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

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, 2010

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	**38-3765318**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. employer identification no.)*
P. O. Box 224866 **Dallas, Texas**	**75222-4866**
(Address of principal executive offices)	*(Zip code)*

Registrant's telephone number, including area code: **(214) 977-8200**

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 Web site, 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 proceeding 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 ☑ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ **No** ☑

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

Class	Outstanding at October 29, 2010
Common Stock, $.01 par value	21,097,956

* Consisting of 18,578,046 shares of Series A Common Stock and 2,519,910 shares of Series B Common Stock.

A. H. BELO CORPORATION

FORM 10-Q

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PART I.

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

A. H. Belo Corporation and Subsidiaries

In thousands, except per share amounts (unaudited)	*Three months ended September 30,* 2010	2009	*Nine months ended September 30,* 2010	2009
Net Operating Revenues				
Advertising	$ 74,388	$ 83,816	$ 223,578	$ 260,638
Circulation	34,927	35,228	105,970	100,208
Other	9,817	7,823	26,914	22,019
Total net operating revenues	119,132	126,867	356,462	382,865
Operating Costs and Expenses				
Salaries, wages and employee benefits	49,322	51,668	162,394	166,283
Other production, distribution and operating costs	43,280	48,920	136,341	155,652
Newsprint, ink and other supplies	13,280	12,302	36,994	48,345
Asset impairment	857	20,000	862	102,689
Depreciation	7,496	9,257	25,101	29,456
Amortization	1,310	1,625	3,930	4,874
Total operating costs and expenses	115,545	143,772	365,622	507,299
Income (loss) from operations	3,587	(16,905)	(9,160)	(124,434)
Other Income and Expense				
Interest expense	(199)	(211)	(605)	(802)
Other income (expense), net	1,805	240	7,798	362
Total other income (expense)	1,606	29	7,193	(440)
Income (loss) before income taxes	5,193	(16,876)	(1,967)	(124,874)
Income tax expense (benefit)	621	(11,110)	2,760	(11,331)
Net income (loss)	$ 4,572	$ (5,766)	$ (4,727)	$ (113,543)
Net income (loss) per share:				
Basic	$ 0.21	$ (0.28)	$ (0.23)	$ (5.53)
Diluted	$ 0.20	$ (0.28)	$ (0.23)	$ (5.53)
Weighted average shares outstanding:				
Basic	22,127	20,538	20,935	20,529
Diluted	22,391	20,538	20,935	20,529

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

A. H. Belo Corporation and Subsidiaries

In thousands, except share and per share amounts	September 30, 2010 *(unaudited)*	December 31, 2009
Assets		
Current assets:		
Cash and temporary cash investments	$ 81,304	$ 24,503
Accounts receivable (net of allowance of $4,352 and $ 6,505 at September 30, 2010 and December 31, 2009, respectively)	46,245	62,977
Funds held by Belo Corp. for future pension payments	3,410	11,978
Inventories	9,837	10,460
Assets held for sale	5,268	5,268
Prepaids and other current assets	6,384	6,758
Total current assets	152,448	121,944
Property, plant and equipment at cost:		
Land	27,061	27,844
Buildings and improvements	206,659	211,793
Publishing equipment	312,224	348,089
Other	147,301	146,174
Advance payments on property, plant and equipment	3,591	12,996
Total property, plant and equipment	696,836	746,896
Less accumulated depreciation	516,172	543,567
Property, plant and equipment, net	180,664	203,329
Intangible assets, net	23,498	27,427
Goodwill	24,582	24,582
Investments	22,147	21,314
Other assets	4,229	5,831
Total assets	$ 407,568	$ 404,427

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS (continued)

A. H. Belo Corporation and Subsidiaries

In thousands, except share and per share amounts	September 30, 2010 *(unaudited)*	December 31, 2009
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 18,734	$ 19,191
Accrued compensation and benefits	23,206	11,692
Other accrued expenses	15,023	18,096
Advance subscription payments	23,814	26,713
Total current liabilities	80,777	75,692
Other post employment benefits	3,601	3,876
Deferred income taxes	1,125	223
Other liabilities	3,204	3,039
Commitments and contingent liabilities		
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 18,578,020 and 18,248,970 shares at September 30, 2010 and December 31, 2009, respectively	185	182
Series B: issued 2,519,936 and 2,507,590 shares at September 30, 2010 and December 31, 2009, respectively	25	25
Additional paid-in capital	490,837	488,241
Accumulated other comprehensive income (loss)	2,756	3,364
Accumulated deficit	(174,942)	(170,215)
Total shareholders' equity	318,861	321,597
Total liabilities and shareholders' equity	$ 407,568	$ 404,427

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

A. H. Belo Corporation and Subsidiaries

	Nine months ended September 30, 2010						
	Common Stock						
In thousands, except share amounts (unaudited)	*Shares Series A*	*Shares Series B*	*Amount*	*Additional Paid-in Capital*	*Other Comprehensive Income*	*Retained Deficit*	*Total*
Balance at December 31, 2009	18,248,970	2,507,590	$ 207	$488,241	$ 3,364	$(170,215)	$321,597
Share-based compensation	—	—	—	1,668	—	—	1,668
Conversion of Series B to Series A	31,944	(31,944)	—	—	—	—	—
Issuance of shares for restricted stock units	72,848	—	1	18	—	—	19
Issuance of shares for stock option exercises	224,258	44,290	2	951	—	—	953
Income tax on stock options	—	—	—	(41)	—	—	(41)
Amortization of curtailment gain	—	—	—	—	(608)		(608)
Net loss	—	—	—	—	—	(4,727)	(4,727)
Balance at September 30, 2010	18,578,020	2,519,936	$ 210	$490,837	$ 2,756	$(174,942)	$318,861

