

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **September 30, 2013**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file no. **1-33741**



A. H. BELO CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

38-3765318

(I.R.S. Employer Identification No.)

P. O. Box 224866, Dallas, Texas 75222-4866

(Address of principal executive offices, including zip code)

(214) 977-8200

(Registrant's telephone number, including area code)

Former name, former address and former fiscal year, if changed since last report.

None

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer:

Accelerated filer:

Non-accelerated filer:

Smaller reporting company:

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest possible date.

Class	Outstanding at November 4, 2013
Common Stock, \$.01 par value	21,869,988

Total Common Stock consists of 19,472,833 shares of Series A Common Stock and 2,397,155 shares of Series B Common Stock.

A. H. BELO CORPORATION
FORM 10-Q
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PART I

Item 1. Financial Information

A. H. Belo Corporation and Subsidiaries Condensed Consolidated Statements of Operations

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Net Operating Revenue				
Advertising and marketing services	\$ 49,785	\$ 52,095	\$ 151,561	\$ 156,350
Circulation	30,603	30,942	89,277	92,644
Printing and distribution	9,773	9,222	27,258	26,228
Total net operating revenue	90,161	92,259	268,096	275,222
Operating Costs and Expense				
Salaries, wages and employee benefits	35,914	37,462	110,689	113,762
Other production, distribution and operating costs	34,713	33,755	104,805	102,392
Newsprint, ink and other supplies	12,803	12,508	37,132	36,443
Depreciation	4,371	4,790	14,053	16,648
Amortization	1,122	1,092	3,368	3,278
Total operating costs and expense	88,923	89,607	270,047	272,523
Income (loss) from operations	1,238	2,652	(1,951)	2,699
Other Income (Expense), Net				
Other income, net	1,131	567	2,190	2,381
Interest income (expense)	108	(128)	(311)	(506)
Total other income (expense), net	1,239	439	1,879	1,875
Income (Loss) from Continuing Operations Before Income Taxes				
	2,477	3,091	(72)	4,574
Income tax expense	392	523	1,284	1,342
Income (Loss) from Continuing Operations				
	2,085	2,568	(1,356)	3,232
Loss from discontinued operations	(1,575)	(1,149)	(5,130)	(5,478)
Gain related to the divestiture of discontinued operations	4,746	—	4,746	—
Tax benefit from discontinued operations	13	22	49	56
Income (Loss) from Discontinued Operations				
	3,184	(1,127)	(335)	(5,422)
Net Income (Loss)				
	5,269	1,441	(1,691)	(2,190)
Net loss attributable to noncontrolling interests	(52)	(42)	(171)	(42)
Net Income (Loss) Attributable to A. H. Belo Corporation				
	\$ 5,321	\$ 1,483	\$ (1,520)	\$ (2,148)
Per Share Basis				
Basic				
Continuing operations	\$ 0.09	\$ 0.11	\$ (0.06)	\$ 0.15
Discontinued operations	0.15	(0.04)	(0.02)	(0.25)
Net income (loss) attributable to A. H. Belo Corporation	\$ 0.24	\$ 0.07	\$ (0.08)	\$ (0.10)
Diluted				
Continuing operations	\$ 0.09	\$ 0.11	\$ (0.06)	\$ 0.15
Discontinued operations	0.14	(0.05)	(0.02)	(0.25)
Net income (loss) attributable to A. H. Belo Corporation	\$ 0.23	\$ 0.06	\$ (0.08)	\$ (0.10)
Weighted average shares outstanding				
Basic	21,943,876	22,807,657	22,005,705	21,850,253
Diluted	22,069,511	22,927,717	22,005,705	21,850,253

See accompanying Notes to Condensed Consolidated Financial Statements.

A. H. Belo Corporation and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss)

<i>In thousands (unaudited)</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Net income (loss)	\$ 5,269	\$ 1,441	\$ (1,691)	\$ (2,190)
Other comprehensive income, net of tax:				
Amortization of net actuarial loss	245	10	736	30
Total other comprehensive income	245	10	736	30
Comprehensive income (loss)	5,514	1,451	(955)	(2,160)
Comprehensive loss attributable to noncontrolling interests	(52)	(42)	(171)	(42)
Total comprehensive income (loss) attributable to A. H. Belo Corporation	\$ 5,566	\$ 1,493	\$ (784)	\$ (2,118)

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

<i>In thousands, except share amounts (unaudited)</i>	<i>September 30,</i> <i>2013</i>	<i>December 31,</i> <i>2012</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 56,436	\$ 34,094
Accounts receivable (net of allowance of \$1,638 and \$2,034 at September 30, 2013 and December 31, 2012, respectively)	34,375	39,212
Inventories	8,496	7,585
Prepays and other current assets	7,140	6,547
Deferred income taxes, net	128	1,496
Assets of discontinued operations	18,347	48,402
Total current assets	124,922	137,336
Property, plant and equipment, at cost	544,413	566,193
Less accumulated depreciation	(444,846)	(457,339)
Property, plant and equipment, net	99,567	108,854
Intangible assets, net	6,466	9,473
Goodwill	24,582	24,582
Investments	9,834	6,826
Deferred income taxes, net	646	1,113
Other assets	4,557	3,755
Total assets	\$ 270,574	\$ 291,939
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 15,376	\$ 13,635
Accrued compensation and benefits	14,073	17,020
Other accrued expense	4,262	5,804
Advance subscription payments	19,562	17,693
Liabilities of discontinued operations	7,153	7,781
Total current liabilities	60,426	61,933
Long-term pension liabilities	108,146	122,821
Other post-employment benefits	2,923	2,919
Other liabilities	3,358	2,206
Shareholders' equity:		
Preferred stock, \$.01 par value; Authorized 2,000,000 shares; none issued	—	—
Common stock, \$.01 par value; Authorized 125,000,000 shares		
Series A: issued 19,918,393 and 19,651,830 shares at September 30, 2013 and December 31, 2012, respectively	199	197
Series B: issued 2,399,676 and 2,401,556 shares at September 30, 2013 and December 31, 2012, respectively	24	24
Treasury stock, Series A, at cost; 432,283 and 74,130 shares held at September 30, 2013 and December 31, 2012, respectively	(2,636)	(350)
Additional paid-in capital	496,782	495,528
Accumulated other comprehensive loss	(72,796)	(73,532)
Accumulated deficit	(325,931)	(319,862)
Total shareholders' equity attributable to A. H. Belo Corporation	95,642	102,005
Noncontrolling interests	79	55
Total shareholders' equity	95,721	102,060
Total liabilities and shareholders' equity	\$ 270,574	\$ 291,939

See accompanying Notes to Condensed Consolidated Financial Statements.

A. H. Belo Corporation and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity

<i>In thousands, except share amounts (unaudited)</i>	Common Stock			Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Loss	Accumulated Deficit	Non-controlling Interests	Total
	Shares Series A	Shares Series B	Amount		Shares Series A	Amount				
Balance at December 31, 2011	19,182,236	2,398,017	\$ 216	\$ 493,773	—	\$ —	\$ (63,069)	\$ (309,441)	—	\$ 121,479
Net loss	—	—	—	—	—	—	—	(2,148)	(42)	(2,190)
Other comprehensive income	—	—	—	—	—	—	30	—	—	30
Capital contributions of noncontrolling interests	—	—	—	—	—	—	—	—	127	127
Issuance of shares for restricted stock units	297,536	—	3	(3)	—	—	—	—	—	—
Issuance of shares for stock option exercises	69,326	16,500	1	161	—	—	—	—	—	162
Share-based compensation	—	—	—	1,112	—	—	—	—	—	1,112
Conversion of Series B to Series A	2,901	(2,901)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	(4,095)	—	(4,095)
Balance at September 30, 2012	19,551,999	2,411,616	\$ 220	\$ 495,043	—	\$ —	\$ (63,039)	\$ (315,684)	85	\$ 116,625
Balance at December 31, 2012	19,651,830	2,401,556	\$ 221	\$ 495,528	(74,130)	\$ (350)	\$ (73,532)	\$ (319,862)	55	\$ 102,060
Net loss	—	—	—	—	—	—	—	(1,520)	(171)	(1,691)
Other comprehensive income	—	—	—	—	—	—	736	—	—	736
Capital contributions by noncontrolling interests	—	—	—	—	—	—	—	—	195	195
Treasury stock purchases	—	—	—	—	(358,153)	(2,286)	—	—	—	(2,286)
Issuance of shares for restricted stock units	247,863	—	2	(2)	—	—	—	—	—	—
Issuance of shares for stock option exercises	16,820	—	—	65	—	—	—	—	—	65
Income tax on options and RSUs	—	—	—	84	—	—	—	—	—	84
Share-based compensation	—	—	—	1,107	—	—	—	—	—	1,107
Conversion of Series B to Series A	1,880	(1,880)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	(4,549)	—	(4,549)
Balance at September 30, 2013	19,918,393	2,399,676	\$ 223	\$ 496,782	(432,283)	\$ (2,636)	\$ (72,796)	\$ (325,931)	79	\$ 95,721

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows

<i>In thousands (unaudited)</i>	<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>
Operating Activities		
Net loss	\$ (1,691)	\$ (2,190)
Adjustments to reconcile net loss to net cash provided by operations:		
Net loss from discontinued operations	335	5,422
Depreciation and amortization	17,421	19,926
Share-based compensation	1,045	1,054
Amortization of net actuarial losses	736	30
Gain on disposal of fixed assets	(399)	(423)
Deferred income taxes	475	214
Provision for uncertain tax positions	(108)	6
Equity method investment earnings	(1,819)	(1,733)
Write-off of unamortized debt issuance costs	401	—
Other	188	—
Net change in assets acquired and held for sale	—	2,396
Benefit plan contributions in excess of expense	(17,526)	(29,671)
Changes in working capital and other operating assets and liabilities, net	6,413	(4,001)
Net cash provided by (used for) continuing operations	5,471	(8,970)
Net cash provided by discontinued operations	245	2,482
Net cash provided by (used for) operating activities	5,716	(6,488)
Investing Activities		
Capital expenditures, net	(4,837)	(4,251)
Proceeds from sale of fixed assets	540	628
Purchase of investments	(1,377)	—
Net cash used for continuing investing activities	(5,674)	(3,623)
Net cash provided by (used for) discontinued investing activities	28,944	(2,515)
Net cash provided by (used for) investing activities	23,270	(6,138)
Financing Activities		
Dividends paid	(4,549)	(4,095)
Proceeds from exercise of stock options	65	162
Purchase of treasury stock	(2,286)	—
Capital contributions by noncontrolling interests	126	127
Net cash used for financing activities	(6,644)	(3,806)
Net increase (decrease) in cash and cash equivalents	22,342	(16,432)
Cash and cash equivalents at beginning of period	34,094	57,440
Cash and cash equivalents at end of period	\$ 56,436	\$ 41,008
Supplemental Disclosures		
Interest paid	\$ 3	\$ 269
Income tax paid, net of refunds	\$ 63	\$ 4,570
Noncash investing and financing activities:		
Capital contributions by noncontrolling interest of property, plant and equipment	\$ 69	\$ 26

See accompanying Notes to Condensed Consolidated Financial Statements.

