and other receivables	56,212	55,121
	63,182	56,354
Available for sale		
Other investments (at cost)	2,910	2,911
Other investments (at fair value)	457	937
	3,367	3,848
Fair value through profit and loss		
Foreign exchange forward contract	-	(91)
	-	(91)
Liabilities		
Amortized cost		
Trade payables	10,120	9,302
Dividends payable	1,781	-
Other current liabilities	3,523	1,700
Long-term debt	101,388	124,388
	116,812	135,390

	2013	2012
Fair value:	**$**	$
Assets		
Other investments (at fair value)	457	937
Foreign exchange forward contract	-	(91)
Liabilities		
Long-term debt	101,388	124,388

Fair value hierarchy

For fair value estimates relating to derivatives and available-for-sale securities, the Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements. The table below shows financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

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

28. Financial instruments (continued)

Fair value hierarchy (continued)

2013	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Available-for-sale investments (at fair value)	457	-	-
Foreign exchange forward contract	-	-	-

2012	Level 1	Level 2	Level 3
	$	$	$
Available-for-sale investments (at fair value)	937	-	-
Foreign exchange forward contract	-	(91)	-

29. Capital disclosures

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

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

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

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

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

The Company is also subject to financial covenants in its operating credit facility agreement, which are measured on a quarterly basis. The Company is in compliance with all financial covenants at December 31, 2013 and 2012.

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

30. Application of new accounting standards

The Company has made the following changes to its significant accounting policies as a result of implementing the new accounting standards as described in Notes 2, 3(b) and 3(n):

Principles of consolidation

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

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

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

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

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

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

30. Application of new accounting standards (continued)

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

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

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

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

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

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

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

Employee benefits

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

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

30. Application of new accounting standards (continued)

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

	As at December 31, 2013			As at December 31, 2012			As at January 1, 2012		
	Under previous IFRS	Adjustment	Under new IFRS standards	Under previous IFRS	Adjustment	Under new IFRS standards	Under previous IFRS	Adjustment	Under new IFRS standards
Assets									
Current assets									
Cash and cash equivalents	10,030	(3,060)	6,970	5,216	(3,983)	1,233	9,206	(6,101)	3,105
Trade and other receivables	64,330	(8,118)	56,212	62,284	(7,163)	55,121	58,746	(9,939)	48,807
Inventory	5,694	(590)	5,104	5,722	(184)	5,538	5,431	(389)	5,042
Prepaid expenses	2,643	(156)	2,487	3,376	(108)	3,268	3,248	(466)	2,782
	82,697	(11,924)	70,773	76,598	(11,438)	65,160	76,631	(16,895)	59,736
Non-current assets									
Investments in joint ventures and associates	55,032	53,507	108,539	61,937	52,285	114,222	62,369	97,991	160,360
Other investments	3,367	-	3,367	3,953	(105)	3,848	3,970	(25)	3,945
Other assets	1,392	681	2,073	1,376	1,215	2,591	1,595	1,470	3,065
Property, plant and equipment	71,643	(21,271)	50,372	84,380	(18,119)	66,261	73,843	(14,205)	59,638
Intangible assets	129,936	(18,917)	111,019	167,732	(16,555)	151,177	166,209	(37,706)	128,503
Goodwill	193,329	(25,920)	167,409	228,061	(25,902)	202,159	207,139	(65,876)	141,263
Total assets	537,396	(23,844)	513,552	624,037	(18,619)	605,418	591,756	(35,246)	556,510
Liabilities									
Current liabilities									
Trade and other payables	36,507	(2,520)	33,987	32,159	(3,433)	28,726	34,080	(3,821)	30,259
Dividends payable	1,785	(4)	1,781	-	-	-	2,770	-	2,770
Deferred revenue	22,893	(6,698)	16,195	21,656	(5,832)	15,824	20,861	(6,078)	14,783
Current portion of long-term debt	10,174	(3,441)	6,733	13,749	(5,586)	8,163	10,724	(7,553)	3,171
Other current liabilities	3,523	-	3,523	1,700	-	1,700	2,748	-	2,748
	74,882	(12,663)	62,219	69,264	(14,851)	54,413	71,183	(17,452)	53,731
Non-current liabilities									
Non-current portion of deferred revenue	1,576	-	1,576	736	-	736	652	-	652
Other non-current liabilities	1,641	-	1,641	1,491	-	1,491	1,860	(4)	1,856
Post-employment benefit obligation	4,539	-	4,539	12,484	-	12,484	10,471	(41)	10,430
Long-term debt	104,091	(9,436)	94,655	118,108	(1,883)	116,225	129,272	(15,157)	114,115
Deferred income taxes	17,539	(1,373)	16,166	25,607	(1,771)	23,836	23,478	(1,944)	21,534
Total liabilities	204,268	(23,472)	180,796	227,690	(18,505)	209,185	236,916	(34,598)	202,318
Equity									
Share capital	198,605	-	198,605	198,962	-	198,962	199,216	-	199,216
Contributed surplus	8,951	-	8,951	8,844	-	8,844	8,792	-	8,792
Accumulated other comprehensive loss	(1,139)	212	(927)	(549)	29	(520)	(441)	-	(441)
Retained earnings	76,709	(387)	76,322	140,758	(339)	140,419	132,849	(332)	132,517
Total equity attributable to common shareholders	283,126	(175)	282,951	348,015	(310)	347,705	340,416	(332)	340,084
Non-controlling interest	50,002	(197)	49,805	48,332	196	48,528	14,424	(316)	14,108
Total equity	333,128	(372)	332,756	396,347	(114)	396,233	354,840	(648)	354,192
Total liabilities and equity	537,396	(23,844)	513,552	624,037	(18,619)	605,418	591,756	(35,246)	556,510