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

A. H. Belo Corporation and Subsidiaries

In thousands (unaudited)	*Nine months ended September 30,* 2010	2009
Operations		
Net loss	$ (4,727)	$ (113,543)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization	29,031	34,330
(Gain)/loss on disposal of fixed assets	(6,213)	—
Asset impairments	862	103,689
Deferred income taxes	902	(1,302)
Employee retirement benefit expense	98	99
Share-based compensation	2,336	1,311
Other non-cash items	(2,763)	(890)
Net changes in operating assets and liabilities:		
Accounts receivable	18,885	7,465
Funds held by Belo Corp. for future pension payments	8,568	—
Inventories	623	10,988
Prepaids and other current assets	374	1,102
Other, net	726	(143)
Accounts payable	(457)	(18,586)
Accrued compensation and benefits	11,514	(13,684)
Accrued interest payable	—	(11)
Other accrued expenses	(3,073)	3,279
Advance subscription payments	(2,899)	1,781
Net cash provided by operations	53,787	15,885
Investments		
Capital expenditures	(6,479)	(7,833)
Proceeds from sale of fixed assets	9,728	503
Other, net	(1,167)	2,336
Net cash provided by (used for) investments	2,082	(4,994)
Financing		
Proceeds from exercise of stock options	932	—
Payments on credit facility	—	(10,000)
Cash provided by (used in) financing activities	932	(10,000)
Net increase in cash and temporary cash investments	56,801	891
Cash and temporary cash investments at beginning of period	24,503	9,934
Cash and temporary cash investments at end of period	$ 81,304	$ 10,825
Supplemental Disclosures		
Interest paid, net of amounts capitalized	$ —	$ 232
Income taxes paid, net of refunds	$ 2,400	$ 3,400

See accompanying Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. H. Belo Corporation and Subsidiaries

(Dollars in thousands, except share and per share amounts)

(1) The accompanying unaudited condensed consolidated financial statements of A. H. Belo Corporation and its subsidiaries (the "Company" or "A. H. Belo") have been prepared in accordance with United States Generally Accepted Accounting Principles, ("GAAP") for interim financial information and in accordance with the 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 (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Transactions between the companies comprising A. H. Belo have been eliminated in the condensed 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, 2009. Operating results for the three and nine month periods ended September 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

(2) The Company owns and operates three primary daily newspapers: *The Dallas Morning News*, *The Providence Journal*, and *The Press-Enterprise* (Riverside, CA). Each publishes and distributes local, state, national, and international news. In addition to these three daily newspapers, the Company publishes various niche products in the same or nearby markets where the primary daily newspapers are located. Each of the Company's daily newspapers and niche publications operates and maintains its own Web site. The Company also operates direct mail and commercial printing and distribution businesses. The Company's operating segments are defined as its newspapers within a given market. The Company has determined that according to the applicable accounting guidance all of its operating segments meet the criteria to be aggregated into one reporting segment.

On February 8, 2008, Belo Corp. ("Belo") contributed all of the stock of its subsidiaries engaged in the newspaper business and related assets to A. H. Belo (herein referred to as the "Distribution"). On February 8, 2008 (the "Distribution Date"), Belo also distributed, through a pro rata, tax-free dividend to its shareholders, 0.20 shares of A. H. Belo Series A common stock for every share of Belo Series A common stock, and 0.20 shares of A. H. Belo Series B common stock for every share of Belo Series B common stock, owned as of the close of business on January 25, 2008. As a result of the Distribution, A. H. Belo issued 17,603,499 shares of Series A common stock and 2,848,496 shares of Series B common stock. This resulted in A. H. Belo becoming a separate public company with its own management and board of directors. The assets and liabilities transferred to A. H. Belo were recorded at historical cost as a reorganization of entities under common control. Following the Distribution, Belo does not have any ownership interest in A. H. Belo but continues to conduct business with A. H. Belo pursuant to various agreements, as more fully described in Note 8, and co-own certain investments.

(3) Accumulated Other Comprehensive Gain/ (Loss) contains the minimum liability related to other post-employment benefits and deferral of a gain resulting from a negative plan amendment to *The Press-Enterprise* post-employment benefit plan. This negative plan amendment, which reduces the plan benefits, was made in 2009. The gain is being recognized over approximately five years, determined by the average life expectancy to age 65 of the plan participants at the date of the negative plan amendment and at which point the benefits will end for the remaining plan participants.

(4) The following table sets forth the reconciliation between weighted average shares used for calculating basic and diluted earnings per share for the three and nine months ended September 30, 2010 and 2009.

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Earnings (numerator)				
Net earnings	$ 4,572	$ (5,766)	$ (4,727)	$(113,543)
Shares (denominator)				
Weighted average shares outstanding (basic)	21,085	20,538	20,935	20,529
Dilutive effect of participating securities	1,042	—	—	—
Weighted shares outstanding for Basic EPS	22,127	20,538	20,935	20,529
Dilutive effect of employee stock options	264	—	—	—
Adjusted weighted average shares outstanding	22,391	20,538	20,935	20,529
Earnings per share:				
Basic	$ 0.21	$ (0.28)	$ (0.23)	$ (5.53)
Diluted	$ 0.20	$ (0.28)	$ (0.23)	$ (5.53)

For the three and nine months ended September 30, 2010 the Company excluded 3,001,038 and 3,262,944 respectively, of stock-based awards, because to include them would be anti-dilutive. For the three and nine months ended September 30, 2009 the Company excluded 4,067,034 stock-based awards because to include them would be anti-dilutive.

(5) Prior to the Distribution, A. H. Belo established a long-term incentive plan under which awards may be granted to employees and outside directors in the form of non-qualified stock options, incentive stock options, restricted shares, restricted stock units, performance shares, performance units and stock appreciation rights. In addition, options may be accompanied by stock appreciation rights and limited stock appreciation rights. Rights and limited rights may also be issued without accompanying options. Cash-based bonus awards are also available under the plan.