A. H. Belo Corporation and Subsidiaries
Notes to Condensed Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Description of Business. A. H. Belo Corporation (“A. H. Belo” or the “Company”), headquartered in Dallas, Texas, is a distinguished newspaper publishing and local news and information company that owns and operates three daily newspapers and related websites. A. H. Belo publishes *The Dallas Morning News* (www.dallasnews.com), Texas’ leading newspaper and winner of nine Pulitzer Prizes; *The Providence Journal* (www.providencejournal.com), the oldest continuously-published daily newspaper in the United States and winner of four Pulitzer Prizes; and the *Denton Record-Chronicle* (www.dentonrc.com), a daily newspaper operating in Denton, Texas, approximately 40 miles north of Dallas. The Company’s newspapers also publish various niche publications targeting specific audiences and own and operate commercial printing, distribution and direct mail service businesses. A. H. Belo offers digital marketing solutions through 508 Digital and Your Speakeasy, LLC and also owns investments in Classified Ventures, LLC, owner of *Cars.com*, and Wanderful Media, LLC, owner of Find&Save®.

Basis of Presentation. These Condensed Consolidated Financial Statements include the accounts of A. H. Belo and its subsidiaries and were prepared in accordance with United States Generally Accepted Accounting Principles (“GAAP”) for interim financial information and in accordance with the Securities and Exchange Commission’s (“SEC”) instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. In the opinion of management, all adjustments considered necessary for a fair presentation were included. Transactions between the consolidated companies were eliminated and noncontrolling interests in less than wholly-owned subsidiaries were reflected in the consolidated financial statements. These Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012. Operating results for the three and nine months ended September 30, 2013, may not be necessarily indicative of the results that may be expected for the year ending December 31, 2013. All dollar amounts are presented in thousands, except per share amounts, unless the context requires otherwise.

In October 2013, the Company entered into a definitive asset purchase agreement to dispose of substantially all of the assets and operations related to *The Press-Enterprise*, a daily newspaper in Riverside, California, which serves the Inland Southern California region. As described in Note 2 – Discontinued Operations and Sales of Assets, this agreement meets the criteria of discontinued operations as prescribed under Accounting Standards Codification 205 - *Presentation of Financial Statements*. Accordingly, presentation of current and prior period amounts in the condensed consolidated financial statements and notes thereto reflect continuing operations of the Company unless otherwise noted.

New Accounting Standards. In 2012, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2013-02 – *Comprehensive Income (Topic 220) Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*, requiring an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component and to present significant amounts reclassified out of accumulated other comprehensive income by respective line items of net income if the amount reclassified is required to be reclassified to net income in its entirety. The Company adopted this modification in 2012 and the notes to the consolidated financial statements now reference the account and amounts reclassified from accumulated other comprehensive loss to net income by component.

Note 2: Discontinued Operations and Sales of Assets

Discontinued operations

In the third and fourth quarters of 2013, the Company completed multiple transactions and entered into a definitive asset purchase agreement, as amended, to divest of *The Press-Enterprise*, a daily newspaper in Riverside, California, its niche publications *La Prensa* and *The Weekly*, related websites and substantially all related real estate assets.

On July 8, 2013, *The Press-Enterprise* sold certain equipment which was idled in 2012 when the newspaper ceased printing certain unprofitable commercial products. This transaction generated net proceeds of \$504 and a pretax gain of \$269. On July 17, 2013, the Company completed the sale of its five-story office building and certain related assets in Riverside, California to the County of Riverside for \$30,000. This building served as the administrative headquarters for *The Press-Enterprise*. The proceeds to the Company were \$28,589 after selling costs of \$1,411. In the third quarter of 2013 the Company recorded a pretax gain of \$4,477 related to this transaction.

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On October 9, 2013, the Company and Freedom Communications Holdings, Inc. entered into a definitive asset purchase agreement under which Freedom Communications Holdings, Inc. would acquire substantially all of the assets which comprise the newspaper operations of *The Press-Enterprise* (including the production facility and related land) for \$27,250 in cash and subject to usual closing costs and customary working capital adjustment to be finalized by January 2014. Effective October 31, 2013, the Company amended the asset purchase agreement to extend the transaction closing date to mid-November in return for a non-refundable deposit of \$1,000 to be credited to the purchase price at closing. The Company agreed to bear certain costs up to \$541 related to the relocation of *The Press-Enterprise* to new leased premises and approximately \$1,600 for the relocation of a data center in the production facility and the completion of certain capital projects. After finalizing other exit costs, the Company anticipates recording a pretax gain on this transaction between \$8,000 and \$12,000 in the fourth quarter of 2013.

As a result of the above pending and completed transactions, the activity and balances of *The Press-Enterprise* as of September 30, 2013, are presented as discontinued operations. Major components of these amounts presented as discontinued operations in the condensed consolidated financial statements are set forth below.

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Loss from discontinued operations				
Revenue	\$ 12,987	\$ 16,622	\$ 38,836	\$ 47,636
Costs and expense	(14,562)	(17,771)	(43,966)	(53,114)
	(1,575)	(1,149)	(5,130)	(5,478)
Gain related to the divestiture of discontinued operations				
Gain on sale of press equipment	269	—	269	—
Gain on sale of five-story office building	4,477	—	4,477	—
	4,746	—	4,746	—
Tax benefit from discontinued operations	13	22	49	56
Income (Loss) from Discontinued Operations	\$ 3,184	\$ (1,127)	\$ (335)	\$ (5,422)
			<i>September 30,</i>	<i>December 31,</i>
			<i>2013</i>	<i>2012</i>
Assets of discontinued operations				
Current assets			\$ 7,352	\$ 10,203
Property, plant and equipment, net			9,395	35,755
Other assets			1,600	2,444
Total			\$ 18,347	\$ 48,402
Liabilities of discontinued operations			\$ 7,153	\$ 7,781

Upon completion of these transactions, the Company will have no newspaper operations in Riverside, California but will continue to own and market for sale the land and buildings associated with a previously idled commercial printing operation in Riverside, California.

Other dispositions

In June 2013, the Company executed an agreement with a third-party for the sale of a public parking lot in downtown Providence, Rhode Island. Net sales proceeds of \$367 were received in the third quarter of 2013, generating a gain of \$242.

Note 3: Goodwill and Intangible Assets

The Company recorded intangible assets consisting of goodwill and subscriber lists from its previous newspaper acquisitions. The carrying value of goodwill was \$24,582, net of cumulative impairment losses of \$323,734, as of September 30, 2013 and December 31, 2012. Subscriber lists related to *The Providence Journal* are amortized over 18 years, and have a remaining life of 1 year, 5 months.

During the three months ended March 31, 2013, the Company finalized the accounting for its December 2012 acquisition of certain assets and liabilities from DG Publishing, Inc., which produces and publishes *Design Guide Texas* and *Texas Wedding Guide* magazines and related websites. Customer relationships purchased in the acquisition were assigned a value of \$362 and are amortized over an estimated useful life of three years. The customer relationships are a component of *The Dallas Morning News* reporting unit. Remaining assets and liabilities acquired were not material.

The table below sets forth the Company's identifiable intangible assets, consisting of subscriber lists and customer relationship assets.

	Total Intangible Assets	The Dallas Morning News	The Providence Journal
September 30, 2013			
Gross balance	\$ 79,060	\$ 362	\$ 78,698
Accumulated amortization	(72,594)	(90)	(72,504)
Net balance	<u>\$ 6,466</u>	<u>\$ 272</u>	<u>\$ 6,194</u>
December 31, 2012			
Gross balance	\$ 78,698	\$ —	\$ 78,698
Accumulated amortization	(69,225)	—	(69,225)
Net balance	<u>\$ 9,473</u>	<u>\$ —</u>	<u>\$ 9,473</u>

Note 4: Investments

The Company owns investment interests in various entities which are recorded under the equity method or cost method of accounting or consolidated if the Company holds a controlling financial interest. Under the equity method, the Company records its share of the investee's earnings or losses each period in other income (expense), net, in the consolidated statements of operations. Under the cost method, the Company records earnings or losses when such amounts are realized. The Company evaluates the recoverability of its investments each period. During the three months ended September 30, 2013 and 2012, the Company recorded \$721 and \$607, respectively, of earnings from equity method investments. During the nine months ended September 30, 2013 and 2012, the Company recorded \$1,819 and \$1,733, respectively, of earnings from equity method investments. The table below sets forth the Company's investments:

	September 30, 2013	December 31, 2012
Equity method investments	\$ 8,902	\$ 5,706
Cost method investments	932	1,120
Total investments	<u>\$ 9,834</u>	<u>\$ 6,826</u>

Equity method investments. Investments recorded under the equity method of accounting include the following:

Classified Ventures, LLC ("Classified Ventures") – The Company and its former parent equally share a 6.6 percent interest in Classified Ventures, in which the other owners are Gannett Co., Inc., The McClatchy Company, Tribune Company and The Washington Post Company. The two principal businesses Classified Ventures operates are *Cars.com* and *Apartments.com*. Revenue, operating income and net income of Classified Ventures were \$370,818, \$77,450 and \$81,604, respectively, for the nine months ended September 30, 2013, and \$325,288, \$62,295 and \$63,031, respectively, for the nine months ended September 30, 2012.

