

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1999-08-09** | Period of Report: **1999-06-30**

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FILER

BELO A H CORP

CIK: **356080** | IRS No.: **750135890** | State of Incorporation: **DE** | Fiscal Year End: **1231**

Type: **10-Q** | Act: **34** | File No.: **002-74702** | Film No.: **99681238**

SIC: **2711** Newspapers: publishing or publishing & printing

Mailing Address
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DALLAS TX 75265

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED: JUNE 30, 1999

OR

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

COMMISSION FILE NO. 1-8598

A. H. BELO CORPORATION
(Exact name of registrant as specified in its charter)

<TABLE>

<S>

DELAWARE
(State or other jurisdiction of
incorporation or organization)

<C>

75-0135890
(I.R.S. employer
identification no.)

P.O. BOX 655237
DALLAS, TEXAS
(Address of principal executive offices)

75265-5237
(Zip code)

</TABLE>

Registrant's telephone number, including area code: (214) 977-6606

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 X NO
--- ---

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

<TABLE>

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CLASS

<C>

OUTSTANDING AT JULY 31, 1999

Common Stock, \$1.67 par value

*118,325,546

</TABLE>

* Consisting of 99,285,026 shares of Series A Common Stock and 19,040,520
shares of Series B Common Stock.

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

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF EARNINGS

A. H. Belo Corporation and Subsidiaries

<TABLE>

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	Three months ended June 30,		Six months ended June 30,	
In thousands, except per share amounts (unaudited)	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
NET OPERATING REVENUES				
Broadcast	\$158,063	\$ 159,643	\$ 289,448	\$ 292,528
Newspaper publishing	205,977	200,790	398,450	391,159
Other	2,862	2,338	5,624	4,721
Total net operating revenues	366,902	362,771	693,522	688,408
OPERATING COSTS AND EXPENSES				
Salaries, wages and employee benefits	118,217	112,710	233,978	225,491
Other production, distribution and operating costs	85,396	83,968	164,892	163,341
Newsprint, ink and other supplies	40,672	43,250	81,822	85,078
Depreciation	22,353	21,551	44,630	42,969
Amortization	18,864	18,703	37,559	37,347
Total operating costs and expenses	285,502	280,182	562,881	554,226
Earnings from operations	81,400	82,589	130,641	134,182
OTHER INCOME AND EXPENSE				
Interest expense	(26,282)	(27,363)	(52,852)	(54,597)
Gain on sale of KXTV	50,312	--	50,312	--
Other, net	1,587	850	2,804	2,122
Total other income and expense	25,617	(26,513)	264	(52,475)
EARNINGS				
Earnings before income taxes	107,017	56,076	130,905	81,707
Income taxes	27,254	26,253	38,552	38,249
Net earnings	\$ 79,763	\$ 29,823	\$ 92,353	\$ 43,458
NET EARNINGS PER SHARE				
Basic	\$.68	\$.24	\$.78	\$.35

Diluted	\$.67	\$.24	\$.78	\$.34
AVERAGE SHARES OUTSTANDING				
Basic	118,108	125,213	118,210	125,023
Diluted	119,289	126,874	119,143	126,822
CASH DIVIDENDS DECLARED PER SHARE	\$.06	\$.06	\$.12	\$.12

</TABLE>

See accompanying Notes to Consolidated Condensed Financial Statements.

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CONSOLIDATED CONDENSED BALANCE SHEETS
A. H. Belo Corporation and Subsidiaries

<TABLE>
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In thousands, except share and per share data (Current year unaudited)	June 30, 1999	December 31, 1998
---	------------------	----------------------

<S>

ASSETS

<C>

<C>

Current assets:

Cash and temporary cash investments	\$ 29,495	\$ 19,451
Accounts receivable, net	214,662	211,428
Other current assets	55,277	44,902

Total current assets	299,434	275,781
----------------------	---------	---------

Property, plant and equipment, net	638,453	626,753
Intangible assets, net	2,611,773	2,543,143
Other assets	86,397	93,412

Total assets	\$ 3,636,057	\$ 3,539,089
--------------	--------------	--------------

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 42,995	\$ 56,044
Accrued expenses	81,305	84,026
Other current liabilities	56,320	40,678

Total current liabilities	180,620	180,748
---------------------------	---------	---------

Long-term debt	1,660,778	1,634,029
Deferred income taxes	428,743	439,240
Other liabilities	52,151	36,972

Shareholders' equity:

Preferred stock, \$1.00 par value. Authorized 5,000,000 shares; none issued.		
Common stock, \$1.67 par value. Authorized 450,000,000 shares:		
Series A: Issued 99,248,675 shares at June 30, 1999 and 100,028,891 shares at December 31, 1998	165,745	167,048
Series B: Issued 19,022,417 shares at June 30, 1999 and 18,896,263 shares at December 31, 1998	31,767	31,557
Additional paid-in capital	879,468	879,856
Retained earnings	236,785	169,639

Total shareholders' equity	1,313,765	1,248,100
----------------------------	-----------	-----------

Total liabilities and shareholders' equity	\$ 3,636,057	\$ 3,539,089
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</TABLE>

See accompanying Notes to Consolidated Condensed Financial Statements.

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
A. H. Belo Corporation and Subsidiaries

<TABLE>
<CAPTION>

Six months ended June 30,		
In thousands (unaudited)	1999	1998
<S>	<C>	<C>
OPERATIONS		
Net earnings	\$ 92,353	\$ 43,458
Adjustments to reconcile net earnings to net cash provided by operations:		
Net gain on sale of KXTV	(48,981)	--
Depreciation and amortization	82,189	80,316
Deferred income taxes	(605)	(2,102)
Other, net	6,019	7,727
Net change in current assets and liabilities:		
Accounts receivable	(2,304)	4,738
Other current assets	164	(2,593)
Accounts payable	(16,741)	(13,699)
Accrued expenses	(4,051)	(22,645)
Other current liabilities	8,261	(10,598)
Net cash provided by operations	116,304	84,602
INVESTING		
Acquisitions	(64,151)	--
Capital expenditures	(47,173)	(31,708)
Other, net	6,875	(4,440)
Net cash used for investing	(104,449)	(36,148)
FINANCING		
Borrowings for acquisitions	64,151	--
Purchase of treasury shares	(21,793)	--
Net payments on debt	(33,745)	(27,333)
Payment of dividends on stock	(14,190)	(15,003)
Net proceeds from exercise of stock options	3,766	7,176
Net cash used for financing	(1,811)	(35,160)
Net increase in cash and temporary cash investments	10,044	13,294
Cash and temporary cash investments at beginning of period	19,451	11,852
Cash and temporary cash investments at end of period	\$ 29,495	\$ 25,146
SUPPLEMENTAL DISCLOSURES		
Interest paid, net of amounts capitalized	\$ 53,701	\$ 55,609
Income taxes paid, net of refunds	\$ 26,282	\$ 52,576
KXTV/KVUE asset exchange	\$ 112,098	\$ --

</TABLE>

See accompanying Notes to Consolidated Condensed Financial Statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
A. H. Belo Corporation and Subsidiaries

- (1) The accompanying unaudited consolidated condensed financial statements of A. H. Belo Corporation and subsidiaries (the "Company" or "Belo") have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six-month periods ended June 30, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1998.