In connection with the Distribution, holders of outstanding Belo options received an adjusted Belo option for the same number of shares of Belo common stock as held before the Distribution but with a reduced exercise price based on the closing price on February 8, 2008. Holders also received one new A. H. Belo option for every five Belo options held as of the Distribution Date (the distribution ratio) with an exercise price based on the closing share price on February 8, 2008. The Belo restricted stock units (“RSUs”) were treated as if they were issued and outstanding shares. Holders of Belo RSUs retained their existing RSUs and also received A. H. Belo RSUs. The number of A. H. Belo RSUs awarded to Belo’s RSU holders was determined using the distribution ratio. As a result, the Belo RSUs and the A. H. Belo RSUs, taken together, had the same aggregate value, based on the closing prices of the Belo stock and the A. H. Belo stock on the Distribution Date, as the Belo RSUs immediately prior to the Distribution.

Stock-based compensation cost recognized for awards to A. H. Belo’s employees and non-employee directors was $734 and $3,265 for the three and nine months ended September 30, 2010, respectively, and $1,489 and $2,598 for the three and nine months ended September 30, 2009, respectively. No compensation cost is recognized related to options issued by A. H. Belo held by employees and non-employee directors of Belo. Each stock option and RSU (of A. H. Belo and of Belo) otherwise have the same terms as the original award. The awards continue to vest as under the existing vesting schedule based on continued employment with Belo or A. H. Belo, as applicable. Following the Distribution, A. H. Belo and Belo recognize compensation expense for any pre-Distribution awards related to their respective employees, regardless of which company ultimately issues the awards.

A. H. Belo also recognizes compensation expense for any pre-Distribution awards related to its employees that were issued under Belo’s long-term incentive plans. A. H. Belo’s share-based compensation expense includes $119 and $50 for the three and nine months ended September 30, 2010, respectively, and $1,458 for the three and $2,542 for the nine months ended September 30, 2009, respectively, related to awards that Belo issued.

A. H. Belo Stock Option Activity

The following table summarizes the stock option activity under A. H. Belo's long-term incentive plan for the period ended September 30, 2010:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding at December 31, 2009	3,127,424	$ 14.20
Granted	—	$ —
Exercised	(268,548)	$ 2.75
Canceled	(215,989)	$ 7.64
Outstanding at September 30, 2010	2,642,887	$ 15.90

Of the total A. H. Belo options outstanding at September 30, 2010, 1,606,225 options with a weighted average exercise price of $12.06 are held by A. H. Belo employees and non-employee directors. The remaining 1,036,662 stock options are held by Belo employees and non-employee directors.

A. H. Belo RSU Activity

The following table summarizes the RSU activity under A. H. Belo's long-term incentive plan for the nine-month period ended September 30, 2010:

	Number of RSUs	Weighted Average Price on Date of Grant
Outstanding at December 31, 2009	438,582	$ 16.63
Granted	775,997	$ 6.21
Vested	(121,540)	$ 18.28
Canceled	(59,611)	$ 9.39
Outstanding at September 30, 2010	1,033,428	$ 6.38

Of the total A. H. Belo RSUs outstanding at September 30, 2010, 992,514 RSUs are held by A. H. Belo employees and non-employee directors. The remaining 40,914 RSUs are held by Belo employees and non-employee directors.

(6) Subsequent to the Distribution, Belo retained sponsorship of The G. B. Dealey Retirement Pension Plan ("Pension Plan") and, jointly with A. H. Belo, oversees the investments of the Pension Plan. The Pension Plan is a defined benefit plan created in 1943, and its 9,300 participants include current and former employees of the Company and Belo Corp., and their respective subsidiaries. The Pension Plan was closed to new participants on June 30, 2000 except for certain union employees at *The Providence Journal*, for whom the Pension Plan was closed to new participants on July 30, 2004. On March 31, 2007, the Pension Plan was frozen and employee participants as a whole ceased earning additional benefits under the Plan. At the time of the freeze, employee participants received an additional five years of service credit under the Pension Plan and supplemental annual transition payments for five years were established under a separate plan subject to certain conditions.

Belo administers, in accordance with the terms of the Pension Plan, benefits for the Belo and A. H. Belo current and former employees who participate in the Pension Plan. As sponsor of the Pension Plan, Belo is solely responsible for directly satisfying the funding obligations with respect to the Pension Plan and retains sole discretion to determine the amount and timing of any contributions required to satisfy such funding obligations. Belo also retains the right, in its sole discretion, to terminate the Pension Plan.

By prior agreement, A. H. Belo is contractually obligated to reimburse Belo for 60 percent of each contribution Belo makes to the Pension Plan. As discussed in A. H. Belo's 2009 Annual Report on Form 10-K filed with the SEC on April 15, 2010, the Pension Plan was underfunded, as determined for financial reporting purposes in accordance with the applicable accounting guidance, as of December 31, 2009, by $196,000, of which 60 percent is $118,000.

A. H. Belo accounts for its obligations related to the Pension Plan according to the applicable accounting guidance for multiemployer pensions, under which it recognizes as net pension cost the required contribution for each period and recognizes as a liability any contribution obligation due and unpaid. During the three and nine month-periods ended September 30, 2010, the Company recognized pension expense for payments to Belo of $300 and $8,572, respectively. During the three and nine month-periods ended September 30, 2009, the Company recognized no pension expense as no payments were made to Belo during these periods. The payments to Belo in 2010 were made from the A. H. Belo funds held on deposit by Belo Corp. for future pension contributions.

During the fourth quarter of 2010, the Company and Belo announced that the Pension Plan would be split into separately-sponsored plans on or about January 1, 2011. If the plan is not split into separately sponsored plans, the Company would expect to be required to make significant future payments to Belo for reimbursements. In accordance with the applicable accounting guidance, a liability for these expected future payments is not recorded on the balance sheet as of September 30, 2010.

