

Condensed Interim Consolidated Financial Statements of

**GLACIER MEDIA INC.**

For the three and nine months ended September 30, 2016  
(Unaudited)

Report to Shareholders .....	1-3
Management's Discussion & Analysis .....	4-21
Interim Consolidated Statements of Operations .....	22
Interim Consolidated Statements of Comprehensive Income .....	23
Interim Consolidated Balance Sheets .....	24
Interim Consolidated Statements of Changes in Equity .....	25
Interim Consolidated Statements of Cash Flows .....	26
Condensed Notes to the Interim Consolidated Financial Statements .....	27-39
Corporate Information .....	40

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

---

### Report to Shareholders

#### Financial Performance and Position

Glacier Media Inc. (“Glacier” or the “Company”) generated strong profit growth in the third quarter. Adjusted consolidated EBITDA<sup>(1)</sup> increased 37.7% to \$7.7 million for the three-months ended September 30, 2016 compared to \$5.6 million for the same period in the prior year. EBITDA growth occurred across a wide variety of the Company’s divisions.

For the nine-months ended September 30, 2016, the Company’s EBITDA was 4.5% higher than the same period in 2015.

Adjusted consolidated revenue<sup>(1)</sup> was \$58.4 million for the three-month period ended September 30, 2016 compared to \$59.7 million for the same period in the prior year. The 2.2% revenue decline was primarily due to the closing of the Printwest printing plant closure and consolidation. On a same-store basis, the Company’s revenues were essentially flat year over year.

The improved revenue performance versus prior quarters was driven by strong revenue increases from ERIS, STP, Fundata, REW.ca and agricultural information, as well as a reduction in the rate of community media revenue declines.

Both of the Company’s business information and community media segments posted EBITDA increases in the quarter. Business information EBITDA growth was generated by a variety of businesses, including agricultural information, STP, REW.ca and Inceptus. The energy and mining information businesses continue to be affected by weak energy and commodities markets. Community media continues to benefit from the 2015 and year-to-date restructuring efforts

On an adjusted basis<sup>(1)</sup>, including the Company’s share of its joint venture interests, Glacier’s consolidated debt net of cash outstanding before deferred financing charges was 1.6x trailing 12-months EBITDA as at September 30, 2016.

#### *Rights Offering*

During the period ended September 30, 2016, the Company completed the previously announced rights offering which closed on July 4, 2016. The offering raised net proceeds of \$13.2 million, all of which was used to reduce the Company’s senior debt. As at September 30, 2016, the Company’s senior debt stood at \$45.0 million. A total of 20,745,626 common shares were issued under the rights offering. The total outstanding number of common shares after the rights offering is 109,828,731. The rights offering was undertaken to reduce financial leverage by paying down bank debt, thereby allowing sufficient free cash flow from operations to be available to support investments in the Company’s operating businesses and to pay down additional debt as required, from time to time.

<sup>(1)</sup> For a reconciliation of adjusted results to results in accordance with International Financial Reporting Standards (“IFRS”), refer to the “Reconciliation of IFRS to Adjusted Results” as presented in the Company’s Management Discussion & Analysis.

#### Operational Overview

Business information’s adjusted consolidated revenue<sup>(1)</sup> increased 5.4% to \$24.4 million for the three-months ended September 30, 2016 compared to \$23.1 million for the same period in the prior year, despite declines in energy and mining advertising revenue. Business information’s adjusted consolidated EBITDA<sup>(1)</sup> increased to \$4.3 million for the three-months ended September 30, 2016 compared to \$4.2 million for the same period in the prior year.

## GLACIER MEDIA INC.

---

### INTERIM REPORT

September 30, 2016

---

#### *Agriculture Information*

- Conditions in the agricultural sector remain soft with low commodity prices and increasing industry consolidation. Despite this, Glacier FarmMedia (“GFM”) had strong revenue and profit growth during the quarter.
- In July, GFM held its second annual Ag In Motion outdoor farm demonstration show held in Saskatchewan. The show experienced significant increases in both the number of exhibitors and attendance which resulted in significant increases in both revenue and profit. In September, GFM held its annual Canada’s Outdoor Farm Show in Woodstock, Ontario. COFS continues to have consistent and growing results despite the soft agricultural sector.
- During the quarter, Weather INnovations Consulting (“WIN”) commenced deployment of a UK-based weather network for the Food and Environment Research Agency, a U.K. crown corporation.

#### *Energy Information*

- The near-term outlook for the energy sector remains uncertain. Conditions at JuneWarren Nickle’s Energy Group (“JWN”) continue to be adversely impacted by market conditions.
- In order to mitigate reduced advertising revenues, JWN has pursued alternative revenue initiatives such as research contracts. In the quarter, the group announced a research partnership with the Petroleum Services Association of Canada and the Canadian Global Exploration Forum to help Canadian oil and gas companies seize opportunities to expand in export markets. The study was funded by the Government of Alberta, Export Development Canada and BDC.
- Electronic information subscription and database revenue have continued to hold up relatively well during the downturn, and have been aided by the increased demand for information on distressed energy assets and companies.
- JWN has implemented and continues to implement substantial cost reductions to help mitigate the impact of reduced revenue levels during the downturn.

#### *Mining Information*

- The mining sector continues to be impacted by weak market conditions, although some signs of improvement are beginning to emerge. While the Company’s mining information operations had another challenging quarter, performance was better than the first six months of 2016. Slightly improved performance is expected in the fourth quarter.

#### *Environmental Information*

- Environmental Risk Information Services (“ERIS”) continues to experience solid revenue growth, adding a number of new customers during the quarter.
- Operating investments continue to be made to allow ERIS to scale to the next revenue tier and maintain strong product quality. The tangible benefits of these investments expect to be realized over the coming quarters.
- STP’s revenues and profit grew during the quarter as a result of continued growth in sales through Environmental Management Information Systems (“EMIS”). In October, STP was recognized as the “Emerging Content Partner of the Year” for 2016 by one of the leading EMIS providers, Enablon. The award was presented at the annual Enablon SPF conference in Chicago, attended by senior compliance and risk-management personnel from large multinational corporations.

## GLACIER MEDIA INC.

---

### INTERIM REPORT

September 30, 2016

---

#### *Real Estate Information*

- REW.ca, the Company's online real estate portal, continued to grow rapidly with increased traffic and features. During the quarter the site added "Building Pages", a comprehensive information (strata, floor plans, construction details, amenities) on over 8,000 multi-unit residential buildings throughout British Columbia. Revenues continue to scale more than doubling versus the same period in the prior year.

#### *Financial Information*

- Fundata Canada Inc. ("Fundata") continues to experience increases in revenue and invest in new products and offerings. Fundata added additional customers in the quarter for its new Point of Sales offering.

#### *Community Media*

- Community media's adjusted consolidated revenue<sup>(1)</sup> decreased to \$34.0 million for the three-months ended September 30, 2016 from \$36.6 million for the same period in the prior year. A portion of this revenue decline was due to planned closures and restructurings.
- Revenue declines within community media were driven by a combination of the maturing nature of print advertising and the impact of continued weak commodity prices in many Western Canadian communities.
- Digital community media revenues grew substantially for the quarter as compared to the same period last year.
- The total rate of revenue decline was lower than in recent quarters.
- EBITDA increased in the quarter as a result of the continued realization of savings from the restructurings implemented throughout 2015 and 2016. In many cases, the changes have resulted in improved products for both readers and advertisers as fewer but more substantial editions are published.

#### **Outlook**

Near-term uncertainty and market risk continues, especially given the ongoing impact of weak energy and commodity market conditions on the Western Canadian economy. Elements of both of the Company's segments, business information and community media, will continue to be impacted. The Company remains confident in the long-term outlook for the energy and mining information sectors.

The Company continues to invest in its business information operations which offer, and are demonstrating, real growth. These include ERIS, REW.ca, STP, Fundata, WIN and agricultural exhibitions and information. The Company also continues to improve the value of its database and intelligence offerings in energy and mining, which have generated positive responses given the demand for this information from investors and others seeking information in distressed markets.

Within community media, cost savings initiatives from substantial restructurings, implemented throughout 2015 and 2016, will continue to benefit the bottom line. As importantly, many of these restructurings strengthened the businesses by creating more efficient operations with improved offerings for both readers and advertisers.

# GLACIER MEDIA INC.

INTERIM REPORT

September 30, 2016

---

## Third Quarter 2016 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 November 10, 2016.

Glacier Media Inc.'s Third Quarter 2016 Interim Report, including this MD&A and the accompanying Report to Shareholders, contains forward-looking statements that relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and can generally be identified by the use of statements that include phrases such as "believe", "expected", "anticipate", "intend", "plan", "likely", "will", "may", "could", "should", "would", "suspect", "outlook", "estimate", "forecast", "objective", "continue" (or the negative thereof) or similar words or phrases. These forward-looking statements include, among other things, statements relating to our expectations regarding revenues, expenses, cash flows, future profitability and the effect of our strategic initiatives and restructuring, including our expectations to grow our business information operations, to generate new revenues, to implement cost reduction measures, to launch new information products, to generate new business acquisitions, to improve profitability, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements and to reduce debt levels. These forward-looking statements are based on certain assumptions, including continued economic growth and recovery and the realization of cost savings in a timely manner and in the expected amounts, which are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements.

Important factors that could cause actual results to differ materially from these expectations include failure to implement or achieve the intended results from our strategic initiatives, the failure to implement or realize cost savings in a timely manner or in the expected amounts, the failure to 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 and energy sectors, discontinuation of the Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers, general market conditions in both Canada and the United States, changes in the prices of purchased supplies including newsprint, the effects of competition in the Company's markets, dependence on key personnel, integration of newly acquired businesses, technological changes, tax risk, financing risk and debt service risk.

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

The Interim Report, 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 November 10, 2016 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, 2015. The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

---

These condensed interim consolidated financial statements include only significant events and transactions affecting the Company during the current fiscal period and do not include all disclosures normally provided in the Company's annual consolidated financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015 and related MD&A which can be obtained on the Company's website: [www.glaciermedia.ca](http://www.glaciermedia.ca) and on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Interim results are not necessarily indicative of the results expected for the fiscal year.

### Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin, EBITDA per share, cash flow from operations, cash flow from operations per share, net income attributable to common shareholders before non-recurring items and net income attributable to common shareholders before non-recurring items per share are not generally accepted measures of financial performance under IFRS. In addition, certain results in this MD&A stated to be "adjusted" have been presented on an adjusted basis that includes the Company's shares of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation. These adjusted measures are also not generally accepted measures of financial performance under IFRS. Management utilizes these financial performance measures to assess profitability and return on equity in its decision making. In addition, the Company, its lenders and its investors use EBITDA to measure performance and value for various purposes. Investors are cautioned, however, that EBITDA should not be construed as an alternative to net income attributable to common shareholders determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating these financial performance measures may differ from other companies and, accordingly, they may not be comparable to measures used by other companies. A quantitative reconciliation of these non-IFRS measures is included in the section entitled EBITDA and Cash Flow from Operations Reconciliation, Net Income Attributable to Common Shareholders before Non-Recurring Items and Net Income Attributable to Common Shareholders before Non-Recurring Items Reconciliation with Per Share Amounts and a reconciliation of the adjusted non-IFRS measures is included in the section entitled Reconciliation of IFRS to Adjusted Results in this MD&A.