(2) The Company had total comprehensive income for the three and six months ended June 30, 1998 of \$28,177 and \$42,468, respectively. During 1998, Belo either sold or donated all of its available-for-sale securities; therefore, total comprehensive income for the three and six months ended June 30, 1999 is equivalent to net earnings.

(3) The following table sets forth the reconciliation between weighted average shares used for calculating basic and diluted earnings per share for the three and six months ended June 30, 1999 and 1998 (in thousands):

</TABLE>

On June 30, 1999, Belo acquired Denton Publishing Company, publisher of the Denton Record-Chronicle and two free-distribution newspapers. The acquisition will be accounted for as a purchase. Pending a final purchase price allocation, the acquisition price is included in other assets at June 30, 1999.

(5) Net operating revenues, earnings from operations, depreciation and amortization and operating cash flow by industry segment are shown below. Operating cash flow is defined as earnings from operations plus depreciation and amortization. Operating cash flow is used in the

broadcast and publishing industries to analyze and compare companies on the basis of operating performance, leverage and liquidity. However, operating cash flow should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

<TABLE>

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		Three months ended June 30,		Six months ended June 30,	
In thousands		1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>
NET OPERATING REVENUES					
Broadcast		\$ 158,063	\$ 159,643	\$ 289,448	\$ 292,528
Newspaper publishing		205,977	200,790	398,450	391,159
Other		2,862	2,338	5,624	4,721
Total net operating revenues		\$ 366,902	\$ 362,771	\$ 693,522	\$ 688,408
EARNINGS FROM OPERATIONS					
Broadcast		\$ 45,137	\$ 47,991	\$ 65,113	\$ 71,633
Newspaper publishing		48,699	44,043	88,148	83,229
Other		(1,947)	(763)	(3,665)	(1,860)
Corporate expenses		(10,489)	(8,682)	(18,955)	(18,820)
Total earnings from operations		\$ 81,400	\$ 82,589	\$ 130,641	\$ 134,182
DEPRECIATION AND AMORTIZATION					
Broadcast		\$ 25,990	\$ 24,998	\$ 51,779	\$ 49,969
Newspaper publishing		13,724	14,427	27,409	28,769
Other		666	245	1,331	501
Corporate		837	584	1,670	1,077
Total depreciation and amortization		\$ 41,217	\$ 40,254	\$ 82,189	\$ 80,316
OPERATING CASH FLOW					
Broadcast		\$ 71,127	\$ 72,989	\$ 116,892	\$ 121,602
Newspaper publishing		62,423	58,470	115,557	111,998
Other		(1,281)	(518)	(2,334)	(1,359)
Corporate		(9,652)	(8,098)	(17,285)	(17,743)
Total operating cash flow		\$ 122,617	\$ 122,843	\$ 212,830	\$ 214,498

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (DOLLARS IN THOUSANDS)

The Company is the owner and operator of 17 network-affiliated television stations and publisher of seven daily newspapers. The following table sets forth Belo's major media assets by segment as of June 30, 1999:

<TABLE>

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BROADCAST					
MARKET	MARKET RANK (a)	STATION	NETWORK AFFILIATION	STATUS	ACQUIRED
<S>	<C>	<C>	<C>	<C>	<C>
Dallas/Fort Worth	7	WFAA	ABC	Owned	March 1950
Houston	11	KHOU	CBS	Owned	February 1984
Seattle/Tacoma	12	KING	NBC	Owned	February 1997
Seattle/Tacoma	12	KONG	IND	LMA	February 1997
St. Louis	21	KMOV	CBS	Owned	June 1997
Portland	23	KGW	NBC	Owned	February 1997
Charlotte	28	WCNC	NBC	Owned	February 1997
San Antonio	37	KENS	CBS	Owned	October 1997
Hampton/Norfolk	40	WVEC	ABC	Owned	February 1984
New Orleans	41	WWL	CBS	Owned	June 1994

Louisville	48	WHAS	ABC	Owned	February 1997
Albuquerque (b)	49	KASA	FOX	Owned	February 1997
Tulsa	59	KOTV	CBS	Owned	February 1984
Austin	60	KVUE	ABC	Owned	June 1999
Honolulu (b)	71	KHNL	NBC	Owned	February 1997
Honolulu (b) (c)	71	KFVE	UPN/WB	LMA	February 1997
Spokane	72	KREM	CBS	Owned	February 1997
Spokane (c)	72	KSKN	UPN/WB	LMA	February 1997
Tucson	78	KMSB	FOX	Owned	February 1997
Tucson	78	KTTU	UPN	LMA	February 1997
Boise	125	KTVB	NBC	Owned	February 1997

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NEWSPAPER PUBLISHING

NEWSPAPER	LOCATION	ACQUIRED	DAILY CIRCULATION (d)	SUNDAY CIRCULATION (d)
<S>	<C>	<C>	<C>	<C>
The Dallas Morning News ("TDMN")	Dallas, TX	(e)	513,544	775,493
The Providence Journal ("PJ")	Providence, RI	February 1997	164,626	237,786
The Press-Enterprise ("PE")	Riverside, CA	July 1997	166,418	172,798
Messenger-Inquirer	Owensboro, KY	January 1996	32,022	35,014
The Eagle	Bryan-College Station, TX	December 1995	23,994	28,839
Denton Record-Chronicle (d)	Denton, TX	June 1999	15,843	19,005
The Gleaner	Henderson, KY	March 1997	11,302	13,069