On October 6, 2010, the Company and Belo Corp. entered into a Pension Plan Transfer Agreement (the "Transfer Agreement") to split the Pension Plan into separately-sponsored plans effective on or about January 1, 2011. Under the Transfer Agreement, benefit liabilities and assets allocable to the approximately 5,100 current and former employees of the Company and its newspaper businesses will be transferred to two new defined benefit pension plans created, sponsored and managed by or on behalf of the Company (the "AHC Pension Plans"). The new AHC Pension Plans will become solely responsible for paying those benefits. The benefit liabilities and assets allocable to the current and former employees of Belo Corp. and its television businesses will continue to be held by the existing Pension Plan sponsored and managed by or on behalf of Belo Corp. For plan years starting on and after January 1, 2011, the Company and Belo Corp. shall each be solely responsible for funding requirements to their respective plans. The split of the Pension Plan will not change the amount of the benefits any participant has accrued or is currently receiving.

The Company anticipates reporting a material non-cash charge for the amount of its unfunded pension obligation, related to its decision to split the Pension Plan, when it reports financial results for the three-month period ended December 31, 2010**.** Based on available actuarial data and assumptions, including information about assets of the Pension Plan, the Company's share of the unfunded pension obligation was approximately $118,000 at December 31, 2009. Under the AHC Pension Plans, effective on or about January 1, 2011, future pension expense and cash contributions will be determined by interest rates, discount rates, return on assets, regulatory requirements, and actuarial gains and losses.

In its Form 10-K for the year ended December 31, 2009 the Company estimated its cash reimbursement obligations to Belo Corp. for 2010 and 2011 were $8.6 million and $22.9 million, respectively. The Company has met its cash pension reimbursement obligation for calendar year 2010. The Company does not anticipate any cash pension reimbursement expense in the fourth quarter of 2010.

(7) On October 24, 2006, 18 former employees of *The Dallas Morning News* filed a lawsuit against various A. H. Belo-related parties in the United States District Court for the Northern District of Texas. The plaintiffs' lawsuit mainly consists of claims of unlawful discrimination and ERISA violations. In June 2007, the court issued a memorandum order granting in part and denying in part defendants' motion to dismiss. In August 2007 and in March 2009, the court dismissed certain additional claims. A summary judgment motion seeking dismissal of all remaining claims against the defendants is pending. A trial date is tentatively planned for March or April 2011. The Company believes the lawsuit is without merit and is defending vigorously against it.

On April 13, 2009, four former independent home delivery contractors of *The Press-Enterprise* filed a purported class action lawsuit against A. H. Belo Corporation, Belo Corp., Press-Enterprise Company, and others in The Superior Court of the State of California, Riverside County. Plaintiffs allege, on behalf of themselves and those similarly situated, that they were improperly classified as independent contractors instead of as employees. Plaintiffs assert that they and members of the purported class were not paid all wages owed, including minimum wages, hourly wages, and overtime wages; and that Defendants failed to provide meal periods and rest periods or compensation in lieu thereof, failed to reimburse for reasonable and necessary business expenses, unlawfully withheld wages due, failed to provide accurate wage statements, failed to keep accurate payroll records, failed to pay wages timely, and thus committed unfair business practices. Plaintiffs filed a first amended complaint in July 2010 that added a claim under the federal Fair Labor Standards Act. The original and amended complaints seek recovery of allegedly unpaid wages, meal and rest period payments, penalties, expenses, interest, attorneys' fees, and costs. During the second quarter of 2010, A. H. Belo Corporation and the other parties to the lawsuit reached a preliminary agreement to settle the lawsuit, subject to Court approval. The Court preliminarily approved the agreement on September 16, 2010. A hearing seeking final approval of the Court is set for February 25, 2011. The parties have agreed to cooperate and take all steps necessary and appropriate to obtain final approval of the settlement, to effectuate its terms and to record the satisfaction of the judgment with the Court. If final approval is granted, the maximum payment under the settlement, if all class members file valid and timely claims, is $2,500. Accordingly, during the second quarter of 2010, the Company recorded an accrual for this settlement, in other accrued expenses on the consolidated balance sheet. The corresponding expense is included in other production, distribution and operating costs in the consolidated statement of operations. The Company has made $600 in payments, to an escrow account, per the terms of the settlement agreement, as of September 30, 2010.

In addition to the proceedings disclosed above, a number of other legal proceedings are pending against A. H. Belo, including several actions for alleged libel and/or defamation. In the opinion of management, liabilities, if any, arising from these other legal proceedings would not have a material adverse effect on A. H. Belo's results of operations, liquidity, or financial condition.

(8) In connection with the Distribution, the Company entered into a separation and distribution agreement; a services agreement; a tax matters agreement; an employee matters agreement and other agreements with Belo or its subsidiaries. Under the separation and distribution agreement, effective as of the Distribution Date, A. H. Belo and Belo have agreed to indemnify each other and certain related parties from certain liabilities existing or arising from acts and events occurring, or failing to occur (or alleged to have occurred or to have failed to occur), regarding each other's businesses, whether occurring before, at or after the effective time of the Distribution.

Under the services agreement A. H. Belo and Belo (or their respective subsidiaries) provide each other various services and/or support. Payments made or other consideration provided in connection with all continuing transactions between the Company and Belo are made on an arm's-length basis.

The tax matters agreement sets out each party's rights and obligations with respect to payment deficiencies and refunds, if any, of federal, state, local, or foreign taxes for periods before and after the Distribution and related matters such as the filing of tax returns and the conduct of IRS and other audits. Under this agreement, Belo is responsible for all income taxes prior to the Distribution, except that A. H. Belo is responsible for its share of income taxes paid on a consolidated basis for the period of January 1, 2008 through February 8, 2008. A. H. Belo is solely responsible for its income taxes subsequent to the Distribution Date.