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

### Overview of the Business

Glacier Media Inc. ("Glacier" or the "Company") is an information & marketing solutions company pursuing growth in sectors where the provision of essential information and related services provides high customer utility and value.

The Company's go-to-market strategy is focused on:

1. Content and marketing solutions; and
2. Data, analytics and intelligence

Glacier's business information operations include Glacier FarmMedia ("GFM") (which includes Western Producer Publications, Farm Business Communications, Canada's Outdoor Farm Show, Ag In Motion and Weather INnovations Network ("WIN")), the JuneWarren-Nickle's Energy Group (which includes Evaluate Energy), the Northern Miner mining information group, ERIS, Specialty Technical Publishers, Inceptus Media, the Real Estate group, Business in Vancouver, a 50% interest in Fundata and a 50% interest in Infomine.

The Company also owns and operates community media operations including direct, joint venture and other interests in community and local daily and weekly newspapers and related publications, websites and digital products in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States.

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

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

---

### Significant Developments in 2016

Glacier Media Inc. ("Glacier" or the "Company") generated strong profit growth in the third quarter. EBITDA growth occurred across a wide variety of the Company's divisions in both the business information and community media segments.

Revenue declined as compared for the same period in the prior year; primarily due to the closure of the Printwest printing plant closure and consolidation of operations. Excluding this planned closure, the Company's revenues were essentially flat year over year.

The improved revenue performance versus prior quarters was driven by strong revenue increases from ERIS, STP, Fundata, REW.ca and agricultural information, as well as a reduction in the rate of community media revenue declines.

Both of the Company's business information and community media segments posted EBITDA increases in the quarter. Business information EBITDA growth was generated by a variety of businesses, including agricultural information, STP, REW.ca and Inceptus. The energy and mining information businesses continue to be affected by weak energy and commodities markets. Community media continues to benefit from the 2015 and year-to-date restructuring efforts.

During the period ended September 30, 2016, the Company completed the previously announced rights offering which closed on July 4, 2016. The offering raised net proceeds of \$13.2 million, all of which was used to reduce the Company's senior debt. As at September 30, 2016, the Company's senior debt stood at \$45.0 million. A total of 20,745,626 common shares were issued under the rights offering. The total outstanding number of common shares after the rights offering is 109,828,731. The rights offering was undertaken to reduce financial leverage by paying down bank debt, thereby allowing sufficient free cash flow from operations to be available to support investments in the Company's operating businesses and to pay down additional debt as required, from time to time.

### *Business Information*

Conditions in the agricultural sector remain soft with low commodity prices and increasing industry consolidation. Despite this, Glacier FarmMedia ("GFM") had strong revenue and profit during the quarter.

In July, GFM held its second annual Ag In Motion outdoor farm demonstration show held in Saskatchewan. The show experienced significant increases in both the number of exhibitors and attendance which resulted in significant increases in both revenue and profit. In September, GFM held its annual Canada's Outdoor Farm (COFS) Show in Woodstock, Ontario. COFS continues to have consistent and growing results despite the soft agricultural sector. During the quarter, Weather INnovations Consulting ("WIN") commenced deployment of a UK-based weather network for the Food and Environment Research Agency, a U.K. crown corporation.

The near-term outlook for the energy sector remains uncertain. Conditions at JuneWarren Nickle's Energy Group ("JWN") continue to be adversely impacted by market conditions. In order to mitigate reduced advertising revenues, JWN has pursued alternative revenue initiatives such as research contracts. In the quarter, the group announced a research partnership with the Petroleum Services Association of Canada and the Canadian Global Exploration Forum to help Canadian oil and gas companies seize opportunities to expand in export markets. The study was funded by the Government of Alberta, Export Development Canada and BDC. Electronic information subscription and database revenue have continued to hold up relatively well during the downturn, and have been aided by the increased demand for information on distressed energy assets and companies. JWN has implemented and continues to implement substantial cost reductions to help mitigate the impact of reduced revenue levels during the downturn.

Environmental Risk Information Services ("ERIS") continues to experience solid revenue growth, adding a number of new customers during the quarter. Operating investments continue to be made to allow ERIS to



## GLACIER MEDIA INC.

---

### INTERIM REPORT

September 30, 2016

---

scale to the next revenue tier and maintain strong product quality. The tangible benefits of these investments expect to be realized over the coming quarters.

REW.ca, the Company's online real estate portal, continued to grow rapidly with increased traffic and features. During the quarter the site added "Building Pages", a comprehensive information (strata, floor plans, construction details, amenities) on over 8,000 multi-unit residential buildings throughout British Columbia. Revenues continue to scale more than doubling versus the same period in the prior year.

#### *Community Media*

Community media's revenue decreased the three-months ended September 30, 2016 compared to the same period in the prior year. A portion of this revenue decline was due to planned closures and restructurings.

Revenue declines within community media were driven by a combination of the maturing nature of print advertising and the impact of continued weak commodity prices in many Western Canadian communities.

Digital community media revenues grew substantially for the quarter as compared to the same period last year.

The total rate of revenue decline was lower than in recent quarters.

EBITDA increased in the quarter as a result of the continued realization of savings from the restructurings implemented throughout 2015 and 2016. In many cases, the changes have resulted in improved products for both readers and advertisers as fewer but more substantial editions are published.

#### **Outlook**

Near-term uncertainty and market risk continues, especially given the ongoing impact of weak energy and commodity market conditions on the Western Canadian economy. Elements of both of the Company's segments, business information and community media, will continue to be impacted. The Company remains confident in the long-term outlook for the energy and mining information sectors.

The Company continues to invest in its business information operations which offer, and are demonstrating, real growth. These include ERIS, REW.ca, STP, Fundata, WIN and agricultural exhibitions and information. The Company also continues to improve the value of its database and intelligence offerings in energy and mining, which have generated positive responses given the demand for this information from investors and others seeking information in distressed markets.

Within community media, cost savings initiatives from substantial restructurings, implemented throughout 2015 and 2016, will continue to benefit the bottom line. As importantly, many of these restructuring efforts strengthened the businesses by creating more efficient operations with improved offerings for both readers and advertisers.

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

### Reconciliation of IFRS to Adjusted Results

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

(thousands of dollars) except share and per share amounts	Three months ended September 30, 2016			Three months ended September 30, 2015		
	Per IFRS	Differential	Adjusted <sup>(1)</sup>	Per IFRS	Differential	Adjusted <sup>(1)</sup>
Revenue	\$ 49,603	\$ 8,824	\$ 58,427	\$ 50,320	\$ 9,400	\$ 59,720
Gross profit <sup>(3)</sup>	\$ 14,693	\$ 4,455	\$ 19,148	\$ 13,176	\$ 4,907	\$ 18,083
Gross margin	29.6%		32.8%	26.2%		30.3%
EBITDA <sup>(1)(2)</sup>	\$ 4,534	\$ 3,140	\$ 7,674	\$ 2,034	\$ 3,541	\$ 5,575
EBITDA margin <sup>(1)</sup>	9.1%		13.1%	4.0%		9.3%
EBITDA per share <sup>(1)(2)</sup>	\$ 0.04	\$ 0.03	\$ 0.07	\$ 0.02	\$ 0.04	\$ 0.06
Net income attributable to common shareholders before non-recurring items <sup>(1)(2)</sup>	\$ 1,563	\$ 55	\$ 1,618	\$ 2,537	\$ (91)	\$ 2,446
Net income attributable to common shareholders before non-recurring items per share <sup>(1)(2)</sup>	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.03	\$ (0.00)	\$ 0.03
Net income (loss) attributable to common shareholders	\$ 1,784	\$ 41	\$ 1,825	\$ (6,775)	\$ (82)	\$ (6,857)
Net income (loss) attributable to common shareholders per share	\$ 0.02	\$ 0.00	\$ 0.02	\$ (0.08)	\$ 0.00	\$ (0.08)
Cash flow from operations before non-recurring items <sup>(1)(2)</sup>	\$ 4,713	\$ 2,286	\$ 6,999	\$ 2,138	\$ 3,055	\$ 5,193
Cash flow from operations per share <sup>(1)(2)</sup>	\$ 0.04	\$ 0.02	\$ 0.06	\$ 0.02	\$ 0.04	\$ 0.06
Total assets	\$ 255,695	\$ 16,117	\$ 271,812	\$ 454,132	\$ 18,153	\$ 472,285
Weighted average shares outstanding, net	109,152,243		109,152,243	89,083,105		89,083,105

(thousands of dollars) except share and per share amounts	Nine months ended September 30, 2016			Nine months ended September 30, 2015		
	Per IFRS	Differential	Adjusted <sup>(1)</sup>	Per IFRS	Differential	Adjusted <sup>(1)</sup>
Revenue	\$ 149,952	\$ 27,598	\$ 177,550	\$ 167,333	\$ 29,137	\$ 196,470
Gross profit <sup>(3)</sup>	\$ 45,475	\$ 14,107	\$ 59,582	\$ 47,957	\$ 15,178	\$ 63,135
Gross margin	30.3%		33.6%	28.7%		32.1%
EBITDA <sup>(1)(2)</sup>	\$ 13,335	\$ 9,944	\$ 23,279	\$ 11,339	\$ 10,938	\$ 22,277
EBITDA margin <sup>(1)</sup>	8.9%		13.1%	6.8%		11.3%
EBITDA per share <sup>(1)(2)</sup>	\$ 0.14	\$ 0.10	\$ 0.24	\$ 0.13	\$ 0.12	\$ 0.25
Net income attributable to common shareholders before non-recurring items <sup>(1)(2)</sup>	\$ 6,337	\$ 428	\$ 6,765	\$ 4,882	\$ (6)	\$ 4,876
Net income attributable to common shareholders before non-recurring items per share <sup>(1)(2)</sup>	\$ 0.07	\$ 0.00	\$ 0.07	\$ 0.05	\$ 0.00	\$ 0.05
Net income attributable to common shareholders	\$ 4,007	\$ 403	\$ 4,410	\$ (4,164)	\$ (120)	\$ (4,284)
Net income attributable to common shareholders per share	\$ 0.04	\$ 0.01	\$ 0.05	\$ (0.05)	\$ 0.00	\$ (0.05)
Cash flow from operations before non-recurring items <sup>(1)(2)</sup>	\$ 12,761	\$ 8,421	\$ 21,182	\$ 11,172	\$ 9,118	\$ 20,290
Cash flow from operations per share <sup>(1)(2)</sup>	\$ 0.13	\$ 0.09	\$ 0.22	\$ 0.13	\$ 0.10	\$ 0.23
Total assets	\$ 255,695	\$ 16,117	\$ 271,812	\$ 454,132	\$ 18,153	\$ 472,285
Weighted average shares outstanding, net	95,821,648		95,821,648	89,083,105		89,083,105

Notes:

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

(2) IFRS net income attributable to common shareholders and cash flow from operations have been adjusted for non-recurring items. Refer to "EBITDA and Cash Flow from Operations Reconciliation" and "Net Income Attributable to Common Shareholders Before Non-Recurring Items Reconciliation".