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Wanderful Media, LLC (“Wanderful”) – The Company owns a 12.7 percent interest in Wanderful, which owns Find&Save®, a digital shopping platform where consumers can find national and local retail goods and services for sale. This platform combines local media participation with advanced search and database technology to allow consumers to view local advertised offers and online sales circulars or search for an item and receive a list of local advertisers and the price and terms offered for the searched item.

Consolidated investments. During the third quarter of 2012, the Company and a local advertising agency entered into an operating agreement and formed Your Speakeasy, LLC (“Speakeasy”) which targets middle-market business customers and provides turnkey social media account management and content development services. The Company owns a 70 percent interest in Speakeasy and, accordingly, consolidates the investee’s assets, liabilities and results of operations within its consolidated financial statements.

Note 5: Long-term Incentive Plans

A. H. Belo sponsors a long-term incentive plan under which 8,000,000 common shares are authorized for equity based awards. Awards under the plan may be granted to A. H. Belo employees and outside directors in the form of non-qualified stock options, incentive stock options, restricted shares, restricted stock units (“RSUs”), performance shares, performance units or stock appreciation rights. In addition, stock options may be accompanied by stock appreciation rights and limited stock appreciation rights. Rights and limited rights may also be issued without accompanying stock options.

Stock Options. The table below sets forth a summary of stock option activity under the A. H. Belo long-term incentive plan:

	Number of Options	Weighted-Average Exercise Price
Outstanding at December 31, 2012	1,215,680	\$ 17.90
Exercised	(16,820)	3.89
Canceled	(43,627)	22.29
Outstanding at September 30, 2013	1,155,233	\$ 17.94
Vested and exercisable at September 30, 2013	1,155,233	\$ 17.94

The vested and exercisable weighted average remaining contractual term of A. H. Belo stock options outstanding, as of September 30, 2013, was 2.5 years. The expense associated with all outstanding options was fully recognized in prior years and no new options were granted for the nine months ended September 30, 2013.

Restricted Stock Units. Under A. H. Belo’s long-term incentive plan, the Company’s Board of Directors periodically awards RSUs. The RSUs have service and/or performance conditions and vest over a period of one to three years. Upon vesting, the RSUs are redeemed 60 percent in A. H. Belo Series A common stock and 40 percent in cash. As of September 30, 2013, the liability for the portion of the award to be redeemed in cash was \$1,931. The table below sets forth a summary of RSU activity under the A. H. Belo long-term incentive plan:

	Total RSUs	Issuance of Common Stock	RSUs Redeemed in Cash	Cash Payments at Closing Price of Stock	Weighted- Average Price on Date of Grant
Non-vested at December 31, 2012	811,618				\$ 5.97
Granted	344,811				5.50
Vested	(413,136)	247,863	165,273	\$ 897	6.26
Non-vested at September 30, 2013	743,293				\$ 5.59

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A. H. Belo recognizes compensation expense for RSUs issued to its employees and directors under its long-term incentive plan on a straight-line basis over the vesting period of the award, as set forth in the table below:

	RSUs Redeemable in Stock	RSUs Redeemable in Cash	Total RSU Awards Expense
Three months ended September 30,			
2013	\$ 107	\$ 290	\$ 397
2012	180	184	364
Nine months ended September 30,			
2013	\$ 1,045	\$ 1,436	\$ 2,481
2012	1,054	561	1,615

Note 6: Long-term Debt

As of December 31, 2012, the Company operated under an Amended and Restated Credit Agreement dated January 30, 2009, by and between the Company and certain of its subsidiaries, as borrowers, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (as amended by First through Fifth Amendments dated August 18, 2009, December 3, 2009, August 18, 2010, March 10, 2011, and May 2, 2011, respectively). The Credit Agreement, with a maturity date of September 30, 2014, provided a \$25,000 working capital facility that was subject to a borrowing base. Among other matters, the Credit Agreement created an asset-based revolving credit facility secured by the Company's accounts receivable, inventory, real property and other assets.

Under certain conditions, the facility restricted payment of dividends, imposed a fixed charge coverage ratio covenant, limited investments and limited the Company's ability to divest assets. Additionally, payment of voluntary pension contributions, declaration of special dividends and purchase of shares of the Company's common stock were permitted only as long as no borrowings were outstanding under the revolving credit facility. The Company was also required to pay commitment fees at 0.5 percent on the unused credit facility and 2.5 percent on outstanding letters of credit. The Company had not borrowed under the Credit Agreement since 2009 as cash flows from operations were sufficient to meet liquidity requirements. On January 4, 2013, the Company voluntarily terminated its Credit Agreement to provide greater financial and operating flexibility for purposes of funding its pension plans, returning capital to shareholders, managing its investments and eliminating direct and indirect costs related to the Credit Agreement. All liens and security interests under the Credit Agreement were released and no early termination penalties were incurred by the Company as a result of the termination. Unamortized debt issuance costs of \$401 were recorded to interest expense during the three months ended March 31, 2013, as a result of the termination.

Note 7: Income Taxes

Income taxes are recorded using the asset and liability method. The provision for taxes reflects the Company's estimate of the effective rate expected to be applicable for the full fiscal year, adjusted for any discrete transactions, which are reported in the period in which they occur. The estimated effective tax rate is re-evaluated each quarter based on the Company's estimated tax expense for the year.

The Company recognized income tax expense from continuing operations of \$392 and \$523 for the three months ended September 30, 2013 and 2012, respectively, and \$1,284 and \$1,342 for the nine months ended September 30, 2013 and 2012, respectively. Tax expense represents effective income tax rates from continuing operations of 15.8 percent and 16.9 percent, for the three months ended September 30, 2013 and 2012, respectively, and 29.3 percent, for the nine months ended September 30, 2012. Effective income tax rates for the nine months ended September 30, 2013, were not meaningful. Tax expense for 2013 and 2012 was primarily attributable to state income tax expense and changes in the valuation allowance on deferred taxes.

The Company evaluates uncertain tax positions and recognizes a liability for the tax benefit associated with an uncertain position only if it is more likely than not the position will not be sustained on examination by taxing authorities, based on the technical merits of the position. As of September 30, 2013, due to newly issued IRS regulations, the Company determined it did not have any uncertain tax positions. As a result, the previous liability was reversed along with the corresponding interest and penalties. As of December 31, 2012, the Company recorded reserves of \$324 for uncertain tax positions and reserves \$93 for related interest and penalties.

The Company currently projects taxable income for the year ending December 31, 2013, for federal income tax purposes and in certain state income tax jurisdictions. Net operating losses can be carried forward to offset future taxable income. The Company's net operating loss carryforwards begin to expire in 2016 if not utilized.

Note 8: Pension and Other Retirement Plans

Defined Benefit Plans. The Company sponsors two defined benefit pension plans, A. H. Belo Pension Plans I and II (collectively the "A. H. Belo Pension Plans"). A. H. Belo Pension Plan I provides benefits to certain employees primarily employed with *The Dallas Morning News* or the A. H. Belo corporate offices. A. H. Belo Pension Plan II provides benefits to certain employees at *The Providence Journal*. The table below sets forth required and voluntary contributions the Company made to the pension plans:

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Required contributions	\$ 5,060	\$ 4,600	\$ 7,396	\$ 18,072
Voluntary contributions	4,604	—	4,604	10,000
Total contributions	\$ 9,664	\$ 4,600	\$ 12,000	\$ 28,072

During the third quarter of 2013, the Company accelerated payment of its scheduled fourth quarter contribution, in addition to making a \$4,604 voluntary contribution. No further contributions are required during the fourth quarter of 2013, as the Company met minimum funding requirements for the year.

In 2013, the Company adjusted its targeted allocation of the plans' assets invested in equity securities and fixed income securities to approximate 55 percent and 45 percent, respectively. Management believes the assumed rate of return on these investments of 6.5 percent continues to be appropriate.

Net Periodic Pension Benefit

The Company estimates net periodic pension expense or benefit based on the expected return on plan assets, the interest on projected pension obligations and the amortization of actuarial gains and losses in accumulated other comprehensive loss. The table below sets forth components of net periodic pension benefit:

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Interest cost	\$ 3,999	\$ 4,325	\$ 11,997	\$ 12,975
Expected return on plans' assets	(4,891)	(4,600)	(14,673)	(13,800)
Amortization of actuarial loss	426	175	1,277	525
Net periodic pension benefit	\$ (466)	\$ (100)	\$ (1,399)	\$ (300)

Defined Contribution Plans. The A. H. Belo Savings Plan ("Savings Plan"), a defined contribution 401(k) plan, covers substantially all employees of A. H. Belo. The Company provides an ongoing dollar-for-dollar match up to 1.5 percent of each eligible participant's contribution on a per-pay-period basis. Expense and contributions for 2013 and 2012 related to the Savings Plan are presented in the table following.