On September 14, 2009, the Company and Belo entered into the first amendment to the tax matters agreement. The amendment allowed for the carry-back of A. H. Belo's 2008 net operating loss to Belo's pre-Distribution tax returns. In exchange, the Company and Belo agreed that any tax refund relating to these net operating losses is for the account of A. H. Belo and will be held by Belo and applied to the Company's share of future contributions to the Pension Plan.

On September 24, 2009, Belo filed a net operating loss carryback claim for the Company's 2008 net operating loss to a pre-Distribution tax year. The refund claim generated an $11,978 federal income tax refund. Belo received the refund in the fourth quarter of 2009. Correspondingly, A. H. Belo reversed the associated valuation allowance on its deferred tax assets related to the net operating losses carried-back by Belo, resulting in an $11,978 tax benefit for A. H. Belo. During the three and nine months ended September 30, 2010, $300 and $8,572 respectively, of such funds held by Belo were distributed to Belo in reimbursement of 60 percent of Belo's contribution to the Pension Plan during such period.

(9) The Company had approximately $696,836 of property, plant and equipment as of September 30, 2010. In addition to the original cost of these assets, their recorded value is determined by a number of estimates made by the Company, including estimated useful lives. In accordance with the applicable accounting guidance, the Company records impairment charges on property, plant and equipment used in operations when events and circumstances indicate that the assets may be impaired, the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets and the net book value of the assets exceeds their estimated fair value. In making these determinations, the Company uses certain assumptions, including, but not limited to: (i) the estimated fair value of the assets; and (ii) the estimated future cash flows expected to be generated by the assets, which estimates are based on additional assumptions such as asset utilization, length of service and estimated salvage values.

In the third quarter of 2010, the Company sold 8.2 acres and a 32,682 square foot building located in Plano, Texas, adjacent to *The Dallas Morning News* production plant where newspapers are printed (the "North Plant"). The sale, which closed in July 2010, resulted in a gain of approximately $1,357 that was recorded as other income in the consolidated statement of operations. Also in the third quarter of 2010, the Company sold 4.59 acres and a 76,345 square foot building located in Arlington, Texas. This site was previously used for printing operations. The sale resulted in the Company recording a gain of approximately $22 that was recorded as other income in the consolidated statement of operations.

(10) Assets held for sale consist of 49.85 acres of land and a 133,390 square foot warehouse assembly building located in Dallas near Interstate 20 and Interstate 45 (the "South Plant").

During 2009, in an additional step to reduce costs, *The Dallas Morning News* elected to consolidate its production facilities and relocated production equipment from the South Plant to the North Plant. The South Plant was built in 2007 and was used by *The Dallas Morning News* for the collating and assembly of the preprint packages included in the Sunday newspaper. The Company, with the assistance of a third party, estimated the market value of the South Plant based on market information for comparable properties in the Dallas-Fort Worth area. The estimated market value was compared to carrying value and, as a result, the Company recorded $20,000 of impairment expense in the third quarter of 2009, to align the carrying value with estimated market value, less selling costs. The Company began marketing the South Plant for sale during the third quarter of 2009. There have been no changes in the status of the property since December 31, 2009.

Assets held for sale consist of the following:

	September 30, 2010	*December 31, 2009*
Land	$ 1,067	$ 1,067
Building and improvements	4,201	4,201
Total assets held for sale	$ 5,268	$ 5,268

(11) The following table sets forth the Company's goodwill. During the nine months ended September 30, 2009, the Company recorded a goodwill impairment charge at *The Providence Journal* of approximately $80,940. After recording the goodwill impairment charge, no goodwill remained related to *The Providence Journal.*

	Total Goodwill	*The Dallas Morning News*	*The Providence Journal*	*The Press-Enterprise*
Gross goodwill balance as of January 1, 2009	$ 526,248	$ 26,076	$ 370,155	$ 130,017
Accumulated amortization	(62,157)	(1,494)	(46,421)	(14,242)
Accumulated impairment	(358,569)	—	(242,794)	(115,775)
Impairment recorded in 2009	(80,940)	—	(80,940)	—
Net goodwill balance at December 31, 2009	$ 24,582	$ 24,582	$ —	$ —
Gross goodwill balance as of January 1, 2010	526,248	26,076	370,155	130,017
Accumulated amortization	(62,157)	(1,494)	(46,421)	(14,242)
Accumulated impairment	(439,509)	—	(323,734)	(115,775)
Net goodwill balance at September 30, 2010	$ 24,582	$ 24,582	$ —	$ —

The following table sets forth the Company's identifiable intangible assets, consisting of subscriber lists that are subject to amortization:

	Total Subscriber Lists	*The Dallas Morning News*	*The Providence Journal*	*The Press-Enterprise*
Gross balance at December 31, 2009	$ 114,824	$ 22,896	$ 78,698	$ 13,230
Accumulated amortization	(87,397)	(22,896)	(56,109)	(8,392)
Net balance at December 31, 2009	$ 27,427	$ —	$ 22,589	$ 4,838
Gross balance at December 31, 2009	$ 114,824	$ 22,896	$ 78,698	$ 13,230
Accumulated amortization at September 30, 2010	(91,326)	(22,896)	(59,388)	(9,042)
Net balance at September 30, 2010	$ 23,498	$ —	$ 19,310	$ 4,188