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

## GLACIER MEDIA INC.

### INTERIM REPORT

September 30, 2016

---

#### Adjusted Operational Performance<sup>(1)</sup>

Management believes that including its share of revenues, expenses and cash flows of its joint venture operations in the Company's results provides a more comprehensive basis for reflecting and assessing the overall operations of the Company. Management bases its operating decisions and performance evaluation using the adjusted results<sup>(1)</sup>. The following discussion adjusts the Company's reported results under IFRS to include the revenues, expenses and cash flows of its joint ventures.

For the period ended September 30, 2016, adjusted consolidated EBITDA increased 37.7% to \$7.7 million, as compared to \$5.6 million for the same period in the prior year. Glacier's consolidated EBITDA margin, on an adjusted basis, increased to 13.1% for the period from 9.3% compared to the same period in the prior year. Adjusted consolidated revenue declined 2.2% to \$58.4 million from \$59.7 million compared to the same period in the prior year.

EBITDA growth occurred across a wide variety of the Company's divisions. Both of the Company's segments, business information and community media, posted EBITDA increases in the quarter. The business information segment continues to be negatively impacted by the weak energy and commodity environments; however, this was mitigated by the strong performance of the agricultural exhibitions and other growth segments such as REW.ca and STP. Community media continues to benefit from the 2015 and year-to-date restructuring efforts in many of its operations.

For the nine months ended September 30, 2016, adjusted consolidated EBITDA increased 4.5% to \$23.3 million, as compared to \$22.3 million for the same period in the prior year. Glacier's EBITDA margin for the nine months ended September 30, 2016, on an adjusted basis, increased to 13.1% for the period from 11.3% compared to the same period in the prior year. Adjusted consolidated revenue for the nine months ended September 30, 2016 declined 9.6% to \$177.6 million compared to \$196.5 million for the same period in the prior year.

Depressed energy and commodity prices continue to weigh on the Western Canadian economy and the operations of the Company. Glacier's energy information business and community media operations, particularly in the Prairies, continue to face challenges.

For the period ended September 30, 2016, adjusted net income attributable to common shareholders before non-recurring items decreased to \$1.6 million from \$2.4 million for the same period in the prior year.

For the period ended September 30, 2016, adjusted cash flow from operations before non-recurring items increased to \$7.0 million from \$5.2 million for the same period in the prior year.

The main factors affecting the comparability of the results for the quarter are detailed below under the IFRS Selected Financial Information.

Note:

<sup>(1)</sup> The adjusted consolidated financial results have been adjusted to include the Company's share of revenue, expenses, assets and liabilities from its joint venture operations on a proportionate accounting basis as this is the basis on which management bases its operating decisions and performance evaluation. IFRS does not allow for the inclusion of the joint ventures on a proportionate basis. These results include additional non-IFRS measures such as EBITDA, cash flow from operations and net income attributable to common shareholders before non-recurring items.

The adjusted results are not generally accepted measures of financial performance under IFRS. The Company's method of calculating these financial performance measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Please refer to the **Reconciliation of IFRS to Adjusted Results** for a reconciliation of these non-IFRS measures and adjusted results. Management reports its results adjusted to include its share of its joint ventures in the MD&A under the heading **Adjusted Operational Performance**. Management reports its results adjusted to include its share of its joint ventures in the Report to Shareholders.

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

### Third Quarter IFRS Results and Overview of Operating Performance

#### Selected Financial Information

The following outlines selected financial statistics and performance measures for Glacier, on an IFRS basis (other than the non-IFRS measures noted) for the period ended September 30, 2016 and 2015.

<i>(thousands of dollars)</i> <i>except share and per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenue	\$ 49,603	\$ 50,320	\$ 149,952	\$ 167,333
Gross profit <sup>(2)</sup>	\$ 14,693	\$ 13,176	\$ 45,475	\$ 47,957
Gross margin	29.6%	26.2%	30.3%	28.7%
EBITDA <sup>(1)</sup>	\$ 4,534	\$ 2,034	\$ 13,335	\$ 11,339
EBITDA margin <sup>(1)</sup>	9.1%	4.0%	8.9%	6.8%
EBITDA per share <sup>(1)</sup>	\$ 0.04	\$ 0.02	\$ 0.14	\$ 0.13
Interest expense, net	\$ 745	\$ 926	\$ 2,663	\$ 2,864
Net income attributable to common shareholders before non-recurring items <sup>(1)</sup>	\$ 1,563	\$ 2,537	\$ 6,337	\$ 4,882
Net income attributable to common shareholder before non-recurring items per share <sup>(1)</sup>	\$ 0.01	\$ 0.03	\$ 0.07	\$ 0.05
Net (loss) income attributable to common shareholders	\$ 1,784	\$ (6,775)	\$ 4,007	\$ (4,164)
Net (loss) income attributable to common shareholders per share	\$ 0.02	\$ (0.08)	\$ 0.04	\$ (0.05)
Cash flow from operations <sup>(1)</sup>	\$ 4,713	\$ 2,138	\$ 12,761	\$ 11,172
Cash flow from operations per share <sup>(1)</sup>	\$ 0.04	\$ 0.02	\$ 0.13	\$ 0.13
Capital expenditures	\$ 1,232	\$ 1,272	\$ 2,639	\$ 5,033
Total assets	\$ 255,695	\$ 454,132	\$ 255,695	\$ 454,132
Total non-current financial liabilities	\$ 52,852	\$ 80,412	\$ 52,852	\$ 80,412
Debt net of cash outstanding before deferred financing charges and other expenses	\$ 51,591	\$ 78,041	\$ 51,591	\$ 78,041
Equity attributable to common shareholders	\$ 131,986	\$ 265,737	\$ 131,986	\$ 265,737
Dividends paid	\$ -	\$ 1,782	\$ -	\$ 5,344
Dividends paid per share	\$ -	\$ 0.02	\$ -	\$ 0.06
Weighted average shares outstanding, net	109,152,243	89,083,105	95,821,648	89,083,105

#### Notes:

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

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

The main factors affecting the comparability of the quarterly and year-to-date results:

- Operating performance of the Company's various business units, including cost-reduction initiatives, and general market conditions during the reported periods;
- Decreased revenues due to the structural changes in the community media industry and the cyclical nature of certain of Glacier's businesses, including softness in the energy and mining sectors;
- Restructuring expenses including severance payments and transition and transition costs for acquisitions and dispositions;
- The rights offering that was completed in July 2016 which raised proceeds of \$13.2 million, all of which was used to pay down debt. A total of 20,745,626 common shares were issued;
- The sale of a community media operation for a non-cash gain of \$0.8 million;
- The Company purchased the remaining ownership interest in Evaluate Energy for a purchase price of \$1.0 million. Cash consideration paid was \$0.3 million. The Company's ownership interest increased from 60% to 100%; and
- The Company sold land and building property in Chilliwack for net proceeds of \$0.6 million. The Company recognized a \$0.1 million gain on sale.

## **GLACIER MEDIA INC.**

### **INTERIM REPORT**

September 30, 2016

---

#### **Revenue**

Glacier's consolidated revenue for the period ended September 30, 2016, was \$49.6 million compared to \$50.3 million for the same period in the prior year.

#### *Business Information*

The business information group generated revenues of \$22.1 million for the period ended September 30, 2016, as compared to \$21.0 million in the same period in the prior year. ERIS, the Company's environmental risk information business, continues to generate strong growth in revenues, especially in the U.S. markets. REW.ca, the Company's online real estate portal, generated strong revenue growth. Site visits continue to increase compared to the same period in the prior year and continued improvements in functionality and expanding location listings are contributing to REW.ca's growing traffic and revenues. BIV Media Group experienced solid revenues during the period as a result of successful events, such as the CFO Awards and the Commercial Real Estate Awards, and the launch of two new publications, the Scorecard and Women in Business. Overall, concerted efforts to grow the Company's business information revenues through its Evolve, Enrich and Extend strategy are proving successful, and resulting in continued growth in a variety of areas.

The Company's business information revenues were impacted by the downturn in the oil & gas sector and softness in the mining sector.

#### *Community Media*

The community media group generated \$27.5 million of revenue for the period ended September 30, 2016, as compared to \$29.3 million for the same period in the prior year.

Glacier's community media operations continued to experience softness due to increased digital competition, as well as softer economic conditions in some of the markets in which the Company's operations are located. In particular, local markets in Saskatchewan, Alberta, and Northern B.C. have been significantly affected by the downturn in the energy and agriculture industries. In particular, national advertising continues to be affected by the shift to digital advertising. Part of the decline in community media revenue was from the sale, closure and restructuring of a group of community media assets in B.C. and Saskatchewan. Restructuring continues and has resulted in large financial and operating improvements.

A wide array of sales initiatives are being pursued to find new sources of community media revenue. In particular, digital media initiatives resulted in growth in digital community media revenues and new features and supplements initiatives contributed to strong local revenue performance. The wide range of new revenue initiatives and focus on higher-margin revenues resulted in incremental sales that helped to partially offset the weaker traditional print advertising.

#### **Gross Profit**

Glacier's consolidated gross profit, being revenues less direct expenses, for the period ended September 30, 2016 was \$14.7 million compared to \$13.2 million for the same period in the prior year. The increase in gross profit is largely attributable to the decrease in direct expenses as a result of the restructuring efforts. Additionally, the success of the agricultural exhibitions contributed to the gross profit increase in the quarter.

Gross profit as a percentage of revenues ("gross profit margin") for the period ended September 30, 2016 was 29.6% as compared to 26.2% for the same period in the prior year.

#### **General & Administrative Expenses**

Glacier's consolidated general and administrative expenses were \$10.2 million for the period ended September 30, 2016 as compared to \$11.1 million for the same period in the prior year. The decrease was due to cost savings from the Company's restructuring efforts.

## GLACIER MEDIA INC.

### INTERIM REPORT

September 30, 2016

#### EBITDA

EBITDA was \$4.5 million for the period ended September 30, 2016 as compared to \$2.0 million for the same period in the prior year. The results are due to the various reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

#### Net Interest Expense

Glacier's consolidated net interest expense for the period ended September 30, 2016 was \$0.7 million as compared to \$0.9 million for the same period in the prior year, a decrease of \$0.2 million. The decrease was primarily the result of debt repayments made throughout 2015 and 2016.

#### Depreciation and Amortization

During the period ended September 30, 2016, depreciation of property, plant and equipment and amortization of intangible assets decreased by \$0.4 million mainly due the impairment and disposals of property, plant and equipment and finite life intangible assets taken in 2015, partially offset by additions throughout 2015 and 2016.

#### Restructuring and Other Expenses

Restructuring and other expenses for the period ended September 30, 2016 were \$0.8 million compared to \$9.8 million for the same period in the prior year. These expenses for the current period include restructuring costs, transaction and transition costs, foreign exchange and net gain or loss on disposal of assets. Restructuring and other expenses were impacted by restructuring initiatives including severance costs incurred as the Company restructured and reduced its workforce.