</TABLE>

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<TABLE>
<CAPTION>

OTHER

COMPANY	DESCRIPTION
<S>	<C>
Northwest Cable News ("NWCN")	Cable news network distributed to approximately 2 million homes
Texas Cable News ("TXCN")	Cable news network offering regional news in Texas

</TABLE>

- Market rank is based on the relative size of the television market or Designated Market Area ("DMA") among the 211 generally recognized DMA's in the United States, based on May 1999 Nielsen estimates.
- The Company has announced an agreement to sell KASA (FOX) in Albuquerque, New Mexico and KHNL (NBC) in Honolulu, Hawaii, along with its rights to operate KFVE (UPN) in Honolulu under a local marketing agreement, for \$88 million in cash.
- The primary affiliation is with UPN. The WB network is currently a secondary affiliation.
- Average paid circulation for the six months ended March 31, 1999, according to the Audit Bureau of Circulation's FAS-FAX report, except for the Denton Record-Chronicle, for which circulation data is taken from the Certified Audit of Circulations Report for the twelve month period ended December 31, 1998.
- The first issue of The Dallas Morning News was published October 1, 1885.

RESULTS OF OPERATIONS

Net earnings for the three and six months ended June 30, 1999 were \$79,763 (67 cents per share) and \$92,353 (78 cents per share), respectively. These results include a second quarter net gain of \$48,981 on the exchange of KXTV (the ABC affiliate in Sacramento, California) plus certain cash consideration, for KVUE-TV (the ABC affiliate in Austin, Texas). Excluding this gain, results of operations for the second quarter and year-to-date 1999 were \$30,782 (26 cents per share) and \$43,372 (36 cents per share), respectively. Results for the comparable periods of 1998 were \$29,823 (24 cents per share) and \$43,458 (34 cents per share), respectively.

Broadcast

Broadcast revenues for the second quarter of 1999 were \$158,063, a decrease of 1 percent compared with second quarter 1998 revenues of \$159,643. Year-to-date broadcast revenues were down 1.1 percent from \$292,528 in 1998 to \$289,448 in the current year. Advertising revenues in 1998 were influenced by the broadcast of the Super Bowl on Belo's five NBC television stations and the Winter Olympics on Belo's six CBS television stations. Political advertising was higher in 1998 for both the three and six-month periods as well. In 1999, local advertising revenues increased 10.3 percent and 9.2 percent for the quarter and year-to-date periods, respectively, with the most significant improvements in the Dallas/Fort Worth and Seattle/Tacoma markets. National advertising revenues decreased 9.9 and 9.3 percent for the quarter and year-to-date periods of 1999, respectively, compared with 1998, due to declines in nearly all major Belo markets, most significantly in Dallas/Fort Worth, Seattle/Tacoma, Portland and Houston. On a pro forma basis, which assumes the KVUE/KXTV transaction took place on January 1, 1998, revenues were up .1 percent and down .5 percent for the quarter and year-to-date periods, respectively.

Broadcast operating cash flow margins for the three and six-month periods of 1999 were 45 percent and 40.4 percent, respectively, and 45.7 percent and 41.6 percent for the comparable periods in 1998. Broadcast operating cash flow for the quarter of \$71,127 was 2.6 percent lower than last year's second quarter operating cash flow of \$72,989. Year-to-date broadcast operating cash flow in 1999 was \$116,892, or 3.9 percent lower when compared with \$121,602 in 1998. Before considering the KVUE/KXTV transaction, cash expenses were up .3 percent for the quarter and 1 percent year-to-date. Contributing to the increase were higher programming, outside services and advertising and promotion expenses, offset somewhat by lower communications expense and lower compensation and benefits as a result of last year's early retirement offer and other employee reduction initiatives. On a pro forma basis, excluding KXTV and including KVUE-TV, cash expenses were up 2 percent and 2.2 percent, respectively, and operating cash flow was down 2 percent and 4 percent, respectively.

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Newspaper Publishing

Second quarter 1999 revenues for newspaper publishing were \$205,977, or 2.6 percent higher than second quarter 1998 revenues of \$200,790. Newspaper publishing year-to-date revenues in 1999 were \$398,450 or 1.9 percent better than 1998 year-to-date revenues of \$391,159.

Revenues at TDMN were up slightly in second quarter 1999 when compared with second quarter 1998 and were flat year-over-year. In the three and six-month periods of 1999, gains from both higher average rates and increased volume resulted in higher general advertising revenues, while retail advertising revenues were flat in the second quarter and up slightly on a year-to-date basis, due to lower volumes and higher average rates than last year. Classified advertising revenue was down for both the three and six-month periods in 1999 due to lower classified employment advertising volumes. Higher volumes in automotive and real estate classified advertising partially offset the employment classified decline. Circulation revenues for the quarter were up approximately 4 percent and flat for the year-to-date period due primarily to an increase in second quarter 1999 average daily circulation and an increase in home delivery prices initiated in December 1998.

Revenues for PJ increased 2.7 percent for the quarter and 3 percent year-to-date as compared with 1998, with improvements in retail, general and classified advertising in both periods in 1999. The increase in classified advertising revenue was primarily due to employment advertising, which had both higher volume and average rates. The general advertising revenue increase was due to volume gains, primarily in automotive advertising, while the increase in retail advertising came almost entirely from higher average rates. Circulation revenues were down slightly for the second quarter of 1999 and flat on a year-to-date basis due to lower average daily and Sunday circulation volumes.

Total revenue for PE increased 9.3 percent for the quarter and 7.4 percent year-to-date. While retail advertising revenues for the quarter and year-to-date periods in 1999 were generally flat, higher volume in both general (from automotive and telecommunications advertising) and classified (employment and real estate) contributed to the significant revenue increases for PE.

Newspaper publishing operating cash flow margins for the three and six-month periods of 1999 were 30.3 percent and 29 percent, respectively. Newspaper publishing operating cash flow margins in 1998 were 29.1 percent and 28.6 percent for the three and six-month periods, respectively. Publishing operating

cash flow for the second quarter of 1999 was \$62,423 or 6.8 percent higher than second quarter 1998 operating cash flow of \$58,470. For the year-to-date periods, 1999 operating cash flow was \$115,557 or 3.2 percent better than 1998. Cash expenses were up .9 percent and 1.3 percent for the three and six-month periods ended June 30, 1999, respectively. While compensation and benefit costs were higher in 1999, newsprint expense was lower due to a decline in the average cost per metric ton of newsprint. Increases in distribution and outside services expenses were largely offset by savings in communications, travel and entertainment and supplies expenses.