(12) On December 3, 2009, the Company entered into the Second Amendment ("Second Amendment") to the Amended and Restated Credit Agreement (the Amended and Restated Credit Agreement as so amended, the "Credit Agreement"). Among other matters, the Second Amendment to the Credit Agreement extended the maturity date of the credit facility from April 30, 2011 to September 30, 2012, reduced the total commitment amount from $50,000 to $25,000, and released the lien on certain real property securing the facility. The amended facility remains subject to a borrowing base. If borrowing capacity under the Credit Facility becomes less than $17,500, then a fixed charge coverage ratio covenant of 1:1 will apply. The Second Amendment also makes certain minor administrative amendments to the Amended and Restated Pledge and Security Agreement dated as of January 30, 2009. The decrease in the Company's revolving credit facility from $50,000 to $25,000 was a decision made by management. Management concluded that based on estimated future borrowing needs, the cost of the revolving credit facility, and borrowing base availability, $25,000 was sufficient to meet the Company's borrowing needs. The borrowing base is calculated using eligible accounts receivable and inventory, as defined in the Credit Agreement. A decrease in the borrowing base could potentially limit the Company's borrowing capacity. At September 30, 2010, the Company had eligible collateral to secure the Credit Agreement of $33,321, resulting in a borrowing base of $25,000. When letters of credit and other required reserves are deducted from the borrowing base, the Company had $19,147 of borrowing capacity available under the credit facility. At December 31, 2009, the Company had eligible collateral to secure the Credit Agreement of $44,202, resulting in a borrowing base of $25,000. When letters of credit and other required reserves were deducted from the borrowing base, the Company had $18,871 of borrowing capacity available under the Credit Agreement as of December 31, 2009.

At September 30, 2010 and December 31, 2009, the Company had no borrowings under the Credit Agreement.

(13) Management has determined that the fair value of the Company's financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and notes payable, approximate their carrying values as of September 30, 2010 and December 31, 2009 primarily due to the short-term nature, and/or the variable interest rates associated with such instruments. The fair value of assets held for sale, based on current market values, also approximate their carrying values as of September 30, 2010.

(14) In connection with the Distribution and after an assessment of their respective downtown Dallas real estate needs, A. H. Belo and Belo Corp. agreed to co-own, through the creation of a limited liability company (LLC), The Belo Building, (a seventeen story office building in downtown Dallas), related parking sites, and other real estate. A. H. Belo and Belo each own 50 percent of the LLC and each lease from the LLC 50 percent of the available rental space in The Belo Building and related parking sites under long-term leases. These leases are terminable under various conditions. A third party real estate services firm, engaged by the LLC, manages The Belo Building and other real estate owned by the LLC. The Company accounts for this investment using the equity method. Although some of the real estate owned by the LLC is currently being marketed for sale, management considers all of the investments long-term in nature. The ability to readily convert these investments into cash is limited.

In addition, A. H. Belo and Belo, through their subsidiaries, jointly own 6.6 percent of Classified Ventures, LLC, ("Classified Ventures") a joint venture in which the other owners are Gannett Co., Inc., The McClatchy Company, Tribune Company, and The Washington Post Company. The three principal online businesses Classified Ventures operates are cars.com, apartments.com, and homegain.com. Effective January 1, 2010, the Company started accounting for its investment in Classified Ventures using the equity method and recorded $582 and $1,560 in earnings for the three and nine month periods ended September 30, 2010, respectively.

In addition to the LLC and Classified Ventures, A. H. Belo has invested in other startup companies related to the news and information industry. Details of the investment amounts are in the table below:

	September 30, 2010	*December 31, 2009*
LLC owning The Belo Building	$ 16,021	$ 16,344
Other equity method investments	5,269	2,984
Cost method investments	857	1,986
Total investments	$ 22,147	$ 21,314

During the nine months ended September 30, 2010, the Company's proportionate share of net income from one investee in the table above was greater than 10% of A. H. Belo's consolidated net income before taxes. Summarized income statement information for this company for the first nine months of 2010 follows (unaudited):

	Nine months ended September 30, 2010
	2010
Revenue	$ 246,321
Gross profit	217,044
Net income	46,635

(15) Income taxes are recorded using the liability method in accordance with applicable accounting guidance. The provision for income taxes reflects the Company's estimate of the effective rate expected to be applicable for the full fiscal year, adjusted by any discrete events, which are reported in the period in which they occur. This estimate is re-evaluated each quarter based on the Company's estimated tax expense for the year.

The Company recognized income tax expense of approximately $621 and $2,760 for the three months and nine months ended September 30, 2010, respectively. The Company recognized an income tax benefit of approximately $11,110 and $11,331 for the three months and nine months ended September 30, 2009, respectively. The tax expense for the three and nine months ended September 30, 2010 is primarily attributable to tax expense incurred related to the Texas margin tax and Rhode Island state income tax and changes in the valuation allowance.

The Company currently projects taxable income for the year 2010 for federal and state income tax purposes, which potentially could be carried back and offset by prior year net operating losses. Net operating losses can be carried forward to offset future taxable income. The Company's net operating loss carryforwards begin to expire in the years 2029 and 2030 if not used.

The applicable accounting guidance places a threshold for recognition of deferred tax assets including net operating loss carryforwards. Based on such criteria, the Company established a valuation allowance against the deferred tax assets in certain jurisdictions in March of 2009, as it was more likely than not the benefit resulting from these deferred tax assets would not be realized. The factors used to assess the likelihood of realization of the deferred tax assets include reversal of future deferred tax liabilities, available tax planning strategies, and future taxable income. Any reversal relating to the valuation allowance will be recorded as a reduction of income tax expense. The quarter's change in deferred tax assets is partially offset by a corresponding decrease in the valuation allowance of approximately $3,133 for the three months ended September 30, 2010.

(16) The total number of authorized shares of common stock is 125,000,000 shares. The Company has two series of common stock outstanding, Series A and Series B, each with a par value of $0.01 per share. The Series A and Series B shares are identical except as noted herein. Series B shares are entitled to 10 votes per share on all matters submitted to a vote of shareholders, while the Series A shares are entitled to one vote per share. Series B shares are convertible at any time on a one-for-one basis into Series A shares but Series A shares are not convertible into Series B shares. Shares of the Company's Series A common stock are traded on the New York Stock Exchange (NYSE symbol: AHC). There is no established public trading market for shares of Series B common stock. Transferability of the Series B shares is limited to family members and affiliated entities of the holder. Upon any other type of transfer, the Series B shares automatically convert into Series A shares.