#### Share of Earnings from Joint Ventures and Associates

Share of earnings from joint ventures and associates, which include the Company's share of Fundata Canada Inc. ("Fundata"), InfoMine Inc. ("InfoMine"), Continental Newspapers Ltd. ("Continental"), Great West Newspapers Limited Partnership ("GWNLP"), the Victoria Times-Colonist, Rhode Island Suburban Newspapers Inc. ("RISN") and other joint ventures and associates, decreased \$0.1 million as compared to the same period in the prior year.

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)	As at	
	September 30, 2016	December 31, 2015
	\$	\$
Assets	89,666	99,687
Liabilities	30,627	40,287
Net assets	59,039	59,400
	For the three months ended September 30,	
	2016	2015
	\$	\$
Revenues	13,996	16,962
Net income for the period	2,517	2,645
Other comprehensive (loss) income	(115)	(75)

## **GLACIER MEDIA INC.**

### **INTERIM REPORT**

September 30, 2016

---

#### **Net Income Attributable to Common Shareholders**

Net income attributable to common shareholders increased by \$8.6 million compared to the same period in the prior year. The increase resulted from i) higher operating results, ii) lower restructuring and other expenses of \$9.0 million, iii) lower interest expense of \$0.2 million, iv) lower depreciation and amortization of \$0.4 million and v) higher net gain on disposal of \$0.8 million. This was partially offset by i) lower other income of \$0.3 million, ii) lower share of earnings from joint ventures and associates of \$0.1 million, iii) lower income tax recovery of \$2.8 million and iv) higher income attributable to non-controlling interests of \$1.2 million.

#### **Other Comprehensive Loss (net of tax)**

For the period ended September 30, 2016, Glacier recognized other comprehensive income (net of tax) of \$1.5 million. The majority of the income related to the actuarial gain on defined benefit pension plans.

#### **Cash Flow from Operations**

Glacier's consolidated cash flow from operations was \$4.7 million (before changes in non-cash operating accounts and non-recurring items) for the period ended September 30, 2016 as compared to \$2.1 million for the same period in the prior year. The change in cash flow from operations resulted from the factors stated under **Revenue, Gross Profit, General & Administrative Expenses** and **EBITDA**.

Capital expenditures were \$1.2 million for the period ended September 30, 2016 compared to \$1.3 million for the same period in the prior year. The majority of current period expenditures relate to infrastructure for the agricultural exhibitions, building improvements and office equipment.

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

#### **Related Party Transactions**

During the period ended September 30, 2016, the Company and its affiliates recorded administration, consulting, interest and other expenses of \$0.3 million (2015: \$0.3 million) from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company. Madison provides strategic, financial, transactional advisory services and administrative services to the Company on an ongoing basis. These services have been provided with the intention of maintaining an efficient and cost-effective corporate overhead structure, instead of i) hiring more full-time corporate and administrative staff and thereby increasing fixed overhead costs and ii) retaining outside professional advisory firms on a more extensive basis.

These services were provided in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties. In addition, Madison was required to be the guarantor of a loan relating to the acquisition of interests in certain community newspapers in 2007.

#### **Contingency**

An affiliate of the Company ("the affiliate") has received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessment relating to the taxation years from 2008-2015. The notices deny the application of non-capital losses, capital losses and scientific research and experimental development ("SR&ED") tax credits claimed. The affiliate has filed notices of objection with the CRA and provincial taxing authorities for taxation years 2008 to 2014 and will file notices of objection for the 2015 taxation year. Total reassessments for the taxation years 2008-2015 are approximately \$50.2 million. The affiliate has paid required deposits of \$21.1 million to the CRA. In connection with filing the notice of objection for the taxation year ended December 31, 2014 and 2015, the affiliate will be required to make a \$2.6 million deposit. The affiliate has paid \$1.2 million of this deposit to the CRA and the remaining required deposit is due in 2016.

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

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

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

### Summary of Selected Quarterly IFRS Results

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

<i>(thousands of dollars) except share and per share amounts</i>	Trailing 12 Months	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Revenue	\$ 203,321	\$ 49,603	\$ 51,018	\$ 49,331	\$ 53,369
EBITDA <sup>(1)</sup>	\$ 19,173	\$ 4,534	\$ 3,933	\$ 4,868	\$ 5,838
EBITDA margin <sup>(1)</sup>	9.4%	9.1%	7.7%	9.9%	10.9%
EBITDA per share <sup>(1)</sup>	\$ 0.20	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.07
Interest expense, net	\$ 3,920	\$ 745	\$ 917	\$ 1,001	\$ 1,257
Net income attributable to common shareholders before non-recurring items <sup>(1)</sup>	\$ 12,611	\$ 1,563	\$ 3,429	\$ 1,345	\$ 6,274
Net income attributable to common shareholders before non-recurring items per share <sup>(1)</sup>	\$ 0.13	\$ 0.01	\$ 0.04	\$ 0.02	\$ 0.07
Net (loss) income attributable to common shareholders	\$ (144,642)	\$ 1,784	\$ 2,495	\$ (272)	\$ (148,649)
Net (loss) income attributable to common shareholders per share	\$ (1.54)	\$ 0.02	\$ 0.03	\$ 0.00	\$ (1.67)
Cash flow from operations <sup>(1)</sup>	\$ 17,728	\$ 4,713	\$ 3,682	\$ 4,366	\$ 4,967
Cash flow from operations per share <sup>(1)</sup>	\$ 0.19	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.06
Capital expenditures	\$ 2,776	\$ 1,232	\$ 819	\$ 588	\$ 137
Debt net of cash outstanding before deferred financing charges and other expenses	\$ 51,591	\$ 51,591	\$ 64,786	\$ 68,417	\$ 70,781
Equity attributable to common shareholders	\$ 131,986	\$ 131,986	\$ 115,586	\$ 115,972	\$ 116,727
Weighted average shares outstanding, net	94,127,806	109,152,243	89,083,105	89,083,105	89,083,105

  

	Trailing 12 Months	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Revenue	\$ 231,830	\$ 50,320	\$ 60,940	\$ 56,073	\$ 64,497
EBITDA <sup>(1)</sup>	\$ 20,018	\$ 2,034	\$ 5,832	\$ 3,473	\$ 8,679
EBITDA margin <sup>(1)</sup>	8.6%	4.0%	9.6%	6.2%	13.5%
EBITDA per share <sup>(1)</sup>	\$ 0.22	\$ 0.02	\$ 0.07	\$ 0.04	\$ 0.10
Interest expense, net	\$ 3,996	\$ 926	\$ 983	\$ 955	\$ 1,132
Net income attributable to common shareholders before non-recurring items <sup>(1)</sup>	\$ 15,318	\$ 2,537	\$ 2,233	\$ 112	\$ 10,436
Net income attributable to common shareholders before non-recurring items per share <sup>(1)</sup>	\$ 0.17	\$ 0.03	\$ 0.03	\$ 0.00	\$ 0.12
Net (loss) income attributable to common shareholders	\$ (12,386)	\$ (6,775)	\$ (1,052)	\$ 3,663	\$ (8,222)
Net (loss) income attributable to common shareholders per share	\$ (0.14)	\$ (0.08)	\$ (0.01)	\$ 0.04	\$ (0.09)
Cash flow from operations <sup>(1)</sup>	\$ 20,013	\$ 2,138	\$ 5,213	\$ 3,821	\$ 8,841
Cash flow from operations per share <sup>(1)</sup>	\$ 0.22	\$ 0.02	\$ 0.06	\$ 0.04	\$ 0.10
Capital expenditures	\$ 7,770	\$ 1,272	\$ 1,863	\$ 1,898	\$ 2,737
Debt net of cash outstanding before deferred financing charges and other expenses	\$ 78,041	\$ 78,041	\$ 71,674	\$ 75,235	\$ 75,023
Equity attributable to common shareholders	\$ 265,737	\$ 265,737	\$ 272,625	\$ 274,743	\$ 273,349
Weighted average shares outstanding, net	89,083,105	89,083,105	89,083,105	89,083,105	89,083,105

Notes:

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

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

- Operating performance of the Company's various business units, including cost-reduction initiatives and general market conditions during the reported periods;



## GLACIER MEDIA INC.

### INTERIM REPORT

September 30, 2016

---

- Decreased revenues during the reported periods due to the structural changes in the community media industry and the cyclical nature of certain of Glacier's businesses, including softness in the energy and mining sectors;
- Decreased revenues and expenses, and quarterly fluctuations in restructuring expenses, primarily due to the restructuring, sale and closure of certain community media assets, specifically in the Lower Mainland of B.C. in the second quarter of 2015;
- The rights offering that was completed in July 2016 which raised proceeds of \$13.2 million, all of which was used to pay down debt. A total of 20,745,626 common shares were issued;
- The purchase of a 60% interest in Evaluate Energy, based in the UK, in the fourth quarter of 2014, and the purchase of the remaining 40% ownership interest in the second quarter of 2016 for a purchase price of \$1.0 million. Cash consideration paid in the second quarter of 2016 was \$0.3 million;
- In the second quarter of 2016, the Company sold land and building property in Chilliwack for net proceeds of \$0.6 million. The Company recognized a \$0.1 million gain on sale;
- In the third quarter of 2016, the Company sold a community media operation for a non-cash gain of \$0.8 million;
- The Company recognized settlement gains on pension and post-retirement benefits of \$4.8 million in the first quarter of 2015, and \$1.6 million in the fourth quarter of 2015, and \$1.2 million in the fourth quarter of 2014;
- The sale of a package of real estate assets for \$4.8 million in the fourth quarter of 2015. \$2.7 million was generated through a sale lease-back transaction;
- The sale, closure and asset write-down of Printwest in the third quarter of 2015;
- A goodwill, intangible asset, investments in joint ventures and associates and other investments impairment charge of \$194.0 million in the fourth quarter of 2015 and \$11.0 million in fourth quarter of 2014;
- Goodwill and intangible asset impairments in certain joint ventures and associates included in share of earnings from joint ventures and associates in the fourth quarter of 2014;
- The sale of the Company's investment in Iron Solutions in the fourth quarter of 2014;
- The sale of the Kamloops land and building in the fourth quarter of 2014; and
- The sale of certain business information media publications and related assets located in Toronto in the first quarter of 2015. The assets and liabilities were considered to be held for sale as at December 31, 2014 and previously presented as discontinued operations.