Consolidated results

Depreciation expense was higher for the three and six-month periods of 1999 compared with 1998 due to prior year capital expenditures. Interest expense for the three and six-month periods of 1999 was lower than in 1998 due to lower weighted average interest rates on revolving debt.

Excluding the effect of the KVUE/KXTV exchange transaction, the effective tax rates for the three and six-month periods of 1999 were 45.7 percent and 46.2 percent, respectively, compared with a 46.8 percent rate for the comparable 1998 periods. The effective tax rates for the three and six-month periods of 1999 after consideration of the KVUE/KXTV transaction, were 25.5 percent and 29.5 percent, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operations, bank borrowings and term debt are the Company's primary sources of liquidity. During the first six months of 1999, net cash provided by operations was \$116,304, compared with \$84,602 for the same period in 1998. Working capital requirements for taxes, interest and bonus payments were lower in the first six months of 1999 than in 1998, contributing to the increase in cash provided by operations. Net cash provided by operations was sufficient to fund capital expenditures, share repurchases and common stock dividends. Total debt increased \$30,406 due to borrowings of \$64,151 to complete the acquisitions of KVUE-TV and Denton Publishing Company, partially offset by reductions in debt from cash provided by operations.

At June 30, 1999, the Company had \$1 billion in fixed-rate debt securities as follows: \$250,000 of 6-7/8% Senior Notes due 2002; \$300,000 of 7-1/8% Senior Notes due 2007; \$200,000 of 7-3/4% Senior Debentures due 2027; and \$250,000 of 7-1/4% Senior Debentures due 2027. The weighted average effective interest rate for the fixed-rate debt instruments is 7.3 percent. The Company also has \$500,000 available for issuance under a shelf registration statement filed in April of 1997. Future issuances of debt may be used to refinance variable-rate debt in whole or in part or for other corporate needs as determined by management.

At June 30, 1999, the Company had a \$1 billion variable-rate revolving credit agreement with a syndicate of 26 banks under which borrowings were \$620,000. The weighted average interest rate of these borrowings at June 30, 1999 was 5.3 percent. Borrowings under the agreement mature upon expiration of the agreement on August 29, 2002, with one year extensions possible through August 29, 2004, at the request of the Company and with the consent of the participating banks. In addition, the Company had \$25,000 of short-term unsecured notes outstanding at June 30, 1999. These borrowings may be converted at the Company's option to revolving debt. Accordingly, such borrowings are classified as long-term in the Company's financial statements. The Company is required to maintain certain financial ratios as of the end of each quarter, as defined in its revolving credit agreement. For the four quarters ended June 30, 1999, the Company's ratio of funded debt to pro forma operating cash flow, which is not to exceed 5.0, was 3.9. The Company's interest coverage ratio for the four quarters ended June 30, 1999 was 4 times compared with a minimum coverage requirement of 2.5 times.

The Company paid dividends in the first six months of 1999 of \$14,190 or 12 cents per share on its outstanding shares of common stock, compared with \$15,003 or 12 cents per share in 1998. The lower dividends in 1999 were due to the repurchase of 6,727,400 treasury shares during 1998. In addition, during the six months ended June 30, 1999, 1,187,300 shares were repurchased for an aggregate cost of \$21,793.

Year-to-date 1999 capital expenditures were \$47,173. Approximately \$16,000 of this amount represents the first installment payment of a new press at TDMN. The remaining expenditures were mainly for broadcast equipment purchases, including those for the conversion to digital television, and other publishing equipment purchases.

Other Matters

On July 2, 1999, the Company announced an agreement to acquire independent television station KTVK in Phoenix, Arizona, along with the rights to operate WB-affiliated KASW-TV in Phoenix through a local marketing agreement. In connection with the acquisition, the Company will also acquire a 50 percent interest in a cable news joint venture with Cox Cable. The acquisition price is \$315,000 in cash. Belo has also reached an agreement to sell KASA-TV (FOX) in Albuquerque, New Mexico, KHNL-TV (NBC) in Honolulu, Hawaii and the rights to operate KFVE-TV, also in Honolulu, for \$88,000 in cash. Belo currently expects to fund the net cash amount of these transactions with borrowings under its revolving credit agreement or other debt financing. Pending FCC and other regulatory approvals, these transactions are each expected to close in late third quarter or early fourth quarter of 1999.

The Company currently expects to realize a net gain of approximately \$29,000 from the pending sale of Falcon Communications, a cable system operator in which Belo has an investment. This transaction is expected to close in late 1999 or early 2000.

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Year 2000

The Company has performed an enterprise-wide evaluation to assess the ability of its information technology ("IT") and non-IT systems to function properly and execute transactions relating to the year 2000. The program includes the following phases: (1) project identification, (2) estimation of costs and target end dates, (3) system remediation or replacement, (4) testing, (5) integration, and (6) vendor compliance assessment. The Company has substantially completed the first two phases of the program. Active management of projects in all other phases is ongoing. All phases of the program are expected to be completed by December 31, 1999 or sooner.

The Company is in the process of replacing systems in the Publishing Division, including certain systems related to advertising, circulation and editorial applications. Those circulation and editorial applications not completed by the end of the second quarter are expected to be complete before the end of the third quarter of 1999. Classified advertising system replacements will be completed in the third and fourth quarters of 1999. Remediation and replacement of other systems in both the Publishing and Broadcast Divisions is also underway. The Company expects to remediate or replace these systems in a timely manner.

The Company's program includes testing of systems that have been corrected, upgraded or replaced and testing of applications and equipment identified as compliant. Once a system has been fully tested, it is integrated into the production environment. While testing provides assurance that individual applications of IT and non-IT systems will properly perform required functions in 2000, it is not possible to completely simulate the effect of Year 2000 requirements.

The vendor compliance assessment phase includes contacting significant third-party vendors in an effort to determine the state of their Year 2000 readiness. As are all businesses, Belo is dependent upon certain vendors and suppliers whose delivery of product or service is material to the production and distribution of the Company's products. Material vendors include, but are not limited to, utilities providers, telecommunications, news and content providers, television network and programming suppliers, and newsprint suppliers. The Company has initiated formal communications with its significant vendors and is monitoring responses and implementing additional follow-up measures as necessary. However, there can be no assurances that IT and non-IT systems of third parties upon which the Company may rely will be Year 2000 compliant in a timely manner, and therefore the Company could be adversely affected by failure of a significant third party to be Year 2000 compliant.