(17) During the fourth quarter of 2010 the Company and Belo announced that the Pension Plan would be split into separately-sponsored plans on or about January 1, 2011. See Note 6 for additional information regarding the Pension Plan split.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (dollars in thousands, except per share amounts)

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.

Overview

A. H. Belo Corporation, headquartered in Dallas, Texas, is a distinguished news and information company that owns and operates three primary daily newspapers and 11 associated Web sites. A. H. Belo publishes *The Dallas Morning News,* Texas' leading newspaper; *The Providence Journal*, the oldest major daily newspaper of general circulation and continuous publication in the U.S.; and *The Press-Enterprise* (Riverside, CA), serving southern California's Inland Empire region. These newspapers produce extensive local, state, national and international news. In addition, the Company publishes various specialty publications targeting niche audiences, young adults and the fast-growing Hispanic market. A. H. Belo also owns direct mail and commercial printing and distribution businesses.

The Company intends for the discussion of its financial condition and results of operations that follows to provide information that will assist in understanding A. H. Belo's 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 the Company's financial statements.

Results of Operations

(Dollars in thousands, except per share amounts)

Condensed Consolidated Results of Operations

	Three months ended September 30,			Nine months ended September 30,		
	2010	*Percentage Change*	*2009*	*2010*	*Percentage Change*	*2009*
Net operating revenues	$119,132	(6.1)%	$126,867	$356,462	(6.9)%	$ 382,865
Operating costs and expenses	115,545	(19.6)%	143,772	365,622	(27.9)%	507,299
Other income (expense)	1,606	5,437.9%	29	7,193	1,734.8%	(440)
Income (loss) before income taxes	5,193	130.8%	(16,876)	(1,967)	(98.4)%	(124,874)
Income tax expense (benefit)	621	105.6%	(11,110)	2,760	124.4%	(11,331)
Net income (loss)	$ 4,572	179.3%	$ (5,766)	$ (4,727)	(95.8)%	$(113,543)

The table below presents the components of net operating revenues for the three months and nine months ended September 30, 2010 and September 30, 2009, respectively:

Revenues

	Three months ended September 30,			Nine months ended September 30,		
	2010	*Percentage Change*	*2009*	*2010*	*Percentage Change*	*2009*
Advertising	$ 74,388	(11.2)%	$ 83,816	$223,578	(14.2)%	$260,638
Circulation	34,927	(0.9)%	35,228	105,970	5.8%	100,208
Other	9,817	25.5%	7,823	26,914	22.2%	22,019
Net operating revenues	$119,132	(6.1)%	$126,867	$356,462	(6.9)%	$382,865

Advertising revenues accounted for 62.4 and 62.7 percent of total revenues for the three and nine months ended September 30, 2010, respectively compared to 66.1 and 68.1 percent for the same periods in the prior year. Circulation revenues accounted for 29.3 and 29.7 percent of total revenues for the three and nine months ended September 30, 2010, respectively compared to 27.8 and 26.2 percent for the same periods in the prior year. Circulation revenue as a percentage of total revenue increased due to (i) the Company's success in raising circulation prices in Dallas and Providence as part of its strategy to reduce dependence upon advertising revenue, which the Company believes is less predictable over time and (ii) declines in advertising revenues.

The Company's revenues have continued to be adversely affected by competitive and economic pressures and advertising expenditures have shifted to other media, including the Internet. During times of economic uncertainty or a recession, advertising expense budgets tend to be reduced more than other expenses. The shift of advertising expenditures and the economic slowdown continue to adversely affect advertising demand and the Company's business, financial condition and results of operations. Total advertising revenue, including print and Internet revenue, was down 11.2 and 14.2 percent for the three and nine months ended September 30, 2010, when compared to the same periods last year. Retail advertising revenue was down 17.1 and 18.4 percent, general advertising revenue was down 17.1 and 17.5 percent, and classified advertising revenue (exclusive of Internet revenue) was down 15.1 and 18.8 percent for the three and nine months ended September 30, 2010, respectively, when compared to the same periods last year. *The Dallas Morning News, The Press-Enterprise* and *The Providence Journal* each experienced declines in substantially all advertising categories that are included in retail, general and classified. *The Dallas Morning News*' advertising revenues were down 8.7 and 12.1 percent for the three and nine months ended September 30, 2010, respectively, when compared to the same periods in the prior year. *The Press-Enterprise*'s advertising revenues were down 14.0 and 17.1 percent for the three and nine months ended September 30, 2010, respectively, when compared to the same periods in the prior year. *The Providence Journal*'s advertising revenues were down 17.0 and 18.1 percent for the three and nine months ended September 30, 2010, when compared to the same periods in the prior year. The Company had $8,863 and $26,730 in Internet revenue for the three and nine months ended September 30, 2010, respectively, which accounted for 7.4 and 7.5 percent of total revenues. Compared to the prior year period, Internet revenues decreased 8.6 and 6.9 percent for the three and nine months ended September 30, 2010. Decreases in Internet revenues resulted from declines in employment and real estate classifieds, which depend on upselling from the same print categories. Internet ad revenue, exclusive of classified revenue, decreased 8.1 and 0.1 percent for the three and nine months ended September 30, 2010, when compared to the same periods in the prior year.

Circulation revenue decreased 0.9 for the three months ended September 30, 2010 and increased 5.8 percent for the nine months ended September 30, 2010, respectively. The increase for the nine months ended September 30, 2010 is primarily due to single-copy and home delivery price increases in 2009 at *The Dallas Morning News* and in 2009 and 2010 at *The Providence Journal* and less discounting at *The Press-Enterprise.*

Other revenue, which consists primarily of commercial printing and distribution, increased 25.5 and 22.2 percent for the three and nine months ended September 30, 2010, respectively, due to new printing and distribution contracts.