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

### EBITDA and Cash Flow from Operations Reconciliation

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

<i>(thousands of dollars) except share and per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
<b>EBITDA <sup>(1)</sup></b>				
Net income (loss) attributable to common shareholders	\$ 1,784	\$ (6,775)	\$ 4,007	\$ (4,164)
Add (deduct):				
Non-controlling interests	\$ 1,277	\$ 56	\$ 2,311	\$ 1,674
Net interest expense	\$ 745	\$ 926	\$ 2,663	\$ 2,864
Depreciation of property, plant and equipment	\$ 1,018	\$ 1,320	\$ 3,119	\$ 4,102
Amortization of intangible assets	\$ 1,909	\$ 1,979	\$ 4,743	\$ 5,632
Settlement gain on pension and post-retirement benefits	\$ -	\$ -	\$ -	\$ (4,843)
Other income	\$ (41)	\$ (314)	\$ (389)	\$ (478)
Net gain on disposal	\$ (814)	\$ -	\$ (814)	\$ -
Restructuring and other expenses (net)	\$ 783	\$ 9,813	\$ 4,375	\$ 15,322
Share of earnings from joint ventures and associates	\$ (2,417)	\$ (2,493)	\$ (6,220)	\$ (7,269)
Income tax (recovery) expense	\$ 290	\$ (2,478)	\$ (460)	\$ (1,501)
<b>EBITDA <sup>(1)</sup></b>	<b>\$ 4,534</b>	<b>\$ 2,034</b>	<b>\$ 13,335</b>	<b>\$ 11,339</b>
<b>Cash flow from operations <sup>(1)</sup></b>				
Net income (loss) attributable to common shareholders	\$ 1,784	\$ (6,775)	\$ 4,007	\$ (4,164)
Add (deduct):				
Non-controlling interests	\$ 1,277	\$ 56	\$ 2,311	\$ 1,674
Depreciation of property, plant and equipment	\$ 1,018	\$ 1,320	\$ 3,119	\$ 4,102
Amortization of intangible assets	\$ 1,909	\$ 1,979	\$ 4,743	\$ 5,632
Net gain on disposal	\$ (814)	\$ -	\$ (814)	\$ -
Impairment expense	\$ -	\$ -	\$ -	\$ -
Employee future benefit expense in excess of employer contributions	\$ (182)	\$ 179	\$ (149)	\$ 525
Deferred income tax (recovery) expense	\$ 285	\$ (2,478)	\$ (822)	\$ (1,501)
Interest expense	\$ 800	\$ 940	\$ 2,743	\$ 2,954
Share of earnings from joint ventures and associates	\$ (2,417)	\$ (2,493)	\$ (6,220)	\$ (7,269)
Settlement gain on pension and post-retirement benefits	\$ -	\$ -	\$ -	\$ (4,843)
Other non-cash items	\$ (149)	\$ 5,317	\$ 1,728	\$ 8,288
Restructuring costs (net of tax)	\$ 946	\$ 3,755	\$ 1,190	\$ 3,982
Transaction and transition costs	\$ 256	\$ 338	\$ 925	\$ 1,792
<b>Cash flow from operations <sup>(1)</sup></b>	<b>\$ 4,713</b>	<b>\$ 2,138</b>	<b>\$ 12,761</b>	<b>\$ 11,172</b>

Notes:

<sup>(1)</sup> Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.

# GLACIER MEDIA INC.

## INTERIM REPORT

September 30, 2016

### Net Income Attributable to Common Shareholders before Non-Recurring Items and Net Income Attributable to Common Shareholders before Non-Recurring Items Reconciliation with Per Share Amounts

The following table reconciles the Company's net income attributable to common shareholders as reported under IFRS to net income attributable to common shareholders before non-recurring items.

<i>(thousands of dollars) except share and per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
<b>Net income attributable to common shareholders before non-recurring items <sup>(1)</sup></b>				
Net income (loss) attributable to common shareholders	\$ 1,784	\$ (6,775)	\$ 4,007	\$ (4,164)
Add (deduct):				
Other expenses (net)	\$ (1)	\$ (98)	\$ (13)	\$ (173)
Settlement gain on pension and post-retirement benefits	\$ -	\$ -	\$ -	\$ (4,843)
Net gain on disposal	\$ (814)	\$ -	\$ (814)	\$ -
Restructuring costs (net of tax)	\$ 338	\$ 9,072	\$ 2,232	\$ 12,270
Transaction and transition costs	\$ 256	\$ 338	\$ 925	\$ 1,792
<b>Net income attributable to common shareholders before non-recurring items <sup>(1)</sup></b>	<b>\$ 1,563</b>	<b>\$ 2,537</b>	<b>\$ 6,337</b>	<b>\$ 4,882</b>
<b>Weighted average shares outstanding, net</b>	<b>109,152,243</b>	<b>89,083,105</b>	<b>95,821,648</b>	<b>89,083,105</b>
Net income (loss) attributable to common shareholders per share	\$ 0.02	\$ (0.08)	\$ 0.04	\$ (0.05)
EBITDA per share <sup>(1)</sup>	\$ 0.04	\$ 0.02	\$ 0.14	\$ 0.13
Cash flow from operations before non-recurring items per share <sup>(1)</sup>	\$ 0.04	\$ 0.02	\$ 0.13	\$ 0.13
Net income attributable to common shareholders before non-recurring items per share <sup>(1)</sup>	\$ 0.01	\$ 0.03	\$ 0.07	\$ 0.05

Notes:

<sup>(1)</sup> Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.

### Summary of Financial Position, Financial Requirements and Liquidity

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

As at September 30, 2016, Glacier had consolidated cash and cash equivalents of \$4.6 million, current and long-term debt of \$56.2 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of \$14.3 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.

Capital expenditures were \$1.2 million for the period ended September 30, 2016 compared to \$1.3 million for the same period in the prior year. The majority of current period expenditures relate to infrastructure for the agricultural exhibitions, building improvements and office equipment.

During the period ended June 30, 2016, the Company undertook a rights offering which closed on July 4, 2016. The offering raised net proceeds of \$13.2 million, all of which was used to reduce the Company's senior debt. A total of 20,745,626 common shares were issued after quarter end under the rights offering. The total outstanding number of common shares after the rights offering is 109,828,731.

## GLACIER MEDIA INC.

### INTERIM REPORT

September 30, 2016

#### Changes in Financial Position

(thousands of dollars)	Three months ended		Nine months ended	
	September 30, 2016	2015	September 30, 2016	2015
Cash generated from (used in)				
Operating activities	1,977	(1,315)	9,123	8,562
Investing activities	(1,081)	(1,628)	1,633	850
Financing activities	(1,486)	6	(10,447)	(12,692)
Increase (decrease) in cash	(590)	(2,937)	309	(3,280)

The changes in the components of cash flows during the third quarter of 2016 and 2015 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 \$4.7 million compared to \$2.1 million for the same period in the prior year as a result of the factors stated under **Revenue, Gross Profit, General & Administrative Expenses** and **EBITDA**. Cash flow from operations before non-recurring items and after change in non-cash working capital was \$3.2 million compared to \$2.8 million for the same period in the prior year.

#### Investing Activities

Cash used in investing activities totalled \$1.1 million for the period ended September 30, 2016 compared to \$1.6 million for the same period in the prior year. Investing activities included distributions received of \$1.9 million, \$1.2 million of capital expenditures, \$0.6 million CRA deposit paid, \$0.3 million of cash sold through disposition and \$0.9 million of cash used in other investing activities.

#### Financing Activities

Cash used in financing activities was \$1.5 million for the period ended September 30, 2016 compared to \$nil for the same period in the prior year. The Company made net debt repayments of \$13.8 million for the period ended September 30, 2016 compared to \$3.4 million in debt proceeds for the same period in the prior year. In the period ended September 30, 2016, the Company distributed \$0.2 million to its minority partners (non-controlling interests), paid \$0.7 million in interest and issued common shares for \$13.2 million.

#### Outstanding Share Data

As at September 30, 2016 and November 10, 2016, there were 109,828,731 common shares and 1,115,000 share purchase warrants outstanding.

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

#### Contractual Agreements

As at September 30, 2016, the Company has agreements with a syndicate of major Canadian banks whereby the lenders provide a revolving loan facility with no required principal repayments during its term. The lenders also provide a term loan facility which requires annual principal payments of \$2.5 million, paid quarterly.

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

The Company has also entered into operating leases for premises and office equipment, which expire on various dates up to 2025.

## GLACIER MEDIA INC.

### INTERIM REPORT

September 30, 2016

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

(thousands of dollars)	Total	2016	2017	2018	2019	2020	Thereafter
Long-term debt	55,773	1,638	47,889	3,930	1,918	93	305
Operating leases	24,668	2,966	5,421	5,113	3,453	2,202	5,513
	80,441	4,604	53,310	9,043	5,371	2,295	5,818

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 September 30, 2016 and September 30, 2015.

### Financial Instruments

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

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

The Company has, in the past, hedged a portion of its foreign exchange exposure with financial forward contracts. As at September 30, 2016 and 2015, the Company did not have any foreign exchange forward contracts.

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

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

The 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.

## **GLACIER MEDIA INC.**

---

### **INTERIM REPORT**

September 30, 2016

---

#### **Business Environment and Risks**

A comprehensive discussion of Risks and Uncertainties was included in the 2015 Annual Report and can be found on SEDAR. The discussion is applicable for the period ended September 30, 2016.

#### **Disclosure Controls and Internal Controls over Financial Reporting**

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

The Company did not make any changes to its internal controls over financial reporting ("ICFR") during the most recent period ended September 30, 2016 which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

#### **Future Accounting Policies**

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

IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

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

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

In January 2016, the IASB issued IFRS 16, Leases, which supersedes IAS 17, Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the Company also applies IFRS 15 Revenues from Contracts with Customers.

The most significant impacts of IFRS 16 includes the lessee's recognition of the initial present value of future lease payments as lease assets and lease liabilities on the statement of financial position, except for those leases that meet a limited exception criteria. The presentation on the statement of operations and other comprehensive income will be affected by the new standard and will result in lease expenses being presented as depreciation and finance expenses. Net income is likely to be effected as the timing of expenses is accelerated when applying the new standard which uses a finance lease model compared to straight line recognition.