The A. H. Belo Pension Transition Supplement Plan ("PTS Plan"), a defined contribution plan, covered certain employees affected by the curtailment of The G. B. Dealey Retirement Pension Plan (a plan sponsored by the Company's former parent company). The Company was obligated to make contributions to this plan based on the earnings of actively employed participants for a period of five years, which concluded on March 31, 2013. Contributions were generally paid in the first quarter following each plan year. In April 2013, the Company made a final contribution for amounts accrued during the three months ended March 31, 2013, and the Company's obligation to fund this plan is now satisfied.

In May 2013, the PTS Plan was amended to allow a merger of the PTS Plan into the Savings Plan. The merger was effective on July 1, 2013, at which time the account balances for each participant and beneficiary of the PTS Plan and the Savings Plan were merged. After the effective date of the merger, the terms and conditions and all other provisions of the merged plans are those expressed in the Savings Plan.

The table below sets forth the expense and contributions applicable to the Savings and PTS Plans:

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Savings Plan				
Expense and contributions	\$ 306	\$ 306	\$ 1,001	\$ 959
PTS Plan				
Expense	—	945	1,090	3,181
Contributions	—	—	5,217	4,480

Note 9: Shareholders' Equity

Accumulated other comprehensive loss. Accumulated other comprehensive loss contains actuarial gains and losses associated with the A. H. Belo Pension Plans and gains and losses resulting from negative plan amendments and other actuarial experience related to other post-employment benefit plans. The Company records amortization of accumulated other comprehensive loss in salaries, wages and employee benefits in its consolidated statements of operations. Gains and losses associated with the A. H. Belo Pension Plans are amortized over the weighted average remaining life expectancy of the participants. Gains and losses associated with the Company's other post-employment benefit plans are amortized over the average remaining service period of active plan participants. The net deferred tax assets associated with accumulated other comprehensive loss are fully reserved. The tables below set forth the changes in accumulated other comprehensive loss, net of taxes:

	<i>Three Months Ended September 30,</i>					
	<i>2013</i>			<i>2012</i>		
	Total	Defined benefit pension plans	Other post-employment benefit plans	Total	Defined benefit pension plans	Other post-employment benefit plans
Balance, beginning of period	\$ (73,041)	\$ (74,081)	\$ 1,040	\$ (63,049)	\$ (64,669)	\$ 1,620
Amortization	245	426	(181)	10	175	(165)
Balance, end of period	\$ (72,796)	\$ (73,655)	\$ 859	\$ (63,039)	\$ (64,494)	\$ 1,455

	<i>Nine Months Ended September 30,</i>					
	<i>2013</i>			<i>2012</i>		
	Total	Defined benefit pension plans	Other post-employment benefit plans	Total	Defined benefit pension plans	Other post-employment benefit plans
Balance, beginning of period	\$ (73,532)	\$ (74,932)	\$ 1,400	\$ (63,069)	\$ (65,019)	\$ 1,950
Amortization	736	1,277	(541)	30	525	(495)
Balance, end of period	\$ (72,796)	\$ (73,655)	\$ 859	\$ (63,039)	\$ (64,494)	\$ 1,455

Dividends. During the three months ended September 30, 2013 and 2012, the Company recorded and paid dividends of \$1,814 and \$1,371, respectively. During the nine months ended September 30, 2013 and 2012, the Company recorded and paid dividends of \$4,549 and \$4,095, respectively.

On September 12, 2013, the Company announced a quarterly dividend of \$0.08 per share to shareholders of record and holders of RSUs as of the close of business on November 15, 2013, payable on December 6, 2013.

Treasury Stock. In 2012, the Company's Board of Directors authorized the purchase of up to 1,000,000 shares of the Company's Series A or Series B common stock through open market purchases, privately negotiated transactions or otherwise. During the three and nine months ended September 30, 2013, the Company purchased 124,122 and 358,153 shares of Series A common stock, respectively, for \$922 and \$2,286, respectively, which are recorded in treasury stock. All purchases were made through open market transactions.

Note 10: Earnings Per Share

The table below sets forth the reconciliations for net income (loss) and weighted average shares used for calculating basic and diluted earnings per share (“EPS”). The Company’s Series A and B common stock equally share in the distributed and undistributed earnings.

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Earnings (numerator)				
Net income (loss) available to common shareholders from continuing operations ^(a)	\$ 1,964	\$ 2,610	\$ (1,336)	\$ 3,274
Shares (denominator)				
Weighted average common shares outstanding (basic)	21,943,876	22,807,657	22,005,705	21,850,253
Effect of dilutive securities ^(b)	125,635	120,060	—	—
Adjusted weighted average shares outstanding (diluted)	22,069,511	22,927,717	22,005,705	21,850,253
Earnings per share from continuing operations				
Basic	\$ 0.09	\$ 0.11	\$ (0.06)	\$ 0.15
Diluted	\$ 0.09	\$ 0.11	\$ (0.06)	\$ 0.15

(a) Net income (loss) available to common shareholders from continuing operations includes an adjustment for dividends paid to holders of RSUs which are participating securities.

(b) A total of 1,772,891 and 2,272,543 options and RSUs outstanding during the three months ended September 30, 2013 and 2012, respectively, and 1,898,526 and 2,392,603 options and RSUs outstanding during the nine months ended September 30, 2013 and 2012, respectively, were excluded from the calculation because they did not affect the EPS for common shareholders or the effect was anti-dilutive.

Note 11: Contingencies

In June 2013, *The Providence Journal* executed an agreement allowing it to effectively assume the distribution of various national and regional newspapers and magazines previously managed by a third-party distributor. The agreement also settles claims and disputes between *The Providence Journal* and the third-party distributor. Under the agreement, *The Providence Journal* will pay the third-party distributor approximately \$1,330 over a two-year period for the acquisition of business and settlement of claims. The Company anticipates profits from the distribution contracts to well exceed the amounts paid under the agreement. The Company allocated approximately one-half of the cost of the agreement as a loss on the settlement of claims and, accordingly, a loss of \$665 was recorded to Other production, distribution and operating costs during the three months ended June 30, 2013. The remaining amounts to be paid are treated as contract acquisition costs and are being amortized to expense over three years starting in July 2013, consistent with the contract terms between *The Providence Journal* and the newspaper and magazine publishers.

In addition to the matter above, a number of legal proceedings are pending against A. H. Belo. In the opinion of management, liabilities, if any, arising from these legal proceedings would not have a material adverse effect on A. H. Belo’s results of operations, liquidity or financial condition.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with the Company's Condensed Consolidated Financial Statements and related Notes filed as part of this report. All dollar amounts are presented in thousands, except per share amounts, unless the context requires otherwise.

OVERVIEW

A. H. Belo Corporation ("A. H. Belo" or the "Company"), headquartered in Dallas, Texas, is a distinguished newspaper publishing and local news and information company that owns and operates three daily newspapers and related websites. A. H. Belo publishes *The Dallas Morning News* (www.dallasnews.com), Texas' leading newspaper and winner of nine Pulitzer Prizes; *The Providence Journal* (www.providencejournal.com), the oldest continuously-published daily newspaper in the United States and winner of four Pulitzer Prizes; and the *Denton Record-Chronicle* (www.dentonrc.com), a daily newspaper operating in Denton, Texas, approximately 40 miles north of Dallas. The Company's newspapers also publish various niche publications targeting specific audiences and own and operate commercial printing, distribution and direct mail service businesses. A. H. Belo offers digital marketing solutions through 508 Digital and Your Speakeasy, LLC and also owns investments in Classified Ventures, LLC, owner of Cars.com, and Wonderful Media, LLC, owner of Find&Save®.

A. H. Belo intends for the discussion of its results of operations and financial condition that follows to provide information that will assist in understanding its financial statements, the changes in certain key items in those statements from period to period, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect its financial statements. References to terms "revenue" and "expense" as used in Management's Discussion and Analysis refer to income (loss) from continuing operations, unless otherwise noted.

Sale of The Press-Enterprise

In the third and fourth quarters of 2013, the Company completed multiple transactions and entered into a definitive asset purchase agreement, as amended, to divest of *The Press-Enterprise*, a daily newspaper in Riverside, California, its niche publications *La Prensa* and *The Weekly*, related websites and substantially all related real estate assets.

On July 8, 2013, *The Press-Enterprise* sold certain equipment which was idled in 2012 when the newspaper ceased printing certain unprofitable commercial products. This transaction generated net proceeds of \$504 and a pretax gain of \$269. On July 17, 2013, the Company completed the sale of its five-story office building and certain related assets in Riverside, California to the County of Riverside for \$30,000. This building served as the administrative headquarters for *The Press-Enterprise*. The proceeds to the Company were \$28,589 after selling costs of \$1,411. In the third quarter of 2013 the Company recorded a pretax gain of \$4,477 related to this transaction.

On October 9, 2013, the Company and Freedom Communications Holdings, Inc. entered into a definitive asset purchase agreement under which Freedom Communications Holdings, Inc. would acquire substantially all of the assets which comprise the newspaper operations of *The Press-Enterprise* (including the production facility and related land) for \$27,250 in cash and subject to usual closing costs and customary working capital adjustment to be finalized by January 2014. Effective October 31, 2013, the Company amended the asset purchase agreement to extend the transaction closing date to mid-November in return for a non-refundable deposit of \$1,000 to be credited to the purchase price at closing. The Company agreed to bear certain costs up to \$541 related to the relocation of *The Press-Enterprise* to new leased premises and approximately \$1,600 for the relocation of a data center in the production facility and the completion of certain capital projects. After finalizing other exit costs, the Company anticipates recording a pretax gain on this transaction between \$8,000 and \$12,000 in the fourth quarter of 2013.