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

30. Application of new accounting standards (continued)

As a result of implementing the new accounting standards, the Company made the following adjustments to its consolidated statements of operations for the years ended December 31, 2013 and 2012:

	For the year ended December 31, 2013			For the year ended December 31, 2012		
	Under previous IFRS	Adjustment	Under new IFRS standards	Under previous IFRS	Adjustment	Under new IFRS standards
Revenue	328,898	(33,275)	295,623	330,016	(32,905)	297,111
Expenses before depreciation and amortization						
Direct expenses	222,691	(17,549)	205,142	220,342	(18,421)	201,921
General and administrative	63,269	(5,479)	57,790	59,281	(3,526)	55,755
	42,938	(10,247)	32,691	50,393	(10,958)	39,435
Interest expense, net	5,939	(418)	5,521	6,074	(310)	5,764
Depreciation of property, plant and equipment	7,042	(1,087)	5,955	6,621	(628)	5,993
Amortization of intangible assets	9,069	(1,138)	7,931	9,280	(1,129)	8,151
Other income	(266)	-	(266)	(3,703)	-	(3,703)
Gain on acquisition	(168)	-	(168)	(1,102)	-	(1,102)
Net (gain) loss on disposal of assets	(174)	(187)	(361)	183	-	183
Impairment expense	79,591	(600)	78,991	8,503	-	8,503
Other expenses	8,586	(1,293)	7,293	3,602	16	3,618
Share of (earnings) losses from joint ventures and associates	4,969	(5,437)	(468)	(269)	(7,804)	(8,073)
Net (loss) income before income taxes	(71,650)	(87)	(71,737)	21,204	(1,103)	20,101
Income tax (recovery) expense	(9,291)	(617)	(9,908)	6,263	(980)	5,283
Net (loss) income for the year	(62,359)	530	(61,829)	14,941	(123)	14,818
Net (loss) income attributable to:						
Common shareholders	(64,923)	70	(64,853)	10,630	(635)	9,995
Non-controlling interest	2,564	460	3,024	4,311	512	4,823
(Loss) earnings per share attributable to common shareholders						
Basic and diluted	(0.73)		(0.73)	0.12		0.11
Weighted average number of common shares						
Basic and diluted	89,160,254		89,160,254	89,357,465		89,357,465