## **GLACIER MEDIA INC.**

---

INTERIM REPORT

September 30, 2016

---

The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

### **Critical Accounting Estimates**

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

**GLACIER MEDIA INC.****INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS**

Three and nine months ended September 30, 2016 and 2015

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

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Revenue</b>	<b>49,603</b>	50,320	<b>149,952</b>	167,333
Expenses before depreciation and amortization				
Direct expenses (Note 15)	<b>34,910</b>	37,144	<b>104,477</b>	119,376
General and administrative (Note 15)	<b>10,159</b>	11,142	<b>32,140</b>	36,618
	<b>4,534</b>	2,034	<b>13,335</b>	11,339
Interest expense, net (Note 16)	<b>745</b>	926	<b>2,663</b>	2,864
Depreciation of property, plant and equipment	<b>1,018</b>	1,320	<b>3,119</b>	4,102
Amortization of intangible assets	<b>1,909</b>	1,979	<b>4,743</b>	5,632
Settlement gain on pension and post-retirement benefits (Note 17)	-	-	-	(4,843)
Other income	<b>(41)</b>	(314)	<b>(389)</b>	(478)
Net gain on disposal (Note 7)	<b>(814)</b>	-	<b>(814)</b>	-
Restructuring and other expenses (net) (Note 18)	<b>783</b>	9,813	<b>4,375</b>	15,322
Share of earnings from joint ventures and associates (Note 8)	<b>(2,417)</b>	(2,493)	<b>(6,220)</b>	(7,269)
Net income (loss) before income taxes	<b>3,351</b>	(9,197)	<b>5,858</b>	(3,991)
Income tax (recovery) expense (Notes 14 and 21)	<b>290</b>	(2,478)	<b>(460)</b>	(1,501)
<b>Net income (loss) for the period</b>	<b>3,061</b>	(6,719)	<b>6,318</b>	(2,490)
Net income (loss) attributable to:				
Common shareholders	<b>1,784</b>	(6,775)	<b>4,007</b>	(4,164)
Non-controlling interests	<b>1,277</b>	56	<b>2,311</b>	1,674
Income (loss) per share attributable to common shareholders per share				
Basic and diluted	<b>0.02</b>	(0.08)	<b>0.04</b>	0.05
Weighted average number of common shares				
Basic and diluted	<b>109,152,243</b>	89,083,105	<b>95,821,648</b>	89,083,105

See accompanying notes to these interim consolidated financial statements



**GLACIER MEDIA INC.****INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Three and nine months ended September 30, 2016 and 2015

(Expressed in thousands of Canadian dollars)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Net income (loss) for the period</b>	<b>3,061</b>	<b>(6,719)</b>	<b>6,318</b>	<b>(2,490)</b>
Other comprehensive (loss) income (net of tax) (Note 13)				
Actuarial (loss) gain on defined benefit pension plans <sup>(1)</sup>	<b>1,576</b>	<b>(52)</b>	<b>(1,293)</b>	<b>262</b>
Currency translation adjustment <sup>(2)</sup>	<b>3</b>	<b>10</b>	<b>47</b>	<b>38</b>
Share of other comprehensive loss from joint ventures and associates <sup>(1)</sup> (Note 8)	<b>(115)</b>	<b>(75)</b>	<b>(761)</b>	<b>(182)</b>
<b>Other comprehensive (loss) income (net of tax)</b>	<b>1,464</b>	<b>(117)</b>	<b>(2,007)</b>	<b>118</b>
<b>Total comprehensive income (loss)</b>	<b>4,525</b>	<b>(6,836)</b>	<b>4,311</b>	<b>(2,372)</b>
Total comprehensive income (loss) attributable to:				
Common shareholders	<b>3,203</b>	<b>(6,888)</b>	<b>2,062</b>	<b>(4,050)</b>
Non-controlling interests	<b>1,322</b>	<b>52</b>	<b>2,249</b>	<b>1,678</b>

<sup>(1)</sup> Recorded directly in retained deficit.<sup>(2)</sup> Recycles through the consolidated statement of operations in current and future periods.

See accompanying notes to these interim consolidated financial statements

**GLACIER MEDIA INC.****INTERIM CONSOLIDATED BALANCE SHEETS**

As at September 30, 2016 and December 31, 2015

(Expressed in thousands of Canadian dollars)

(Unaudited)

	As at September 30, 2016	As at December 31, 2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,558	4,249
Trade and other receivables	37,564	39,817
Inventory	3,101	4,151
Prepaid expenses	2,506	2,554
	<b>47,729</b>	50,771
<b>Non-current assets</b>		
Investments in joint ventures and associates (Note 8)	66,780	67,456
Other investments	589	589
Other assets (Note 21)	23,353	22,914
Property, plant and equipment (Note 9)	32,345	34,401
Intangible assets (Note 10)	43,651	47,323
Goodwill	41,248	40,007
	<b>255,695</b>	263,461
<b>Total assets</b>	<b>255,695</b>	263,461
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	27,690	29,106
Deferred revenue	9,713	11,706
Current portion of long-term debt (Note 11)	5,237	6,421
Other current liabilities	548	1,421
	<b>43,188</b>	48,654
<b>Non-current liabilities</b>		
Non-current portion of deferred revenue	1,578	1,592
Other non-current liabilities	2,316	2,406
Post-employment benefit obligations	2,885	1,288
Long-term debt (Note 11)	50,536	68,183
Deferred income taxes	3,458	4,764
	<b>103,961</b>	126,887
<b>Total liabilities</b>	<b>103,961</b>	126,887
<b>Equity</b>		
Share capital (Note 12)	211,802	198,605
Contributed surplus	8,951	8,951
Accumulated other comprehensive loss (Note 13)	(24)	(69)
Retained deficit	(88,743)	(90,760)
	<b>131,986</b>	116,727
<b>Total equity attributable to common shareholders</b>	<b>131,986</b>	116,727
<b>Non-controlling interests</b>	<b>19,748</b>	19,847
<b>Total equity</b>	<b>151,734</b>	136,574
<b>Total liabilities and equity</b>	<b>255,695</b>	263,461

See accompanying notes to these interim consolidated financial statements

# GLACIER MEDIA INC.

## INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Nine months ended September 30, 2016 and 2015

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

(Unaudited)

	Attributable to common shareholders							Non-controlling interest	Total equity
	Share capital		Contributed surplus	Accumulated other comprehensive (loss) income	Retained (deficit) earnings	Total			
	Shares	Amount							
		\$	\$	\$	\$	\$	\$	\$	
Balance, December 31, 2015	89,083,105	198,605	8,951	(69)	(90,760)	116,727	19,847	136,574	
Net income for the period	-	-	-	-	4,007	4,007	2,311	6,318	
Other comprehensive (loss) income (net of tax)	-	-	-	45	(1,990)	(1,945)	(62)	(2,007)	
Total comprehensive income for the period	-	-	-	45	2,017	2,062	2,249	4,311	
Issuance of common shares	20,745,626	13,197	-	-	-	13,197	-	13,197	
Repurchase of non-controlling interests	-	-	-	-	-	-	279	279	
Non-controlling interest on disposition	-	-	-	-	-	-	(267)	(267)	
Distributions to non-controlling interests	-	-	-	-	-	-	(2,360)	(2,360)	
<b>Balance, September 30, 2016</b>	<b>109,828,731</b>	<b>211,802</b>	<b>8,951</b>	<b>(24)</b>	<b>(88,743)</b>	<b>131,986</b>	<b>19,748</b>	<b>151,734</b>	
Balance, December 31, 2014	89,083,105	198,605	8,951	(122)	65,915	273,349	50,712	324,061	
Net (loss) income for the period	-	-	-	-	(4,164)	(4,164)	1,674	(2,490)	
Other comprehensive income (net of tax)	-	-	-	37	77	114	4	118	
Total comprehensive income for the period	-	-	-	37	(4,087)	(4,050)	1,678	(2,372)	
Dividends declared on common shares	-	-	-	-	(3,562)	(3,562)	-	(3,562)	
Repurchase of non-controlling interests	-	-	-	-	-	-	(146)	(146)	
Non-controlling interest on acquisition	-	-	-	-	-	-	223	223	
Distributions to non-controlling interests	-	-	-	-	-	-	(3,941)	(3,941)	
<b>Balance, September 30, 2015</b>	<b>89,083,105</b>	<b>198,605</b>	<b>8,951</b>	<b>(85)</b>	<b>58,266</b>	<b>265,737</b>	<b>48,526</b>	<b>314,263</b>	

See accompanying notes to these interim consolidated financial statements

# GLACIER MEDIA INC.

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Three and nine months ended September 30, 2016 and 2015

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

(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Operating activities</b>				
Net income (loss)	3,061	(6,719)	6,318	(2,490)
Items not affecting cash				
Depreciation of property, plant and equipment	1,018	1,320	3,119	4,102
Amortization of intangible assets	1,909	1,979	4,743	5,632
Settlement gain on pension and post-retirement benefits	-	-	-	(4,843)
Net gain on disposal (Note 7)	(814)	-	(814)	-
Employee future benefit expense in excess of employer contributions	(182)	179	(149)	525
Deferred income tax (recovery) expense	285	(2,478)	(822)	(1,501)
Interest expense (Note 16)	800	940	2,743	2,954
Share of earnings from joint ventures and associates	(2,417)	(2,493)	(6,220)	(7,269)
Other non-cash items	(149)	5,317	1,728	8,288
Cash flow from operations before changes in non-cash operating accounts	3,511	(1,955)	10,646	5,398
Changes in non-cash operating accounts				
Trade and other receivables	(433)	2,047	3,002	9,819
Inventory	405	898	1,039	1,266
Prepaid expenses	881	123	45	(560)
Trade and other payables	2,284	1,126	(3,602)	(4,373)
Deferred revenue	(4,671)	(3,554)	(2,007)	(2,988)
Cash generated from (used in) operating activities	1,977	(1,315)	9,123	8,562
<b>Investing activities</b>				
Acquisitions, inclusive of assumed and related financing liabilities	-	(2,107)	-	(5,221)
Net cash acquired (disposed of) on acquisitions (disposition)	(279)	-	(279)	137
Investments in joint ventures and associates	-	(8)	(20)	(97)
Other investing activities	(944)	(360)	(1,336)	(847)
Proceeds from disposal of assets (Note 7)	-	394	623	20,630
Distributions received from joint ventures and associates	1,949	1,725	6,155	6,566
Deposits paid (Note 21)	(575)	-	(871)	(15,285)
Purchase of property, plant and equipment	(1,061)	(880)	(1,598)	(3,090)
Purchase of intangible assets	(171)	(392)	(1,041)	(1,943)
Cash generated from (used in) investing activities	(1,081)	(1,628)	1,633	850
<b>Financing activities</b>				
Distribution to non-controlling interests	(182)	(723)	(1,753)	(3,814)
Issuance of common shares	13,200	-	13,200	-
Dividends paid	-	(1,782)	-	(5,344)
Interest paid	(700)	(840)	(2,658)	(2,823)
Repurchase of non-controlling interests	-	(71)	(321)	(512)
Net repayment of long-term debt (Note 11)	(13,804)	3,422	(18,915)	(199)
Cash (used in) generated from financing activities	(1,486)	6	(10,447)	(12,692)
Net cash generated (used)	(590)	(2,937)	309	(3,280)
Cash and cash equivalents, beginning of period	5,148	7,849	4,249	8,192
<b>Cash and cash equivalents, end of period</b>	<b>4,558</b>	<b>4,912</b>	<b>4,558</b>	<b>4,912</b>

See accompanying notes to these interim consolidated financial statements

## **GLACIER MEDIA INC.**

### **CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the period ended September 30, 2016 and 2015

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

#### **1. General business description**

Glacier Media Inc. ("Glacier" or the "Company") is an information and marketing solutions company pursuing growth in sectors where the provision of essential information and related services provides high customer utility and value. The Company's go-to-market strategy is focused on two operational areas: 1) content and marketing solutions and 2) data, analytics and intelligence.

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

#### **2. Basis of preparation**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim consolidated financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

These consolidated financial statements have been approved by the Board of Directors for issue on November 10, 2016.

#### **3. Significant accounting policies**

The principal accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2015. The policies applied are based on the International Financial Reporting Standards issued and outstanding as at the date the board of directors approved these consolidated financial statements.

#### **4. New accounting standards**

There are no new accounting standards that were applied for the period ended September 30, 2016.

#### **5. Accounting standards issued but not yet applied**

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

IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

## **GLACIER MEDIA INC.**

### **CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As at and for the period ended September 30, 2016 and 2015**

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

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

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

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

In January 2016, the IASB issued IFRS 16, Leases, which supersedes IAS 17, Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the Company also applies IFRS 15 Revenues from Contracts with Customers.