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As a result of the above pending and completed transactions, the activity and balances of *The Press-Enterprise* as of September 30, 2013, are presented as discontinued operations. The following summarizes the results of operations and the gains on the asset dispositions which are included in discontinued operations.

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Loss from discontinued operations				
Revenue	\$ 12,987	\$ 16,622	\$ 38,836	\$ 47,636
Costs and expense	(14,562)	(17,771)	(43,966)	(53,114)
	(1,575)	(1,149)	(5,130)	(5,478)
Gain related to the divestiture of discontinued operations				
Gain on sale of press equipment	269	—	269	—
Gain on sale of five-story office building	4,477	—	4,477	—
	4,746	—	4,746	—
Tax benefit from discontinued operations	13	22	49	56
Income (Loss) from Discontinued Operations	\$ 3,184	\$ (1,127)	\$ (335)	\$ (5,422)

Upon completion of these transactions, the Company will have no newspaper operations in Riverside, California but will continue to own and market for sale the land and buildings associated with a previously idled commercial printing operation in Riverside, California.

Significant Transactions from Continuing Operations

During 2013, the Company was influenced by several significant transactions and events. In the first quarter, the Company voluntarily terminated its Credit Agreement, which had not been drawn upon since 2009. This agreement contained various terms restricting the Company's ability to acquire investments, divest assets, make voluntary pension contributions and return capital to shareholders as described in Liquidity and Capital Resources below.

In the second quarter, *The Providence Journal* executed an agreement allowing it to effectively assume the distribution of various national and regional newspapers and magazines previously managed by a third-party distributor. The agreement also settles claims and disputes between *The Providence Journal* and the third-party distributor. Under the agreement, *The Providence Journal* will pay the third-party distributor approximately \$1,330 over a two-year period for the acquisition of business and settlement of claims. The Company anticipates profits from the distribution contracts to well exceed the amounts paid under the agreement. The Company allocated approximately one-half of the cost of the agreement as a loss on the settlement of claims and, accordingly, recorded a loss of \$665 in the second quarter of 2013. The remaining amounts to be paid are treated as contract acquisition costs and are being amortized to earnings over three years starting in July 2013, consistent with the contract terms between *The Providence Journal* and the newspaper and magazine publishers.

Effective September 11, 2013, Robert W. Decherd retired as the Company's Chairman, President and Chief Executive Officer. Mr. Decherd was succeeded by James M. ("Jim") Moroney III. Mr. Moroney served as the Company's Executive Vice-President since December 2007 and as Publisher and Chief Executive Officer of *The Dallas Morning News* since June 2001. Mr. Decherd became Vice Chairman of the Board of Directors and continues to serve as a member of the Board of Directors and Mr. Moroney was elected to the Board of Directors, and the Chairman of the Board at its September 2013 meeting.

In addition to the above, the following significant transactions and events affected A. H. Belo's results of operations and financial position during the third quarter of 2013:

- Required contributions of \$5,060 and voluntary contributions of \$4,604 were made to the A. H. Belo Pension Plans in the third quarter of 2013, reflecting an increase from the \$4,600 of contributions made in the third quarter of 2012.
- A dividend of \$0.08 per share, or \$1,814, was recorded and paid to shareholders of record and to holders of RSU awards as of August 16, 2013. The Company also announced in September 2013 a dividend of \$0.08 per share payable on December 6, 2013, to shareholders of record and to holders of outstanding RSU awards on November 15, 2013.
- The Company received a refund of \$1,334 on a tax return amended in a prior year.
- The Company purchased 124,122 of its Series A common shares during the quarter through open market transactions for \$922.

RESULTS OF CONTINUING OPERATIONS**Consolidated Results of Continuing Operations**

This section contains a discussion and analysis of net operating revenue, expense and other information relevant to an understanding of results of operations for the three and nine months ended September 30, 2013 and 2012.

The table below sets forth the components of A. H. Belo's net revenue from operations:

	<u>Three Months Ended September 30,</u>			<u>Nine Months Ended September 30,</u>		
	<u>2013</u>	<u>Percentage Change</u>	<u>2012</u>	<u>2013</u>	<u>Percentage Change</u>	<u>2012</u>
Advertising and marketing services	\$ 49,785	(4.4)%	\$ 52,095	\$ 151,561	(3.1)%	\$ 156,350
Circulation	30,603	(1.1)%	30,942	89,277	(3.6)%	92,644
Printing and distribution	9,773	6.0 %	9,222	27,258	3.9 %	26,228
	<u>\$ 90,161</u>	<u>(2.3)%</u>	<u>\$ 92,259</u>	<u>\$ 268,096</u>	<u>(2.6)%</u>	<u>\$ 275,222</u>

Third quarter and year-to-date results for 2013 compared to 2012 reflect a decrease in total revenue from continuing operations of 2.3 percent and 2.6 percent, respectively, due to a decline in advertising and marketing services and circulation, partially offset by an increase in printing and distribution. Advertising and marketing services revenue decreased by 4.4 percent and 3.1 percent, respectively, for the three and nine months ended September 30, 2013, as compared to 2012. The decline was partially offset by marketing services revenue recorded by *The Dallas Morning News* for 508 Digital and Speakeasy, which commenced operations in the second and third quarters of 2012, respectively, and due to continued growth in the newspaper's digital classified advertising.

The Company's third quarter and year-to-date circulation revenue for 2013 compared to 2012 decreased by 1.1 percent and 3.6 percent, respectively, due to a continued volume decline in home delivery and single copy sales at all newspapers.

Printing and distribution revenue increased by 6.0 percent and 3.9 percent, respectively, for the third quarter and year-to-date 2013, from increased delivery of third party publications resulting from an agreement at *The Providence Journal* to assume distribution of certain publications starting in July 2013.

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The table below sets forth the components of *The Dallas Morning News* net operating revenue:

	<i>Three Months Ended September 30,</i>				<i>Nine Months Ended September 30,</i>					
	<i>2013</i>	<i>Percent of Total Revenue</i>	<i>Percentage Change</i>	<i>2012</i>	<i>Percent of Total Revenue</i>	<i>2013</i>	<i>Percent of Total Revenue</i>	<i>Percentage Change</i>	<i>2012</i>	<i>Percent of Total Revenue</i>
Advertising and marketing services	\$ 40,402	59.9%	(2.9)%	\$ 41,621	60.0%	\$ 122,288	60.3%	(0.3)%	\$ 122,648	59.6%
<i>Display</i>	13,490		(10.4)%	15,057		41,908		(7.2)%	45,147	
<i>Classified</i>	6,122		(14.1)%	7,128		18,622		(9.1)%	20,476	
<i>Preprint</i>	13,378		(1.8)%	13,619		40,461		(0.6)%	40,705	
<i>Digital</i>	7,412		27.4 %	5,817		21,297		30.5 %	16,320	
Circulation	21,787	32.3%	(1.4)%	22,087	31.9%	64,024	31.6%	(3.8)%	66,538	32.4%
Printing and distribution	5,284	7.8%	(6.3)%	5,638	8.1%	16,390	8.1%	(0.5)%	16,470	8.0%
	<u>\$ 67,473</u>	<u>100.0%</u>	<u>(2.7)%</u>	<u>\$ 69,346</u>	<u>100.0%</u>	<u>\$ 202,702</u>	<u>100.0%</u>	<u>(1.4)%</u>	<u>\$ 205,656</u>	<u>100.0%</u>

Display – Revenue decreased for the three and nine months ended September 30, 2013, due to lower retail advertising in all categories except for entertainment, furniture and other. Additionally, general advertising declined in all categories for the nine months ended September 30, 2013, except for telecommunications which realized an improvement in both rates and volumes, and automotive which realized an improvement in volume. General advertising for the three months ended September 30, 2013, declined in all categories except for general other, which realized an improvement in rates.

Classified – Revenue decreased for the three and nine months ended September 30, 2013, due to lower classified rates in all categories except obituary and other classified, partially offset by higher volumes in real estate.

Preprint – Revenue decreased for the three and nine months ended September 30, 2013, due to a decline in preprint newspaper advertising inserts, partially offset by higher home delivery mail advertisements.

Digital – Revenue increased for the three and nine months ended September 30, 2013, due to higher marketing services revenue of \$1,336 and \$3,460, respectively, associated with 508 Digital and Speakeasy, which began operations in the second and third quarters of 2012, respectively. Revenue also grew due to higher automotive and other classified advertising.

The Dallas Morning News results also include its niche publications which expand its advertising platform to nonsubscribers of *The Dallas Morning News*' core newspaper. This revenue is a component of total display, classified, preprint and digital revenue of *The Dallas Morning News* discussed above. In the three months ended September 30, 2013 and 2012, advertising revenue for *The Dallas Morning News*' niche publications was \$5,536 and \$5,728, respectively. In the nine months ended September 30, 2013 and 2012, advertising revenue for *The Dallas Morning News*' niche publications was \$16,047 and \$16,447, respectively. Revenue decreased as the growth in classified was offset primarily by a decline in retail display advertising.

Circulation – Revenue decreased for the three months ended September 30, 2013, due to a decline in home delivery and single copy paid print circulation volumes of 8.7 percent and 11.9 percent, respectively, partially offset by an effective rate increase of 7.4 percent in home delivery rates. Revenue decreased for the nine months ended September 30, 2013, due to a decline in home delivery and single copy paid print circulation volumes of 7.1 percent and 10.9 percent, respectively, partially offset by an effective rate increase of 4.1 percent in home delivery rates.

Printing and distribution – Revenue decreased for the three and nine months ended September 30, 2013, due to lower home delivery volumes of third-party newspapers and lower commercial printing volumes.