The Company believes the Year 2000 issues associated with its IT and non-IT systems will be mitigated by the implementation of previously planned system replacements. Costs associated with these system replacements have been included in the Company's capital plans and have been funded primarily with cash provided by operations. The Company has expensed \$3,200 in connection with its Year 2000 program through June 30, 1999, including \$2,800 expensed in 1997 and \$300 in 1998, and does not expect remaining Year 2000 expenses to be significant.

In terms of project counts (number of projects identified), the Company has completed in excess of 90 percent of its projects as of June 30, 1999.

The business risks to the Company for failure to achieve Year 2000 compliance vary, and depend upon the system and the business unit affected. While the Company believes its Year 2000 projects will be completed on a timely basis, failure to successfully complete significant portions of its Year 2000 program or failure by significant third parties to be Year 2000 compliant could have a material adverse effect on various phases of the Company's newspaper and broadcasting operations, and therefore, on its operating results and financial condition.

The Company is in the process of adopting contingency plans for its broadcast and publishing operating units.

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Forward-Looking Statements

Statements in this Form 10-Q concerning the Company's future financings, pending acquisitions and dispositions, and the Year 2000, as well as any other statements concerning the Company's business outlook or future economic performance, anticipated profitability, revenues, expenses, cash flows or 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, continuing internal and external Year 2000-related developments, and other factors such as changes in advertising demand, interest rates and newsprint prices; technological changes; development of Internet commerce; industry cycles; changes in pricing or other actions by competitors and suppliers; regulatory changes; the effects of Company acquisitions and dispositions; and general economic conditions, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission ("SEC"), including the Annual Report on Form 10-K and in the Company's periodic press releases.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

No disclosure required.

PART II.

ITEM 1. LEGAL PROCEEDINGS

A number of legal proceedings are pending against the Company, including several actions for alleged libel. In the opinion of management, liabilities, if any, arising from these actions would not have a material adverse effect on the results of operations, liquidity or financial position of the Company.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of the Shareholders was held on May 12, 1999. All nominees standing for election as directors were elected. The following chart indicates the number of votes cast with respect to each nominee for director:

<TABLE>
<CAPTION>

Nominee	For	Withheld	Abstain	Broker Non-Votes
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
John W. Bassett, Jr.	262,849,424	918,780	---	---
Robert W. Decherd	262,807,391	960,813	---	---
Burl Osborne	262,739,606	1,028,598	---	---
J. McDonald Williams	262,835,477	932,727	---	---

</TABLE>

No other matters were submitted to a vote of security holders at the Annual Meeting.

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ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibits marked with an asterisk (*) are incorporated by reference to documents previously filed by the Company with the Securities and Exchange Commission, as indicated. Exhibits marked with a tilde (~) are management contracts or compensatory plan contracts or arrangements filed pursuant to Item 601 (b) (10) (iii) (A) of Regulation S-K. All other documents are filed with this report.

EXHIBIT NUMBER -----		DESCRIPTION -----
3.1	*	Certificate of Incorporation of the Company (Exhibit 3.1 to the Company's Amended Annual Report on Form 10-K/A dated April 8, 1996 (the "1995 Form 10-K/A"))
3.2	*	Certificate of Correction to Certificate of Incorporation dated May 13, 1987 (Exhibit 3.2 to the 1995 Form 10-K/A)
3.3	*	Certificate of Designation of Series A Junior Participating Preferred Stock of the Company dated April 16, 1987 (Exhibit 3.3 to the 1995 Form 10-K/A)
3.4	*	Certificate of Amendment of Certificate of Incorporation of the Company dated May 4, 1988 (Exhibit 3.4 to the 1995 Form 10-K/A)
3.5	*	Certificate of Amendment of Certificate of Incorporation of the Company dated May 3, 1995 (Exhibit 3.5 to the Company's Annual Report on Form 10-K dated February 28, 1996 (the "1995 Form 10-K"))
3.6	*	Certificate of Amendment of Certificate of Incorporation of the Company dated May 15, 1998 (Exhibit 3.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 (the "2nd Quarter 1998 Form 10-Q"))
3.7	*	Amended Certificate of Designation of Series A Junior Participating Preferred Stock of the Company dated May 4, 1988 (Exhibit 3.6 to the 1995 Form 10-K/A)
3.8	*	Certificate of Designation of Series B Common Stock of the Company dated May 4, 1988 (Exhibit 3.7 to the 1995 Form 10-K/A)
3.9	*	Amended and Restated Bylaws of the Company, effective September 18, 1998 (Exhibit 3.9 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998)
4.1	*	Certain rights of the holders of the Company's Common Stock are set forth in Exhibits 3.1-3.9 above
4.2	*	Specimen Form of Certificate representing shares of the Company's Series A Common Stock (Exhibit 4.2 to the Company's Annual Report on Form 10-K dated March 18, 1998 (the "1997 Form 10-K"))
4.3	*	Specimen Form of Certificate representing shares of the Company's Series B Common Stock (Exhibit 4.3 to the 1997 Form 10-K)