The most significant impacts of IFRS 16 includes the lessee's recognition of the initial present value of future lease payments as lease assets and lease liabilities on the statement of financial position, except for those leases that meet a limited exception criteria. The presentation on the statement of operations and other comprehensive income will be affected by the new standard and will result in lease expenses being presented as depreciation and finance expenses. Net income is likely to be effected as the timing of expenses is accelerated when applying the new standard which uses a finance lease model compared to straight line recognition.

The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

#### **6. Critical accounting estimates and judgements**

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2015.

## GLACIER MEDIA INC.

### CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended September 30, 2016 and 2015

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

#### 7. Acquisitions and disposals

In September 2016, the Company sold its interest in a community media operation. A non-cash gain on sale of \$0.8 million was recognized in the period.

In April 2016, the Company purchased the remaining ownership interest in Evaluate Energy Ltd. ("Evaluate") for a purchase price of \$1.0 million. Cash consideration paid was \$0.3 million. The remaining purchase price of \$0.7 million was deferred and recorded in current liabilities. The Company recognized \$1.3 million of goodwill and a change in non-controlling interest of \$0.3 million.

In January 2015, the Company sold certain of its business information media publications and related assets located in Toronto for a sale price of \$19.7 million. These assets and liabilities were considered to be held for sale as at December 31, 2014 and were presented as discontinued operations in 2014.

In March 2015, the Company completed the asset acquisition and disposition of certain community media assets. The total consideration paid, net of consideration received for the assets was \$3.0 million. The assets acquired included \$1.1 million of mastheads and \$3.2 million of customer relationships.

In April 2015, the Company completed the acquisition of an additional 2% interest in Weather INnovations Network ("WIN"). As a result, the Company acquired control of this operation and recognized \$3.2 million of intangible assets, \$0.3 million of goodwill, \$1.2 million of property plant and equipment, \$1.7 million of net working capital and \$0.2 million of other liabilities. This resulted in a deemed disposition of its equity investment in this operation of \$3.2 million. Total consideration paid for the acquisition was \$0.1 million. The Company recognized \$2.8 million of non-controlling interest.

#### 8. Investments in joint ventures and associates

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

(thousands of dollars)	As at and for the period ended September 30, 2016	As at and for the year ended December 31, 2015
	\$	\$
Balance, beginning of period	67,456	102,764
Acquisition (derecognition) of investments in joint ventures and associates	20	(5,167)
Share of earnings for the period	6,220	10,475
Share of other comprehensive loss for the period (net of tax)	(761)	(458)
Distributions and dividends received and other equity movements	(6,155)	(8,667)
Impairment of investments in joint ventures and associates	-	(31,491)
Balance, end of period	66,780	67,456

**GLACIER MEDIA INC.****CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the period ended September 30, 2016 and 2015

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)  
(Unaudited)**9. Property, plant and equipment**

(thousands of dollars)	Cost	As at September 30, 2016	
		Accumulated depreciation and impairment	Carrying amount
	\$	\$	\$
Land	4,096	-	4,096
Buildings	13,055	(2,559)	10,496
Production equipment	34,179	(22,496)	11,683
Office equipment and leaseholds	26,814	(20,744)	6,070
	<b>78,144</b>	<b>(45,799)</b>	<b>32,345</b>

  

(thousands of dollars)	Cost	As at December 31, 2015	
		Accumulated depreciation and impairment	Carrying amount
	\$	\$	\$
Land	4,186	-	4,186
Buildings	12,759	(2,267)	10,492
Production equipment	34,323	(21,519)	12,804
Office equipment and leaseholds	26,146	(19,227)	6,919
	<b>77,414</b>	<b>(43,013)</b>	<b>34,401</b>



**GLACIER MEDIA INC.****CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the period ended September 30, 2016 and 2015

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)  
(Unaudited)**10. Intangible assets**

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

(thousands of dollars)	As at September 30, 2016		
	Cost	Accumulated amortization and impairment	Carrying amount
	\$	\$	\$
Indefinite life			
Mastheads and trademarks	52,157	(26,396)	25,761
Finite life			
Copyrights	10,199	(10,199)	-
Customer relationships	57,286	(44,583)	12,703
Subscription lists	3,996	(3,150)	846
Software and websites	23,194	(18,853)	4,341
	<b>146,832</b>	<b>(103,181)</b>	<b>43,651</b>

  

(thousands of dollars)	As at December 31, 2015		
	Cost	Accumulated amortization and impairment	Carrying amount
	\$	\$	\$
Indefinite life			
Mastheads and trademarks	52,157	(26,396)	25,761
Finite life			
Copyrights	10,199	(10,199)	-
Customer relationships	57,377	(41,754)	15,623
Subscription lists	3,721	(2,984)	737
Software and websites	22,370	(17,168)	5,202
	<b>145,824</b>	<b>(98,501)</b>	<b>47,323</b>

**GLACIER MEDIA INC.****CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the period ended September 30, 2016 and 2015

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)  
(Unaudited)**11. Long-term debt**

The Company has the following long-term debt outstanding:

(thousands of dollars)	<b>As at September 30, 2016</b>	As at December 31, 2015
	\$	\$
<b>Current</b>		
ANGLP non-recourse debt	3,847	3,847
Term bank loan	1,315	2,500
Mortgages and other loans	75	74
	<b>5,237</b>	6,421
<b>Non-current</b>		
Revolving bank loan	43,650	41,400
Term bank loan	-	17,040
ANGLP non-recourse debt	6,639	9,489
Mortgages and other loans	623	680
Deferred financing costs	(376)	(426)
	<b>50,536</b>	68,183
	<b>55,773</b>	74,604

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

(thousands of dollars)	<b>As at and for the period ended September 30, 2016</b>	As at and for the year ended December 31, 2015
	\$	\$
Balance, beginning of period	74,604	82,664
Additional borrowings	-	29,150
Financing charges (net)	84	77
Repayment of debt	(18,915)	(37,287)
Balance, end of period	<b>55,773</b>	74,604

Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was in compliance with these covenants at September 30, 2016 and 2015.

## GLACIER MEDIA INC.

### CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended September 30, 2016 and 2015

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

#### 12. Share Capital

During the period ended September 30, 2016, the Company completed a rights offering which closed on July 4, 2016. Under the offering, 20,745,626 common shares were issued for net proceeds of \$13.2 million. All of the proceeds were used to reduce the Company's senior debt.

	Number of common shares	Amount \$
Balance, January 1, 2015	89,083,105	198,605
Shares issued	-	-
<b>Balance, September 30, 2015</b>	<b>89,083,105</b>	<b>198,605</b>
Balance, January 1, 2016	89,083,105	198,605
Shares issued	20,745,626	13,197
<b>Balance, September 30, 2016</b>	<b>109,828,731</b>	<b>211,802</b>

#### 13. Other comprehensive loss

The components of other comprehensive loss are as follows:

(thousands of dollars)	Accumulated other comprehensive loss			Retained deficit			Total comprehensive loss
	Equity securities classified as available for sale	Cumulative translation adjustment	Total	Actuarial (losses) gain on defined benefit plans	Total	Non- controlling interest	
	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2015	-	(69)	(69)	(2,938)	(2,938)	(90)	(3,097)
Actuarial loss on defined benefit plans	-	-	-	(1,253)	(1,253)	(40)	(1,293)
Cumulative translation adjustment	-	45	45	-	-	2	47
Share of other comprehensive loss from joint ventures and associates	-	-	-	(737)	(737)	(24)	(761)
Other comprehensive (loss) income for the period	-	45	45	(1,990)	(1,990)	(62)	(2,007)
<b>Balance, September 30, 2016</b>	<b>-</b>	<b>(24)</b>	<b>(24)</b>	<b>(4,928)</b>	<b>(4,928)</b>	<b>(152)</b>	<b>(5,104)</b>
Balance, December 31, 2014	-	(122)	(122)	(2,638)	(2,638)	(85)	(2,845)
Actuarial gain on defined benefit plans	-	-	-	253	253	9	262
Cumulative translation adjustment	-	37	37	-	-	1	38
Share of other comprehensive loss from joint ventures and associates	-	-	-	(176)	(176)	(6)	(182)
Other comprehensive income for the period	-	37	37	77	77	4	118
<b>Balance, September 30, 2015</b>	<b>-</b>	<b>(85)</b>	<b>(85)</b>	<b>(2,561)</b>	<b>(2,561)</b>	<b>(81)</b>	<b>(2,727)</b>

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

**GLACIER MEDIA INC.****CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the period ended September 30, 2016 and 2015

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

**13. Other comprehensive loss (continued)**

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

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Income tax effect of:				
Actuarial loss (gain) on defined benefit plans	232	18	454	(92)
Share of other comprehensive loss (income) from joint ventures and associates	306	27	267	64

**14. Income taxes**

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the period ended September 30, 2016 was 26.0% (2015: 26.0%). The components of income tax expense are shown in the following table:

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Current tax	5	-	362	-
Deferred tax	285	(2,478)	(822)	(1,501)
Income tax (recovery) expense	290	(2,478)	(460)	(1,501)

As at September 30, 2016, the Company has available unclaimed tax credits which may be used to reduce future Canadian income taxes otherwise payable.

Refer to note 21 regarding the contingency relating to the CRA reassessment.

**GLACIER MEDIA INC.****CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the period ended September 30, 2016 and 2015

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)  
(Unaudited)**15. Expense by nature**

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Wages and benefits	<b>23,536</b>	25,609	<b>73,206</b>	83,079
Newsprint, ink and other printing costs	<b>4,664</b>	5,507	<b>15,997</b>	20,612
Delivery costs	<b>3,780</b>	4,229	<b>12,053</b>	14,750
Rent, utilities and other property costs	<b>2,384</b>	2,727	<b>6,806</b>	8,970
Advertising, marketing and other promotion costs	<b>2,248</b>	1,967	<b>6,505</b>	6,440
Third party production and editorial costs	<b>3,242</b>	3,033	<b>9,221</b>	9,249
Legal, bank, insurance and professional services	<b>1,406</b>	1,434	<b>4,357</b>	4,744
Data services, system maintenance, telecommunications and software licences	<b>1,204</b>	1,280	<b>3,794</b>	3,878
Fees, licences and other services	<b>662</b>	734	<b>1,796</b>	1,822
Event costs	<b>1,252</b>	1,393	<b>1,607</b>	1,687
Other	<b>691</b>	373	<b>1,275</b>	763
	<b>45,069</b>	48,286	<b>136,617</b>	155,994
Direct expenses	<b>34,910</b>	37,144	<b>104,477</b>	119,376
General and administrative expenses	<b>10,159</b>	11,142	<b>32,140</b>	36,618
	<b>45,069</b>	48,286	<b>136,617</b>	155,994

**16. Net interest expense**

The net interest expense for the periods ended September 30, 2016 and 2015 is comprised of:

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Interest income	<b>(55)</b>	(14)	<b>(80)</b>	(90)
Interest expense	<b>800</b>	940	<b>2,743</b>	2,954
Net interest expense	<b>745</b>	926	<b>2,663</b>	2,864

**17. Settlement gain on pension and post-retirement benefits**

During the period ended March 31, 2015, the Company recognized a \$4.8 million non-cash settlement gain on the pension and post-retirement benefits as a number of employees left the Company's pension and post-retirement benefit plan as a result of the sale of certain of its business information media publications and related assets located in Toronto.