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

30. Application of new accounting standards (continued)

As a result of implementing the new accounting standards, the Company made the following adjustments to its consolidated statements of cash flows for the years ended December 31, 2013 and 2012:

	For the year ended December 31, 2013			For the year ended December 31, 2012		
	Under previous IFRS	Adjustment	Under new IFRS standards	Under previous IFRS	Adjustment	Under new IFRS standards
Operating activities						
Net (loss) income	(62,359)	530	(61,829)	14,941	(123)	14,818
Items not affecting cash						
Depreciation of property, plant and equipment	7,042	(1,087)	5,955	6,621	(628)	5,993
Amortization of intangible assets	9,069	(1,138)	7,931	9,280	(1,129)	8,151
Gain on acquisition	(243)	75	(168)	(1,102)	-	(1,102)
Net (gain) loss on disposal of assets	(174)	(187)	(361)	158	-	158
Impairment expense	79,591	(600)	78,991	8,503	-	8,503
Employee future benefit expense in excess of employer contributions	941	-	941	419	318	737
Deferred income taxes (recovery)	(10,366)	458	(9,908)	5,437	(160)	5,277
Interest expense	6,067	(424)	5,643	6,093	(318)	5,775
Share of (earnings) losses from joint ventures and associates	4,969	(5,437)	(468)	(269)	(7,804)	(8,073)
Other non-cash income	(46)	-	(46)	(176)	-	(176)
Cash flow from operations before changes in non-cash operating accounts	34,491	(7,810)	26,681	49,905	(9,844)	40,061
Changes in non-cash operating accounts						
Trade and other receivables	2,142	410	2,552	(1,689)	(146)	(1,835)
Inventory	(27)	372	345	(265)	(29)	(294)
Prepaid expenses	766	(35)	731	8	(157)	(149)
Trade and other payables	2,082	761	2,843	(2,471)	253	(2,218)
Deferred revenue	2,055	(866)	1,189	291	(619)	(328)
Cash generated from operating activities	41,509	(7,168)	34,341	45,779	(10,542)	35,237
Investing activities						
Acquisitions, inclusive of bank indebtedness assumed and related financing liabilities	(1,843)	-	(1,843)	(381)	730	349
Net cash acquired on acquisitions	(5,057)	5,581	524	872	1,282	2,154
Investments in and cash advances to joint ventures and associates	(2,422)	(1,038)	(3,460)	(228)	41	(187)
Other investing activities	(1,201)	-	(1,201)	(1,365)	(235)	(1,600)
Proceeds from disposal of assets	14,645	40	14,685	437	-	437
Distributions received from joint ventures and associates	948	5,500	6,448	1,871	4,051	5,922
Purchase of property, plant and equipment	(12,486)	2,953	(9,533)	(13,806)	9,573	(4,233)
Purchase of intangible assets	(2,232)	28	(2,204)	(3,066)	169	(2,897)
Cash (used in) generated from investing activities	(9,648)	13,064	3,416	(15,666)	15,611	(55)
Financing activities						
Proceeds from long-term debt	9,236	(5,407)	3,829	4,383	15,241	19,624
Distribution to non-controlling interests	(1,395)	10	(1,385)	(1,564)	(37)	(1,601)
Dividends paid	(5,523)	-	(5,523)	(5,536)	-	(5,536)
Interest paid	(5,864)	424	(5,440)	(5,936)	318	(5,618)
Repayment of long-term debt	(23,251)	-	(23,251)	(25,248)	(18,473)	(43,721)
Repurchase of common shares	(250)	-	(250)	(202)	-	(202)
Cash used in financing activities	(27,047)	(4,973)	(32,020)	(34,103)	(2,951)	(37,054)
Net cash inflow (outflow)	4,814	923	5,737	(3,990)	2,118	(1,872)
Cash and cash equivalents, beginning of year	5,216	(3,983)	1,233	9,206	(6,101)	3,105
Cash and cash equivalents, end of year	10,030	(3,060)	6,970	5,216	(3,983)	1,233

Board of Directors

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Sam Grippo
Brian Hayward
S. Christopher Heming
Jonathon J.L. Kennedy
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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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