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EXHIBIT

NUMBER -----	DESCRIPTION -----
4.4	* Amended and Restated Form of Rights Agreement as of February 28, 1996 between the Company and Chemical Mellon Shareholder Services, L.L.C., a New York banking corporation (Exhibit 4.4 to the 1995 Form 10-K)
4.5	* Supplement No. 1 to Amended and Restated Rights Agreement between the Company and The First National Bank of Boston dated as of November 11, 1996 (Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996)
4.6	Instruments defining rights of debt securities:
(1)	* Indenture dated as of June 1, 1997 between the Company and The Chase Manhattan Bank, as Trustee (Exhibit 4.6(1) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997 (the "2nd Quarter 1997 Form 10-Q"))
(2)	* (a) \$200 million 6-7/8% Senior Note due 2002 (Exhibit 4.6 (2) (a) to the 2nd Quarter 1997 Form 10-Q)
	* (b) \$50 million 6-7/8% Senior Note due 2002 (Exhibit 4.6 (2) (b) to the 2nd Quarter 1997 Form 10-Q)
(3)	* (a) \$200 million 7-1/8% Senior Note due 2007 (Exhibit 4.6 (3) (a) to the 2nd Quarter 1997 Form 10-Q)
	* (b) \$100 million 7-1/8% Senior Note due 2007 (Exhibit 4.6 (3) (b) to the 2nd Quarter 1997 Form 10-Q)
(4)	* \$200 million 7-3/4% Senior Debenture due 2027 (Exhibit 4.6 (4) to the 2nd Quarter 1997 Form 10-Q)
(5)	* Officer's Certificate dated June 13, 1997 establishing terms of debt securities pursuant to Section 3.1 of the Indenture (Exhibit 4.6 (5) to the 2nd Quarter 1997 Form 10-Q)
(6)	* (a) \$200 million 7-1/4% Senior Debenture due 2027 (Exhibit 4.6 (6) (a) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997 (the "3rd Quarter 1997 Form 10-Q"))
	* (b) \$50 million 7-1/4% Senior Debenture due 2027 (Exhibit 4.6 (6) (b) to the 3rd Quarter 1997 Form 10-Q)
(7)	* Officer's Certificate dated September 26, 1997 establishing terms of debt securities pursuant to Section 3.1 of the Indenture (Exhibit 4.6 (7) to the 3rd Quarter 1997 Form 10-Q)
10.1	Contracts relating to television broadcasting:
(1)	* Form of Agreement for Affiliation between WFAA-TV in Dallas, Texas and ABC (Exhibit 10.1 (1) to the 1995 Form 10-K/A)

16 EXHIBIT NUMBER -----	DESCRIPTION -----
10.2	Financing agreements:
(1)	* Amended and Restated Credit Agreement (Five-year \$1,000,000,000 revolving credit and competitive advance facility dated as of August 29, 1997 among the Company and The Chase Manhattan Bank, as Administrative Agent and Competitive Advance Facility Agent, Bank of America National Trust and Savings Association and Bank of Tokyo-Mitsubishi, Ltd. as Co-Syndication Agents, and NationsBank as Documentation Agent) (Exhibit 10.2(1) to the 3rd Quarter 1997 Form 10-Q)
10.3	Compensatory plans:
~(1)	The A. H. Belo Corporation Employee Savings and Investment Plan:

- * (a) The A. H. Belo Corporation Employee Savings and Investment Plan Amended and Restated January 1, 1998 (Exhibit 10.3(1)(a) to the 1997 Form 10-K)
 - * (b) First Amendment to A. H. Belo Corporation Employee Savings and Investment Plan (Exhibit 10.3(1)(b) to the Company's Annual Report on Form 10-K dated March 17, 1999 (the "1998 Form 10-K"))
 - * (c) Second Amendment to A. H. Belo Corporation Employee Savings and Investment Plan (Exhibit 10.3(1)(c) to the 1998 Form 10-K)
 - (d) Third Amendment to A. H. Belo Corporation Employee Savings and Investment Plan
 - * (e) Restated Master Trust Agreement between the Company and Fidelity Management Trust Company, as restated and dated March 13, 1998 (Exhibit 10.3(1)(b) to the 1997 Form 10-K)
- ~(2) The A. H. Belo Corporation 1986 Long-Term Incentive Plan:
- * (a) The A. H. Belo Corporation 1986 Long-Term Incentive Plan (Effective May 3, 1989, as amended by Amendments 1, 2, 3, 4, and 5) (Exhibit 10.3 (2) to the Company's Annual Report on Form 10-K dated March 10, 1997 (the "1996 Form 10-K"))
 - * (b) Amendment No. 6 to 1986 Long-Term Incentive Plan (Exhibit 10.3 (2)(b) to the 1997 Form 10-K)
 - * (c) Amendment No. 7 to 1986 Long-Term Incentive Plan (Exhibit 10.3(9) to the 1995 Form 10-K)
 - * (d) Amendment No. 8 to 1986 Long-Term Incentive Plan (Exhibit 10.3(2)(d) to the 2nd Quarter 1998 Form 10-Q)
- ~(3) * A. H. Belo Corporation 1995 Executive Compensation Plan as restated to incorporate amendments through December 4, 1997 (Exhibit 10.3 (3) to the 1997 Form 10-K)
- * (a) Amendment to 1995 Executive Compensation Plan, dated July 21, 1998 (Exhibit 10.3(3)(a) to the 2nd Quarter 1998 Form 10-Q)
- ~(4) * Management Security Plan (Exhibit 10.3 (1) to the 1996 Form 10-K)
- ~(5) A. H. Belo Corporation Supplemental Executive Retirement Plan:
- * (a) A. H. Belo Corporation Supplemental Executive Retirement Plan (Exhibit 10.3(27) to the Company's Annual Report on Form 10-K dated March 18, 1994 (the "1993 Form 10-K"))
 - * (b) Trust Agreement dated February 28, 1994, between the Company and Mellon Bank, N.A. (Exhibit 10.3(28) to the 1993 Form 10-K)

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17 EXHIBIT NUMBER -----	DESCRIPTION -----
12	Ratio of Earnings to Fixed Charges
27	Financial Data Schedule
(b)	Reports on Form 8-K

During the quarter covered by this report, there were no reports on Form 8-K filed.

SIGNATURES

Pursuant to the requirements 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