The table below sets forth the components of *The Providence Journal* net operating revenue:

	<i>Three Months Ended September 30,</i>				<i>Nine Months Ended September 30,</i>					
	<i>2013</i>	<i>Percent of Total Revenue</i>	<i>Percentage Change</i>	<i>2012</i>	<i>Percent of Total Revenue</i>	<i>2013</i>	<i>Percent of Total Revenue</i>	<i>Percentage Change</i>	<i>2012</i>	<i>Percent of Total Revenue</i>
Advertising and marketing services	\$ 9,383	41.3%	(10.4)%	\$ 10,474	45.7%	\$ 29,273	44.8%	(13.1)%	\$ 33,702	48.5%
<i>Display</i>	2,283		(15.7)%	2,708		7,241		(15.9)%	8,614	
<i>Classified</i>	3,135		(10.4)%	3,497		9,779		(17.6)%	11,871	
<i>Preprint</i>	2,622		(9.8)%	2,907		8,260		(6.0)%	8,788	
<i>Digital</i>	1,343		(1.4)%	1,362		3,993		(9.8)%	4,429	
Circulation	8,816	38.9%	(0.5)%	8,856	38.7%	25,253	38.6%	(3.3)%	26,107	37.5%
Printing and distribution	4,489	19.8%	25.3 %	3,583	15.6%	10,868	16.6%	11.4 %	9,757	14.0%
	<u>\$ 22,688</u>	<u>100.0%</u>	<u>(1.0)%</u>	<u>\$ 22,913</u>	<u>100.0%</u>	<u>\$ 65,394</u>	<u>100.0%</u>	<u>(6.0)%</u>	<u>\$ 69,566</u>	<u>100.0%</u>

Display – Revenue decreased for both the three and nine months ended September 30, 2013, primarily due to retail advertising volume and rate declines in medical and department stores. Additional decreases for the nine months ended September 30, 2013, are due to lower entertainment rates and volumes. General advertising decreased for the three and nine months ended September 30, 2013, primarily due to a decline in financial advertising rates and volumes.

Classified – Revenue decreased for the three and nine months ended September 30, 2013, due to a volume decline in all categories except automotive and obituaries and a rate decline in all categories except obituaries.

Preprint – Revenue decreased for the three and nine months ended September 30, 2013, due to a decline in preprint newspaper inserts, consistent with the decline in circulation volumes. These declines were partially offset by higher home delivery mail advertisements.

Digital – Revenue decreased for the three and nine months ended September 30, 2013, due to lower volumes in online advertising, offset partially by increased automotive classified advertising.

Circulation – Home delivery revenue increased for the three months ended September 30, 2013, due to an effective rate increase of 12.1 percent, offset by a volume decline of 9.0 percent. Home delivery revenue decreased for the nine months ended September 30, 2013, due to a volume decline of 8.2 percent, offset by an effective rate increase of 7.6 percent. Single copy paid print circulation decreased for the three and nine months ended September 30, 2013, due to a volume decline of 10.4 percent and 12.4 percent, respectively, offset by an effective rate increase of 2.8 percent and 3.7 percent, respectively.

Printing and distribution – Revenue increased for the three and nine months ended September 30, 2013, due to the assumption of distribution contracts for certain national and regional newspapers and magazines. These contracts, obtained through a settlement agreement with a third party distributor, commenced in July 2013.

Operating Costs and Expense from Continuing Operations

The table below sets forth the components of the Company's operating expense:

	<i>Three Months Ended September 30,</i>			<i>Nine Months Ended September 30,</i>		
	<i>2013</i>	<i>Percentage Change</i>	<i>2012</i>	<i>2013</i>	<i>Percentage Change</i>	<i>2012</i>
Operating Costs and Expense						
Salaries, wages and employee benefits	\$ 35,914	(4.1)%	\$ 37,462	\$ 110,689	(2.7)%	\$ 113,762
Other production, distribution and operating costs	34,713	2.8 %	33,755	104,805	2.4 %	102,392
Newsprint, ink and other supplies	12,803	2.4 %	12,508	37,132	1.9 %	36,443
Depreciation	4,371	(8.7)%	4,790	14,053	(15.6)%	16,648
Amortization	1,122	2.7 %	1,092	3,368	2.7 %	3,278
Total operating costs and expense	<u>\$ 88,923</u>	<u>(0.8)%</u>	<u>\$ 89,607</u>	<u>\$ 270,047</u>	<u>(0.9)%</u>	<u>\$ 272,523</u>

Salaries, wages and employee benefits – Salaries, wages and employee benefits decreased by \$1,548 and \$3,073 for the three and nine months ended September 30, 2013, respectively. For these periods, salary expense was lower by \$165 and \$577 for the three and nine months periods, respectively, which includes savings from headcount reductions at the Company's newspapers offset by higher salary costs associated with the Company's digital marketing services initiatives. The savings was also offset by higher incentive compensation costs of \$223 and \$1,041, respectively. The Company also had lower pension expense of \$1,311 and \$3,190, respectively, primarily due to no longer accruing benefits for the PTS Plan beginning in the second quarter of 2013 and the recognition of higher pension benefits resulting from lower assumed interest rates and a higher levels of plan assets. Additional savings of \$84 and \$1,026, respectively, were achieved due to lower headcount and cost control initiatives related to medical benefits provided to employees.

Other production, distribution and operating costs – Expense increased for the three and nine months ended September 30, 2013, due to higher non-labor related expense associated with 508 Digital and Speakeasy of \$1,122 and \$2,922, respectively, as these marketing services operations continue to grow. Expense also increased in these periods by \$2,213 and \$2,109, respectively, due to a nonrecurring \$2,500 credit received by *The Providence Journal* in the third quarter of 2012 in settlement of a property tax dispute and increased for the nine month period by \$665 due to the settlement by *The Providence Journal* of a distribution contingency in the second quarter of 2013. These expense increases were partially offset in the three and nine month periods by lower home delivery costs and third-party sales costs of \$1,774 and \$3,122, respectively, consistent with lower circulation volumes, and lower legal expense of \$685 and \$1,306, respectively.

Newsprint, ink and other supplies – Expense increased for the three and nine months ended September 30, 2013, by \$1,200 and \$1,735, respectively, due to higher costs for insert printing and customer products. These costs were partially offset by lower newsprint and ink costs associated with lower circulation volumes of the Company's newspapers. Newsprint consumption for the three months ended September 30, 2013 and 2012, was approximately 11,543 and 12,137 metric tons, respectively, and the average cost per metric ton of newsprint was \$591 and \$625, respectively. Newsprint consumption for the nine months ended September 30, 2013 and 2012, was approximately 35,724 and 36,629 metric tons, respectively, and the average cost per metric ton of newsprint was \$606 and \$622, respectively.

Depreciation – Expense decreased for the three and nine months ended September 30, 2013, due to a lower depreciable asset base and more assets being fully depreciated.

Amortization – Expense increased for the three and nine months ended September 30, 2013, due to amortization of customer relationships acquired in the purchase of certain assets and liabilities of DG Publishing, Inc. which was recorded during the first quarter of 2013.

Other

The table below sets forth the other components of the Company's results of continuing operations:

	<i>Three Months Ended September 30,</i>			<i>Nine Months Ended September 30,</i>		
	<i>2013</i>	<i>Percentage Change</i>	<i>2012</i>	<i>2013</i>	<i>Percentage Change</i>	<i>2012</i>
Other Income (Expense), Net						
Other income, net	\$ 1,131	99.5 %	\$ 567	\$ 2,190	(8.0)%	\$ 2,381
Interest income (expense)	108	(184.4)%	(128)	(311)	(38.5)%	(506)
Total other income (expense), net	\$ 1,239	182.2 %	\$ 439	\$ 1,879	0.2 %	\$ 1,875
Income Tax Expense	\$ 392	(25.0)%	\$ 523	\$ 1,284	(4.3)%	\$ 1,342

Other income for the three months ended September 30, 2013, increased due to higher income from equity method investments and gains on asset sales. Other income for the nine months ended September 30, 2013, decreased due to lower gains on asset sales and lower income for equity method investments. Interest expense for the nine months ended September 30, 2013, includes the amortization of the \$401 remaining debt issuance costs related to the Credit Agreement. Tax expense for 2013 and 2012 is primarily due to franchise and state income tax expense and changes in the valuation allowance. See the Condensed Consolidated Financial Statements, Note 7 – Income Taxes.

Earnings and Adjusted Earnings before Interest, Taxes, Depreciation and Amortization from Continuing Operations

In addition to the Company's analysis of net income (loss) from continuing operations, the Company also evaluates earnings after adjusting for depreciation and amortization, interest expense and income taxes ("EBITDA") which is presented for continuing operations by adjusting Net income (loss) attributable to A. H. Belo Corporation for Income (loss) from discontinued operations and Net loss attributable to noncontrolling interest, and by adding depreciation and amortization, interest expense and income tax expense. Adjusted EBITDA is calculated, as applicable, by adding back the loss from withdrawal from the G. B. Dealey Retirement Pension Plan, non-cash impairment expense and net investment-related losses to EBITDA. For the periods presented, no adjustments were made to EBITDA.

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Net Income (Loss) Attributable to A. H. Belo Corporation	\$ 5,321	\$ 1,483	\$ (1,520)	\$ (2,148)
Less: Net Income (Loss) from Discontinued Operations	3,184	(1,127)	(335)	(5,422)
Plus: Net loss attributable to noncontrolling interests	(52)	(42)	(171)	(42)
Income (Loss) from Continuing Operations	2,085	2,568	(1,356)	3,232
Depreciation and amortization	5,493	5,882	17,421	19,926
Interest (income) expense	(108)	128	311	506
Income tax expense	392	523	1,284	1,342
EBITDA from continuing operations	\$ 7,862	\$ 9,101	\$ 17,660	\$ 25,006

Neither EBITDA nor Adjusted EBITDA is a measure of financial performance under generally accepted accounting principles ("GAAP"). Management uses EBITDA, Adjusted EBITDA and similar measures in internal analyses as supplemental measures of the Company's financial performance, and for performance comparisons against its peer group of companies. Adjusted EBITDA is also used by management to evaluate the cash flows available for capital spending, investing, pension contributions (required and voluntary), dividends and other equity-related transactions. Neither EBITDA nor Adjusted EBITDA should be considered in isolation or as a substitute for cash flows provided by operating activities or other income or cash flow data prepared in accordance with GAAP, and these non-GAAP measures may not be comparable to similarly-titled measures of other companies.