## GLACIER MEDIA INC.

### CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended September 30, 2016 and 2015

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

#### 18. Restructuring and other expenses (net)

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Restructuring expenses (a)	494	9,412	3,047	13,509
Transaction and transition costs (b)	256	338	925	1,792
Other	33	63	403	21
	<b>783</b>	<b>9,813</b>	<b>4,375</b>	<b>15,322</b>

##### (a) Restructuring expenses

During the three month period ended September 30, 2016, restructuring expenses of \$0.5 million were recognized (2015: \$9.4 million). During the three and nine month period ended September 30, 2016, restructuring expenses includes severance costs incurred as the Company restructured and reduced its workforce.

During the three and nine month period ended September 30, 2015, restructuring expenses were recognized with respect to severance costs incurred as the Company restructured and reduced its workforce, and the write-off of property plant and equipment, intangible assets, goodwill and other amounts related to the closure and expected sale of certain community media assets, that were held for sale at September 30, 2015.

##### (b) Transaction and transition costs

The Company incurred costs related to its acquisitions and divestitures completed in 2016 and 2015. These costs include the costs of completing the transactions, the costs of transitioning sold entities and the costs of integrating the new operations into the Company. Transaction costs include legal, accounting, due diligence, consulting and general acquisition and disposition costs. Transition costs include information technology costs, transitional staffing requirements, service fees paid to the vendor during the transition period and other costs directly related to the operational integration of the newly acquired businesses, as well as any closing costs associated with the closure or divestiture of operations.

#### 19. Related party transactions

During the period ended September 30, 2016, the Company and its affiliates recorded administration, consulting, interest and other expenses of \$0.3 million (2015: \$0.3 million) from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company. Madison provides strategic, financial, transactional advisory services and administrative services to the Company on an ongoing basis. These services have been provided with the intention of maintaining an efficient and cost effective corporate overhead structure, instead of i) hiring more full-time corporate and administrative staff and thereby increasing fixed overhead costs and ii) retaining outside professional advisory firms on a more extensive basis.

These services were provided in the normal course of operations and were measured at amount of consideration established and agreed to by the related parties. In addition, Madison was required to be the guarantor of a loan relating to the acquisition of interests in certain community newspapers in 2007.

# GLACIER MEDIA INC.

## CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended September 30, 2016 and 2015

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

### 20. Segment disclosure

The Company and its subsidiaries operate in two distinct operating segments mainly throughout Canada and the United States. These segments are Business Information (which includes Agriculture, Energy, Mining, Environmental Risk and Compliance, Real Estate and Financial Information) and Community Media. Business Information includes the Company's business to business content, marketing solutions and data, analytics and intelligence information products. The community media segment includes the Company's community media assets and related digital and printing operations. The Company's operations are mainly located in Canada, along with some operations in the United Kingdom and a joint venture located in the United States.

The Company's chief operating decision makers review operating results and base decisions on information that includes both its directly owned operations and its joint ventures. Therefore, the Company presents its segments based on its adjusted results which include its share of the revenues, expenses from its joint ventures. A reconciliation of the segment disclosure to the statement of operations is provided below.

The following segment information is at September 30, 2016 and September 30, 2015 and for the periods ended September 30, 2016 and 2015:

(thousands of dollars)	Business Information	Community Media	Total Operations	Differential <sup>(1)</sup>	IFRS Total
For the three months ended September 30, 2016	\$	\$	\$	\$	\$
Revenue					
Canada	21,641	31,720	53,361	(6,497)	46,864
United States	2,739	2,327	5,066	(2,327)	2,739
	<u>24,380</u>	<u>34,047</u>	<u>58,427</u>	<u>(8,824)</u>	<u>49,603</u>
Divisional earnings before interest, taxes, depreciation, and amortization	<u>4,274</u>	<u>5,311</u>	<u>9,585</u>	<u>(3,140)</u>	<u>6,445</u>
Centralized and corporate expenses			<u>1,911</u>	<u>-</u>	<u>1,911</u>
			<u>7,674</u>	<u>(3,140)</u>	<u>4,534</u>
Depreciation and amortization			<u>3,537</u>	<u>(610)</u>	<u>2,927</u>
Restructuring and other expense			779	4	783
Other income			(29)	(12)	(41)
Net gain on disposal			(814)	-	(814)
Net interest expense			828	(83)	745
Settlement gain on pension and post-retirement benefits (Note 18)			-	-	-
Share of earnings from joint ventures and associates			(245)	(2,172)	(2,417)
Income tax recovery			<u>615</u>	<u>(325)</u>	<u>290</u>
Net income for the period			<u>3,003</u>	<u>58</u>	<u>3,061</u>
Depreciation and amortization	<u>1,005</u>	<u>2,532</u>	<u>3,537</u>	<u>(610)</u>	<u>2,927</u>
Capital expenditures	<u>1,007</u>	<u>692</u>	<u>1,699</u>	<u>(467)</u>	<u>1,232</u>

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

# GLACIER MEDIA INC.

## CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended September 30, 2016 and 2015

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

### 20. Segment disclosure (continued)

(thousands of dollars)	Business Information	Community Media	Total Operations	Differential <sup>(1)</sup>	IFRS Total
For the three months ended September 30, 2015	\$	\$	\$	\$	\$
Revenue					
Canada	21,218	34,145	55,363	(6,949)	48,414
United States	1,906	2,451	4,357	(2,451)	1,906
	23,124	36,596	59,720	(9,400)	50,320
Divisional earnings before interest, taxes, depreciation, and amortization	4,204	3,468	7,672	(3,541)	4,131
Centralized and corporate expenses			2,097	-	2,097
			5,575	(3,541)	2,034
Depreciation and amortization			3,963	(664)	3,299
Restructuring and other expense			9,565	248	9,813
Other income			(65)	(249)	(314)
Net gain on disposal			-	-	-
Net interest expense			1,128	(202)	926
Settlement gain on pension and post-retirement benefits (Note 16)			-	-	-
Share of earnings from joint ventures and associates			(258)	(2,235)	(2,493)
Income tax expense			(1,911)	(567)	(2,478)
Net loss for the period			(6,847)	128	(6,719)
Depreciation and amortization	1,157	2,806	3,963	(664)	3,299
Capital expenditures	684	758	1,442	(170)	1,272

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

(thousands of dollars)	Business Information	Community Media	Total Operations	Differential <sup>(1)</sup>	IFRS Total
For the nine months ended September 30, 2016	\$	\$	\$	\$	\$
Revenue					
Canada	64,311	97,278	161,589	(19,819)	141,770
United States	8,182	7,779	15,961	(7,779)	8,182
	72,493	105,057	177,550	(27,598)	149,952
Divisional earnings before interest, taxes, depreciation, and amortization	13,705	15,344	29,049	(9,944)	19,105
Centralized and corporate expenses			5,770	-	5,770
			23,279	(9,944)	13,335
Depreciation and amortization			9,720	(1,858)	7,862
Restructuring and other expense			4,381	(6)	4,375
Other income			(389)	-	(389)
Net gain on disposal			(814)	-	(814)
Net interest expense			2,902	(239)	2,663
Settlement gain on pension and post-retirement benefits (Note 18)			-	-	-
Share of (earnings) loss from joint ventures and associates			294	(6,514)	(6,220)
Income tax (recovery) expense			795	(1,255)	(460)
Net income for the period			6,390	(72)	6,318
Depreciation and amortization	2,905	6,815	9,720	(1,858)	7,862
Capital expenditures	1,808	1,583	3,391	(752)	2,639

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



## GLACIER MEDIA INC.

### CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended September 30, 2016 and 2015

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

#### 20. Segment disclosure (continued)

(thousands of dollars)	Business Information	Community Media	Total Operations	Differential <sup>(1)</sup>	IFRS Total
For the Nine months ended September 30, 2015	\$	\$	\$	\$	\$
Revenue					
Canada	67,872	115,294	183,166	(21,404)	161,762
United States	5,571	7,733	13,304	(7,733)	5,571
	<u>73,443</u>	<u>123,027</u>	<u>196,470</u>	<u>(29,137)</u>	<u>167,333</u>
Divisional earnings before interest, taxes, depreciation, and amortization	16,607	12,293	28,900	(10,938)	17,962
Centralized and corporate expenses			<u>6,623</u>	<u>-</u>	<u>6,623</u>
			<u>22,277</u>	<u>(10,938)</u>	<u>11,339</u>
Depreciation and amortization			11,710	(1,976)	9,734
Restructuring and other expense			15,283	39	15,322
Other income			(206)	(272)	(478)
Net gain on disposal			-	-	-
Net interest expense			3,280	(416)	2,864
Settlement gain on pension and post-retirement benefits (Note 16)			(4,843)	-	(4,843)
Share of earnings from joint ventures and associates			(415)	(6,854)	(7,269)
Income tax expense			351	(1,852)	(1,501)
Net income for the period			<u>(2,883)</u>	<u>393</u>	<u>(2,490)</u>
Depreciation and amortization	3,174	8,536	11,710	(1,976)	9,734
Capital expenditures	1,974	3,976	5,950	(917)	5,033

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

#### 21. Commitments

An affiliate of the Company ("the affiliate") has received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessment relating to the taxation years from 2008-2015. The notices deny the application of non-capital losses, capital losses and scientific research and experimental development ("SR&ED") tax credits claimed. The affiliate has filed notices of objection with the CRA and provincial taxing authorities for taxation years 2008 to 2014 and will file notices of objection for the 2015 taxation year. Total reassessments for the taxation years 2008-2015 are approximately \$50.2 million. The affiliate has paid required deposits of \$21.1 million to the CRA. In connection with filing the notice of objection for the taxation year ended December 31, 2014 and 2015, the affiliate will be required to make a \$2.6 million deposit. The affiliate has paid \$1.2 million of this deposit to the CRA and the remaining required deposit is due in 2016.

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

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

## GLACIER MEDIA INC.

### CORPORATE INFORMATION

---

#### Board of Directors

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

\*Member of the Audit Committee

#### Officers

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

#### Transfer Agent

Computershare Trust Company of Canada  
Toronto, Calgary and Vancouver

#### Auditors

PricewaterhouseCoopers LLP

#### Stock Exchange Listing

The Toronto Stock Exchange  
Trading symbol: GVC

#### Investor Relations

Institutional investors, brokers, security analysts and others requiring financial and corporate information about Glacier should visit our website [www.glaciermedia.ca](http://www.glaciermedia.ca) or contact: Orest Smysnuik, CA, Chief Financial Officer.

#### Corporate Office

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

Glacier Media Inc.  
2188 Yukon Street, Vancouver, British Columbia, Canada V5Y 3P1  
Tel: 604.872.8565 Fax: 604.879.1483  
[www.glaciermedia.ca](http://www.glaciermedia.ca)