August 9, 1999

By:/s/ DUNIA A. SHIVE

Dunia A. Shive
Senior Vice President and
Chief Financial Officer

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EXHIBIT INDEX

<TABLE> <CAPTION>		SEQUENTIAL PAGE NUMBER
EXHIBIT NUMBER	DESCRIPTION	
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<S>	<C>	<C>
3.1	Certificate of Incorporation of the Company (Exhibit 3.1 to the Company's Amended Annual Report on Form 10-K/A dated April 8, 1996 (the "1995 Form 10-K/A"))	N/A
3.2	Certificate of Correction to Certificate of Incorporation dated May 13, 1987 (Exhibit 3.2 to the 1995 Form 10-K/A)	N/A
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock of the Company dated April 16, 1987 (Exhibit 3.3 to the 1995 Form 10-K/A)	N/A
3.4	Certificate of Amendment of Certificate of Incorporation of the Company dated May 4, 1988 (Exhibit 3.4 to the 1995 Form 10-K/A)	N/A
3.5	Certificate of Amendment of Certificate of Incorporation of the Company dated May 3, 1995 (Exhibit 3.5 to the Company's Annual Report on Form 10-K dated February 28, 1996 (the "1995 Form 10-K"))	N/A
3.6	Certificate of Amendment of Certificate of Incorporation of the Company dated May 15, 1998 (Exhibit 3.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 (the "2nd Quarter 1998 Form 10-Q"))	N/A
3.7	Amended Certificate of Designation of Series A Junior Participating Preferred Stock of the Company dated May 4, 1988 (Exhibit 3.6 to the 1995 Form 10-K/A)	N/A
3.8	Certificate of Designation of Series B Common Stock of the Company dated May 4, 1995 Form 10-K/A)	N/A
3.9	Amended and Restated Bylaws of the Company, effective September 18, 1998 (Exhibit 3.9 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998)	N/A
4.1	Certain rights of the holders of the Company's Common Stock are set forth in Exhibits 3.1-3.9 above.	N/A
4.2	Specimen Form of Certificate representing shares of the Company's Series A Common Stock (Exhibit 4.2 to the Company's Annual Report on Form 10-K dated March 18, 1998 (the "1997 Form 10-K"))	N/A
4.3	Specimen Form of Certificate representing shares of the Company's Series B Common Stock (Exhibit 4.3 to the 1997 Form 10-K)	N/A
4.4	Amended and Restated Form of Rights Agreement as of February 28, 1996 between the Company and Chemical Mellon Shareholder Services, L.L.C., a New York banking corporation (Exhibit 4.4 to the 1995 Form 10-K)	N/A
4.5	Supplement No. 1 to Amended and Restated Rights Agreement between the Company and The First National Bank of Boston dated as of November 11, 1996 (Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996)	N/A
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E-1

19

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EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIAL PAGE NUMBER -----
<S>	<C>	<C>
4.6	Instruments defining rights of debt securities:	
	(1) Indenture dated as of June 1, 1997 between the Company and The Chase Manhattan Bank, as Trustee (Exhibit 4.6(1) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997 (the "2nd Quarter 1997 Form 10-Q"))	N/A
	(2) (a) \$200 million 6-7/8% Senior Note due 2002 (Exhibit 4.6 (2) (a) to the 2nd Quarter 1997 Form 10-Q)	N/A
	(b) \$50 million 6-7/8% Senior Note due 2002 (Exhibit 4.6 (2) (b) to the 2nd Quarter 1997 Form 10-Q)	N/A
	(3) (a) \$200 million 7-1/8% Senior Note due 2007 (Exhibit 4.6 (3) (a) to the 2nd Quarter 1997 Form 10-Q)	N/A
	(b) \$100 million 7-1/8% Senior Note due 2007 (Exhibit 4.6 (3) (b) to the 2nd Quarter 1997 Form 10-Q)	N/A
	(4) \$200 million 7-3/4% Senior Debenture due 2027 (Exhibit 4.6 (4) to the 2nd Quarter 1997 Form 10-Q)	N/A
	(5) Officer's Certificate dated June 13, 1997 establishing terms of debt securities pursuant to Section 3.1 of the Indenture (Exhibit 4.6 (5) to the 2nd Quarter 1997 Form 10-Q)	N/A
	(6) (a) \$200 million 7-1/4% Senior Debenture due 2027 (Exhibit 4.6 (6) (a) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997 (the "3rd Quarter 1997 Form 10-Q"))	N/A
	(b) \$50 million 7-1/4% Senior Debenture due 2027 (Exhibit 4.6 (6) (b) to the 3rd Quarter 1997 Form 10-Q)	N/A
	(7) Officer's Certificate dated September 26, 1997 establishing terms of debt securities pursuant to Section 3.1 of the Indenture (Exhibit 4.6 (7) to the 3rd Quarter 1997 Form 10-Q)	N/A
10.1	Contracts relating to television broadcasting:	
	(1) Form of Agreement for Affiliation between WFAA-TV in Dallas, Texas and ABC (Exhibit 10.1 (1) to the 1995 Form 10-K/A)	N/A
10.2	Financing agreements:	
	(1) Amended and Restated Credit Agreement (Five-year \$1,000,000,000 revolving credit and competitive advance facility dated as of August 29, 1997 among the Company and The Chase Manhattan Bank, as Administrative Agent and Competitive Advance Facility Agent, Bank of America National Trust and Savings Association and Bank of Tokyo-Mitsubishi, Ltd. as Co-Syndication Agents, and NationsBank as Documentation Agent) (Exhibit 10.2 (1) to the 3rd Quarter 1997 Form 10-Q)	N/A

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E-2

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EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIAL PAGE NUMBER -----
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10.3	Compensatory plans:	
	(1) The A. H. Belo Corporation Employee Savings and Investment Plan:	
	(a) The A. H. Belo Corporation Employee Savings and Investment Plan Amended and Restated January 1, 1998 (Exhibit 10.3(1) (a) to the 1997 Form 10-K)	N/A
	(b) First Amendment to A. H. Belo Corporation Employee Savings and Investment Plan (Exhibit 10.3(1) (b) to the Company's Annual Report on Form 10-K dated March 17, 1999 (the "1998 Form 10-K"))	N/A
	(c) Second Amendment to A. H. Belo Corporation Employee Savings and	

	Investment Plan (Exhibit 10.3(1)(c) to the 1998 Form 10-K)	N/A
(d)	Third Amendment to A. H. Belo Corporation Employee Savings and Investment Plan	—
(e)	Restated Master Trust Agreement between the Company and Fidelity Management Trust Company, as restated and dated March 13, 1998 (Exhibit 10.3(1)(b) to the 1997 Form 10-K)	N/A
(2)	The A. H. Belo Corporation 1986 Long-Term Incentive Plan:	
(a)	The A. H. Belo Corporation 1986 Long-Term Incentive Plan (Effective May 3, 1989, as amended by Amendments 1, 2, 3, 4, and 5) (Exhibit 10.3(2) to the Company's Annual Report on Form 10-K dated March 10, 1997 (the "1996 Form 10-K"))	N/A
(b)	Amendment No. 6 to 1986 Long-Term Incentive Plan (Exhibit 10.3(2)(b) to the 1997 Form 10-K)	N/A
(c)	Amendment No. 7 to 1986 Long-Term Incentive Plan (Exhibit 10.3(9) to the 1995 Form 10-K)	N/A
(d)	Amendment No. 8 to 1986 Long-Term Incentive Plan (Exhibit 10.3(2)(d) to the 2nd Quarter 1998 Form 10-Q)	N/A
(3)	A. H. Belo Corporation 1995 Executive Compensation Plan as restated to incorporate amendments through December 4, 1997 (Exhibit 10.3(3) to the 1997 Form 10-K)	N/A
(a)	Amendment to 1995 Executive Compensation Plan, dated July 21, 1998 (Exhibit 10.3(3)(a) to the 2nd Quarter 1998 Form 10-Q)	N/A
(4)	Management Security Plan (Exhibit 10.3 (1) to the 1996 Form 10-K)	N/A
(5)	A. H. Belo Corporation Supplemental Executive Retirement Plan:	
(a)	A. H. Belo Corporation Supplemental Executive Retirement Plan (Exhibit 10.3(27) to the Company's Annual Report on Form 10-K dated March 18, 1994 (the "1993 Form 10-K"))	N/A
(b)	Trust Agreement dated February 28, 1994, between the Company and Mellon Bank, N.A. (Exhibit 10.3(28) to the 1993 Form 10-K)	N/A