In previous periods, the Company added back the entire recorded pension expense in the determination of Adjusted EBITDA, including both recurring pension expense and the loss from withdrawal from the G. B. Dealey Retirement Pension Plan. Management reassessed this measurement and determined it is more appropriate to consider only the non-recurring loss from withdrawal from the G. B. Dealey Retirement Pension Plan as an add-back to determine Adjusted EBITDA. Accordingly, all periods for which Adjusted EBITDA is presented exclude an adjustment for recurring pension expense.

Liquidity and Capital Resources

The Company's cash balances as of September 30, 2013 and December 31, 2012, were \$56,436 and \$34,094, respectively. The increase in cash is primarily due to the sale of certain assets related to *The Press-Enterprise*, consisting of selected press equipment previously used in its commercial printing operations and a five-story office building which served as its administrative headquarters. Net proceeds totaling \$29,093 were received from these sales, after deducting selling costs of \$1,457 as discussed in the description of discontinued operations on page 15. Cash provided by continuing operations was \$5,471, which reflected voluntary contributions of \$4,604 and required contributions of \$5,060 to the Company's pension plans. Cash used for continuing investing activities was \$5,674, which included capital spending of \$4,837 and an additional investment of \$1,377 in Wanderful Media, owner of Find&Save®. Cash used by financing activities from continuing operations was \$6,644, which included dividend payments of \$4,549 and the purchase of treasury stock for \$2,286.

The Company's working capital as of September 30, 2013 and December 31, 2012, was \$64,496 and \$75,403, respectively. After excluding assets and liabilities of discontinued operations, which are classified as current assets and liabilities, respectively, working capital increased by \$18,520. During the nine months ended September 30, 2013, EBITDA from continuing operations was \$17,660, which was used to fund capital spending of \$4,837 and pension contributions of \$12,000. Capital spending for the remainder of 2013 is expected to approximate \$2,200 and no further pension contributions are required during the fourth quarter of 2013 as the Company met minimum funding requirements for the year. The Company anticipates EBITDA from continuing operations to be sufficient to cover these costs.

Management works aggressively to manage expense relative to changes in revenue and believes cash flows generated from continuing operations will be sufficient to meet foreseeable cash flow requirements. The following discusses the changes in cash flows by operating, financing and investing activities.

Operating Cash Flows

Net cash provided by/(used for) continuing operating activities for the nine months ended September 30, 2013 and 2012, was \$5,471 and \$(8,970), respectively. Cash flows from operations increased due to lower pension contributions in 2013 of \$16,072, the receipt of \$1,334 related to an amended prior year tax return and improved operating activities of approximately \$1,400. Additionally, 2012 was impacted by a nonrecurring 2012 tax settlement payment of \$2,961 and the receipt of proceeds of \$2,410 in 2012 related to the sale of officer's residence acquired by the Company as part of an employment agreement.

The decline in pension contributions reflects a benefit the Company realized from reaching higher statutory funding levels due to the Company's 2011 and 2012 voluntary pension contributions totaling \$40,000, and improved returns on plan assets and higher discount rates. Additionally, lower contributions are in part due to reduced statutory funding requirements from the Moving Ahead for Progress in the 21st Century Act (the "MAP-21 Act") that was passed into law in July 2012, and includes funding relief for employer-provided defined benefit pension plans. Future pension funding requirements are subject to change based on factors such as discount rates, the return on plan assets and statutory changes.

Investing Cash Flows

Net cash used for continuing investing activities for the nine months ended September 30, 2013 and 2012, was \$5,674 and \$3,623, respectively. Cash flows used for investing activities increased due to \$1,377 of cash used for an additional investment in Wanderful Media, an equity-method investment.

Financing Cash Flows

Net cash used for continuing financing activities for the nine months ended September 30, 2013 and 2012, was \$6,644 and \$3,806, respectively. Cash flows used for financing activities increased primarily due to purchases in 2013 of 358,153 shares of the Company's Series A common stock for \$2,286 under the share purchase program authorized in 2012. Dividend payments of \$4,549 and \$4,095 were made in 2013 and 2012, respectively.

Financing Arrangements

As of December 31, 2012, the Company operated under an Amended and Restated Credit Agreement dated January 30, 2009, by and between the Company and certain of its subsidiaries, as borrowers, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (as amended by First through Fifth Amendments dated August 18, 2009, December 3, 2009, August 18, 2010, March 10, 2011, and May 2, 2011, respectively). The Credit Agreement, with a maturity date of September 30, 2014, provided a \$25,000 working capital facility that was subject to a borrowing base. Among other matters, the Credit Agreement created an asset-based revolving credit facility secured by the Company's accounts receivable, inventory, real property and other assets.

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Under certain conditions, the facility restricted payment of dividends, imposed a fixed charge coverage ratio covenant, limited investments and limited the Company's ability to divest assets. Additionally, payment of voluntary pension contributions, declaration of special dividends and purchase of shares of the Company's common stock were permitted only as long as no borrowings were outstanding under the revolving credit facility. The Company was also required to pay commitment fees at 0.5 percent on the unused credit facility and 2.5 percent on outstanding letters of credit. The Company had not borrowed under the Credit Agreement since 2009 as cash flows from operations were sufficient to meet liquidity requirements. On January 4, 2013, the Company voluntarily terminated its Credit Agreement to provide greater financial and operating flexibility for purposes of funding its pension plans, returning capital to shareholders, managing its investments and eliminating direct and indirect costs related to the Credit Agreement. All liens and security interests under the Credit Agreement were released and no early termination penalties were incurred by the Company as a result of the termination. Unamortized debt issuance costs of \$401 were recorded to interest expense in the first quarter of 2013 as a result of the termination.

Contractual Obligations

The PTS Plan, a defined contribution plan, covers certain employees affected by the curtailment of The G. B. Dealey Retirement Pension Plan (a plan sponsored by the Company's former parent company). The Company was obligated to make contributions to this plan based on the earnings of actively employed participants for a period of five years, which concluded on March 31, 2013. Contributions of \$4,147 paid in the first quarter of 2013 represent benefits accrued in fiscal year 2012, and contributions of \$1,090 paid in the second quarter of 2013 represent benefits accrued through March 31, 2013. No further obligations exist under this Plan. Effective July 1, 2013, the PTS Plan was merged into the Savings Plan, a defined contribution 401(k) plan, in order to simplify and streamline plan administration.

During the nine months ended September 30, 2013, the Company made required contributions of \$7,396 and voluntary contributions of \$4,604 to the A. H. Belo Pension Plans. As discussed above, the Company met the statutory funding requirements for 2013 and no further contributions are planned this year.

On September 12, 2013, the Company announced an \$0.08 per share dividend to shareholders of record and holders of RSUs as of the close of business on November 15, 2013, payable on December 6, 2013.

Critical Accounting Policies and Estimates

No material changes were made to the Company's critical accounting policies as set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations", included in the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2012.

Forward-Looking Statements

Statements in this communication concerning A. H. Belo's business outlook or future economic performance, anticipated profitability, revenue, expense, dividends, capital expenditures, investments, impairments, business initiatives, pension plan contributions and obligations, real estate sales, working capital, future financings and other financial and non-financial items that are not historical facts, are "forward-looking statements" as the term is defined under applicable federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those statements.

Such risks, uncertainties and factors include, but are not limited to, changes in capital market conditions and prospects, and other factors such as changes in advertising demand and newsprint prices; newspaper circulation trends and other circulation matters, including changes in readership methods, patterns and demography; and audits and related actions by the Alliance for Audited Media; challenges implementing increased subscription pricing and new pricing structures; challenges in achieving expense reduction goals in a timely manner and the resulting potential effects on operations; technological changes; development of Internet commerce; industry cycles; changes in pricing or other actions by existing and new competitors and suppliers; consumer acceptance of new products and business initiatives; labor relations; regulatory, tax and legal changes; adoption of new accounting standards or changes in existing accounting standards by the Financial Accounting Standards Board or other accounting standard-setting bodies or authorities; the effects of Company acquisitions, dispositions, co-owned ventures and investments; pension plan matters; general economic conditions and changes in interest rates; significant armed conflict; acts of terrorism; and other factors beyond the Company's control, as well as other risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, and in the Company's other public disclosures and filings with the SEC.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There were no material changes in A. H. Belo Corporation's exposure to market risk from the disclosure included in the Annual Report on Form 10-K for the year ended December 31, 2012.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. Based on the evaluation of the Company's disclosure controls and procedures (as defined in Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) required by Securities Exchange Act Rules 13a-15(b) or 15d-15(b), the Company's Chief Executive Officer and the Company's Chief Financial Officer have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective.

(b) Changes in internal controls. There were no changes in the Company's internal control over financial reporting that occurred during the period covered by this report that materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II

Item 1. Legal Proceedings

A number of legal proceedings are pending against A. H. Belo. In the opinion of management, liabilities, if any, arising from these legal proceedings would not have a material adverse effect on A. H. Belo's results of operations, liquidity or financial condition.