12 Ratio of Earnings to Fixed Charges —

27 Financial Data Schedule

</TABLE>

N/A

THIRD AMENDMENT
TO
A. H. BELO CORPORATION
EMPLOYEE SAVINGS AND INVESTMENT PLAN
(As Restated Effective January 1, 1998)

A. H. Belo Corporation, a Delaware corporation (the "Company"), pursuant to authority of the Compensation Committee of the Board of Directors, adopts the following amendments to the A. H. Belo Corporation Employee Savings and Investment Plan (the "Plan"):

1. Section 1.31 of the Plan ("Year of Service") is amended by the addition of the following paragraph:

An Employee who became an employee of KVUE-TV, Inc., a Delaware corporation, on June 1, 1999, and who immediately prior to that date was an employee of KVUE-TV, Inc., a Michigan corporation, will receive credit for an Hour of Service for each hour for which such Employee was paid or entitled to be paid by KVUE-TV, Inc., a Michigan corporation, or any of its affiliates, determined in accordance with Section 1.17 and will receive credit for his period of employment with KVUE-TV, Inc., a Michigan corporation, or any of its affiliates, calculated in the same manner as if it had been employment with a Controlled Group Member.

2. Section 2.1 of the Plan ("Eligibility to Participate") is amended by the addition of the following paragraph:

(x) Each Employee of KVUE-TV, Inc., a Delaware corporation, who on May 31, 1999, was an employee of KVUE-TV, Inc., a Michigan corporation, and scheduled to work at least 20 hours a week or who was otherwise eligible to participate in the Gannett Co., Inc. 401(k) Savings Plan will be eligible to participate as of the first payroll period beginning after May 31, 1999.

3. Clause (ii) of Section 6.8(b) of the Plan, relating to the definition of an eligible rollover distribution, is amended by the addition of the following phrase:

and, effective for distributions after December 31, 1998, any distribution that qualifies as a hardship distribution under Section 6.3,

4. The first sentence of Section 10.2(i) is amended in its entirety to read as follows :

"Defined Contribution Dollar Limitation" means for any Limitation Year \$30,000 as adjusted pursuant to Code Section 415(d) for Limitation Years beginning on or after January 1, 1995.

5. The last paragraph of Section 10.2(m), relating to the definition of a highly compensated employee, is amended in its entirety to read as follows:

For Plan Years beginning after December 31, 1996, the term "Highly Compensated Employee" means an Employee who was a 5-percent owner of a Controlled Group Member at any time during the Plan Year or who for the preceding Plan Year had Compensation in excess of \$80,000 (as adjusted pursuant to Code Section 415(d)).

6. Appendix A to the Plan ("Participating Employers") is amended to remove the following employers as Participating Employers in the Plan as of the dates indicated:

The Dallas Morning News Company
(After February 28, 1999)

Great Western Broadcasting Corporation
(After May 31, 1999)

KHOU-TV, Inc.
(After February 28, 1999)

WFAA Television, Inc.
(After February 28, 1999)

7. Appendix A to the Plan is further amended to add the following employers as Participating Employers as of the dates indicated:

The Dallas Morning News, L.P.
(As of March 1, 1999)

KHOU-TV, L.P.
(As of March 1, 1999)

KVUE-TV, Inc.
(As of June 1, 1999)

WFAA-TV, L.P.
(As of March 1, 1999)

Executed at Dallas, Texas, this 29th day of July, 1999.

A. H. BELO CORPORATION

By: /s/ DUNIA A. SHIVE

Name: Dunia A. Shive

Title: Senior Vice President/CFO

A. H. BELO CORPORATION
 Computation of Ratio of Earnings to Fixed Charges
 (Dollars in thousands)

	Year Ended December 31,					Six months ended June 30,	
	1994	1995	1996	1997	1998	1998	1999
	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Earnings:							
Earnings before income taxes and the cumulative effect of accounting changes	\$107,897	\$111,014	\$144,040	\$154,122	\$130,460	\$ 81,707	\$130,905 (2)
Add: Total fixed charges	17,294	32,089	29,009	94,069	112,082	56,210	55,799
Less: Interest capitalized	138	957	255	510	1,680	237	1,633
	-----	-----	-----	-----	-----	-----	-----
Adjusted earnings	\$125,053	\$142,146	\$172,794	\$247,681	\$240,862	\$137,680	\$185,071
	=====	=====	=====	=====	=====	=====	=====
Fixed Charges:							
Interest	\$ 16,250	\$ 30,944	\$ 27,898	\$ 91,288	\$109,318	\$ 54,834	\$ 54,485
Portion of rental expense representative of the interest factor (1)	1,044	1,145	1,111	2,781	2,764	1,376	1,314
	-----	-----	-----	-----	-----	-----	-----
Total fixed charges	\$ 17,294	\$ 32,089	\$ 29,009	\$ 94,069	\$112,082	\$ 56,210	\$ 55,799
	=====	=====	=====	=====	=====	=====	=====
Ratio of Earnings to Fixed Charges	7.23x	4.43x	5.96x	2.63x	2.15x	2.45x	3.32x
	=====	=====	=====	=====	=====	=====	=====

</TABLE>

(1) For the purposes of calculating fixed charges, an interest factor of one third was applied to total rent expense for the period indicated.

(2) Earnings before income taxes and the cumulative effect of accounting changes includes a gain of \$50,312 related to the June 1, 1999 sale of television station KXTV. Excluding this item, the Ratio of Earnings to Fixed Charges is 2.42 times.

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