Item 1A. Risk Factors

There were no material changes from the risk factors disclosed under the heading "Risk Factors" in Item 1A in the Annual Report on Form 10-K for the year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of the Company's equity securities during the period covered by this report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits marked with an asterisk (*) are incorporated by reference to documents previously filed by the Company with the SEC, as indicated. In accordance with Regulation S-T, the XBRL-related information marked with a double asterisk (**) in Exhibit No. 101 to this Quarterly Report on Form 10-Q is deemed filed. All other documents are filed with this report. Exhibits marked with a tilde (~) are management contracts, compensatory plan contracts or arrangements filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K.

Exhibit Number	Description
2.1	* Separation and Distribution Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008 (Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 12, 2008 (Securities and Exchange Commission File No. 001-33741) (the "February 12, 2008 Form 8-K"))
3.1	* Amended and Restated Certificate of Incorporation of the Company (Exhibit 3.1 to Amendment No. 3 to the Company's Form 10 dated January 18, 2008 (Securities and Exchange Commission File No. 001-33741) (the "Third Amendment to Form 10"))
3.2	* Certificate of Designations of Series A Junior Participating Preferred Stock of the Company dated January 11, 2008 (Exhibit 3.2 to Post -Effective Amendment No. 1 to Form 10 filed January 31, 2008 (Securities and Exchange Commission File No. 001-33741))
3.3	* Amended and Restated Bylaws of the Company, effective January 11, 2008 (Exhibit 3.3 to the Third Amendment to Form 10) (1) * Amendment No. 1, effective June 17, 2013, to Amended and Restated Bylaws of A. H. Belo Corporation (Exhibit 3.1 to A. H. Belo Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 19, 2013, (Securities and Exchange Commission File No. 001-33741) (the "June 19, 2013 Form 8-K"))
4.1	* Certain rights of the holders of the Company's Common Stock set forth in Exhibits 3.1 -3.3 above
4.2	* Specimen Form of Certificate representing shares of the Company's Series A Common Stock (Exhibit 4.2 to the Third Amendment to Form 10)
4.3	* Specimen Form of Certificate representing shares of the Company's Series B Common Stock (Exhibit 4.3 to the Third Amendment to Form 10)
4.4	* Rights Agreement dated as of January 11, 2008 between the Company and Mellon Investor Services LLC (Exhibit 4.4 to the Third Amendment to Form 10)
10.1	* Material Contracts ~(1) * Asset Purchase Agreement by and between the Press-Enterprise Company, AHC California Properties LLC, A. H. Belo Management Services, Inc. and Freedom Communications Holdings, Inc. dated October 9, 2013 (Exhibit 10.1 to A. H. Belo Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 11, 2013 (Securities and Exchange Commission file no. 001-33741) (the "October 11, 2013 Form 8-K")) ~(2) * Form of Limited Guaranty by and between A. H. Belo Corporation and Freedom Communications Holdings, Inc (Exhibit 10.2 to the October 11, 2013 Form 8-K) ~(3) * Amendment No. 1 to Asset Purchase Agreement dated October 31, 2013, between the Press-Enterprise Company, AHC California Properties LLC, A. H. Belo Management Services, Inc. and Freedom Communications Holdings Inc. (Exhibit 10.1 to A. H. Belo Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2013 (Securities and Exchange Commission file no. 001-33741))

Exhibit Number	Description
10.2 *	Compensatory plans and arrangements:
~(1) *	A. H. Belo Corporation Savings Plan (Exhibit 10.4 to the February 12, 2008 Form 8 -K)
* (a)	First Amendment to the A. H. Belo Savings Plan dated September 23, 2008 (Exhibit 10.2(1)(a) to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 2008 (Securities and Exchange Commission File No. 001-33741))
* (b)	Second Amendment to the A. H. Belo Savings Plan effective March 27, 2009 (Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 2, 2009 (Securities and Exchange Commission File No. 001-33741) (the "April 2, 2009 Form 8-K"))
* (c)	Third Amendment to the A. H. Belo Savings Plan effective March 31, 2009 (Exhibit 10.2 to the April 2, 2009 Form 8 -K)
* (d)	Fourth Amendment to the A. H. Belo Savings Plan dated September 10, 2009 (Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 10, 2009 (Securities and Exchange Commission File No. 001-33741))
~(2) *	A. H. Belo Corporation 2008 Incentive Compensation Plan (Exhibit 10.5 to the February 12, 2008 Form 8 -K)
* (a)	First Amendment to A. H. Belo 2008 Incentive Compensation Plan effective July 23, 2008 (Exhibit 10.2(2)(a) to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 14, 2008 (Securities and Exchange Commission File No. 001-33741))
* (b)	Form of A. H. Belo 2008 Incentive Compensation Plan Non -Employee Director Evidence of Grant (for Non -Employee Director Awards) (Exhibit 10.2(2)(b) to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 13, 2010 (Securities and Exchange Commission File No. 001 -33741) (the "1st Quarter 2010 Form 10-Q"))
* (c)	Form of A. H. Belo 2008 Incentive Compensation Plan Evidence of Grant (for Employee Awards) (Exhibit 10.2(2)(c) to the 1st Quarter 2010 Form 10-Q)
* (d)	Form of A. H. Belo 2008 Incentive Compensation Plan Evidence of Grant (Exhibit 10.1 to A. H. Belo Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 12, 2012 (Securities and Exchange Commission File No. 001-33741) (the "March 12, 2012 Form 8-K"))
* (e)	Form of A. H. Belo Cash Long-Term Incentive Evidence of Grant (Exhibit 10.2 to the March 12, 2012 Form 8-K)
~(3) *	A. H. Belo Pension Transition Supplement Restoration Plan effective January 1, 2008 (Exhibit 10.6 to the February 12, 2008 Form 8-K)
* (a)	First Amendment to the A. H. Belo Pension Transition Supplement Restoration Plan dated March 31, 2009 (Exhibit 10.4 to the April 2, 2009 Form 8-K)
~(4) *	A. H. Belo Corporation Change In Control Severance Plan (Exhibit 10.7 to the February 12, 2008 Form 8 -K)
* (a)	Amendment to the A. H. Belo Change in Control Severance Plan dated March 31, 2009 (Exhibit 10.3 to the April 2, 2009 Form 8-K)
~(5) *	Robert W. Dechard Compensation Arrangements dated June 19, 2013 (Exhibit 10.1 to the June 19, 2013 Form 8-K)

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Exhibit Number	Description
10.3	Agreements relating to the Distribution of A. H. Belo:
(1)	* Tax Matters Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008 (Exhibit 10.1 to the February 12, 2008 Form 8-K)
	* (a) First Amendment to Tax Matters Agreement by and between Belo Corp. and A. H. Belo Corporation dated September 14, 2009 (Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 15, 2009 (Securities and Exchange Commission file No. 00 -00371))
(2)	* Employee Matters Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008 (Exhibit 10.2 to the February 12, 2008 Form 8-K)
	* (a) Amendment to Employee Matters Agreement as set forth in the Pension Plan Transfer Agreement dated as of October 6, 2010 (Exhibit 10.1 to the Company's Report on Form 8-K filed with the Securities and Exchange Commission on October 8, 2010 (Securities and Exchange Commission File No. 001 -33741)) (the "October 8, 2010 Form 8-K")
(3)	* Services Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008 (Exhibit 10.3 to the February 12, 2008 Form 8-K)
(4)	* Separation and Distribution Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008 (Exhibit 2.1 to the February 12, 2008 Form 8-K)
(5)	* Pension Plan Transfer Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of October 6, 2010 (Exhibit 10.1 to the Company's current Report on Form 8-K filed with the Securities and Exchange Commission (October 8, 2010 Form 8-K))
(6)	* Agreement among the Company, Belo Corp., and The Pension Benefit Guaranty Corporation, effective March 9, 2011 (Exhibit 10.3(6) to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 11, 2011 (Securities and Exchange Commission File No. 001 -33741))
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes -Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes -Oxley Act of 2002
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	** XBRL Instance Document
101.SCH	** XBRL Taxonomy Extension Schema
101.CAL	** XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	** XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	** XBRL Taxonomy Extension Label Linkbase Document
101.PRE	** XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

A. H. BELO CORPORATION

By: /s/ Alison K. Engel
Alison K. Engel
Senior Vice President/Chief Financial Officer
(Principal Financial Officer)

Date: November 13, 2013

By: /s/ Michael N. Lavey
Michael N. Lavey
Vice President/Controller
(Principal Accounting Officer)

Date: November 13, 2013

EXHIBIT INDEX

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes -Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes -Oxley Act of 2002
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	** XBRL Instance Document
101.SCH	** XBRL Taxonomy Extension Schema
101.CAL	** XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	** XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	** XBRL Taxonomy Extension Label Linkbase Document
101.PRE	** XBRL Taxonomy Extension Presentation Linkbase Document

In accordance with Regulation S-T, the XBRL-related information marked with a double asterisk (**) in Exhibit No. 101 to this Quarterly Report on Form 10-Q is deemed filed.

SECTION 302 CERTIFICATION

I, James M. Moroney III, Chairman of the Board, President and Chief Executive Officer of A. H. Belo Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of A. H. Belo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ James M. Moroney III

James M. Moroney III

Chairman of the Board, President and Chief Executive Officer

Date: November 13, 2013

SECTION 302 CERTIFICATION

I, Alison K. Engel, Senior Vice President/Chief Financial Officer of A. H. Belo Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of A. H. Belo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Alison K. Engel

Alison K. Engel

Senior Vice President/Chief Financial Officer

Date: November 13, 2013

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of A. H. Belo Corporation (the "Company") on Form 10-Q for the period ended September 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, James M. Moroney III, Chairman of the Board, President and Chief Executive Officer of the Company, and Alison K. Engel, Senior Vice President/Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ James M. Moroney III
James M. Moroney III
Chairman of the Board, President and Chief Executive Officer

Date: November 13, 2013

By: /s/ Alison K. Engel
Alison K. Engel
Senior Vice President/Chief Financial Officer

Date: November 13, 2013