Operating Costs and Expenses

	Three months ended September 30,			*Nine months ended September 30,*		
	2010	*Percentage Change*	*2009*	*2010*	*Percentage Change*	*2009*
Salaries, wages and employee benefits	$ 49,322	(4.5)%	$ 51,668	$162,394	(2.3)%	$166,283
Other production, distribution and operating costs	43,280	(11.5)%	48,920	136,341	(12.4)%	155,652
Newsprint, ink and other supplies	13,280	7.9%	12,302	36,994	(23.5)%	48,345
Asset impairment	857	(95.7)%	20,000	862	(99.2)%	102,689
Depreciation	7,496	(19.0)%	9,257	25,101	(14.8)%	29,456
Amortization	1,310	(19.4)%	1,625	3,930	(19.4)%	4,874
Total operating costs and expenses	$115,545	(19.6)	$143,772	$365,622	(27.9)	$507,299

For the three months ended September 30, 2010, when compared to the same period last year, the Company's operating costs and expenses decreased $28,227 or 19.6 percent due to decreases in all operating expense categories except newsprint, ink and other supplies. This decrease in operating expense reflects the Company's ongoing cost reduction and management strategy. Salaries, wages and employee benefits decreased $2,346 primarily due to lower headcount and decreased benefit costs attributable to favorable claims history, partially offset by incremental pension expense of $1,571 and incremental bonus expense of $1,089. Other production, distribution and operating costs decreased $5,640 primarily due to decreases in outside services of $3,387 related to termination of an

IT outsourcing contract, communications expense and other cost containment measures. Newsprint, ink and other supplies increased $978. This increase is related to an increase in newsprint consumed and cost per metric ton. During the three months ended September 30, 2010, the Company's publishing operations used approximately 17,544 metric tons of newsprint at an average cost of $578 per metric ton. Consumption of newsprint for the same period in 2009 was approximately 17,108, at an average cost per metric ton of $536 per ton. The increase in newsprint consumption is related to increased commercial printing contracts. Asset impairment decreased $19,143, reflecting the South Plant impairment recorded in 2009. Depreciation expense decreased $1,761 due to lower depreciable assets in service. Amortization expense decreased $315 due to the subscriber lists at *The Dallas Morning News* being fully amortized at December 31, 2009.

For the nine months ended September 30, 2010, when compared to the same period last year, the Company's operating costs and expenses decreased $141,677 or 27.9 percent due to decreases in all operating expense categories. Salaries, wages and employee benefits decreased $3,889 due to a decrease in headcount and decreases in salaries and benefits. Other production, distribution and operating costs decreased $19,311 primarily due to decreases in distribution expense, communications expense and bad debt expense and continued cost containment measures. The decrease in distribution expense is realization of the positive impact of from the Company's realignment of its distribution channel in 2009. Newsprint, ink and other supplies decreased $11,351. This decrease is related to a decrease in newsprint consumed and the price per metric ton. During the nine months ended September 30, 2010, the Company's publishing operations used approximately 50,571 metric tons of newsprint at an average cost of $550 per metric ton. Consumption of newsprint for the same period in 2009 was approximately 57,178, at an average cost of $656 per metric ton. Asset impairment decreased $101,827, reflecting goodwill impairment and impairment recorded on the South Plant recorded in 2009. Depreciation expense decreased $4,355 due to lower depreciable assets in service. Amortization expense decreased $944 due to the subscriber lists at *The Dallas Morning News* being fully amortized at December 31, 2009.

Interest Expense

Interest expense decreased $12 and $197, or 5.7 and 24.6 percent, respectively, during the three and nine months ended September 30, 2010, compared to the prior year periods, as the Company has had no borrowings against the revolving credit facility under its Credit Agreement in 2010.

Other Income, Net

Other income, net increased $1,565 and $7,436 for the three and nine months ended September 30, 2010, respectively compared to the same periods in 2009. The increase for the three month period reflects a gain on sale of fixed assets of $1,169, including $1,357 related to the sale of the land adjacent to the North Plant. The increase for the three month period also reflects income of $645 from investments accounted for using the equity method of accounting. The increase for the nine month period reflects an increase in non-operating gain on sale of fixed assets of $6,454 including a gain recorded in June 2010 of approximately $5,373, related to the sale of a parking garage in Providence, Rhode Island. The increase for the nine month period also reflects income of $1,358 for the nine months ended September 30, 2010, from investments accounted for using the equity method of accounting. The increase for the nine months ended September 30, 2010 is partially offset by the effect of *The Dallas Morning News'* receipt of a sales tax refund during the first nine months of 2009.

Income Taxes

Income tax expense increased approximately $11,731 and $14,091 for the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009. The tax expense for the three and nine months ended September 30, 2010 is primarily attributable to tax expense incurred related to the Texas margin tax and Rhode Island state income tax and changes in the valuation allowance. The Company currently projects taxable income for the year 2010 for federal and state income tax purposes, which potentially could be carried back and offset by prior year net operating losses. The quarter's change in deferred tax assets is partially offset by a corresponding decrease in the valuation allowance of approximately $3,133 for the three months ended September 30, 2010.

Net operating losses can be carried forward to offset future taxable income. The Company's net operating loss carryforwards will begin to expire in the years 2029 and 2030 if not used. The applicable accounting guidance places a threshold for recognition of deferred tax assets including net operating loss carryforwards. Based on such criteria, the Company established a valuation allowance against the deferred tax assets in certain jurisdictions in March of 2009, as it was more likely than not that the benefit resulting from these deferred tax assets would not be realized. The factors used to assess the likelihood of realization of the deferred tax assets include reversal of future deferred tax liabilities, available tax planning strategies, and future taxable income. Any reversal relating to the valuation allowance will be recorded as a reduction of income tax expense. The Company continues to evaluate the more likely than not threshold for recognition of its deferred tax assets and records adjustments as necessary.

Liquidity and Capital Resources

Operating Cash Flows

Net cash provided by operations was $53,787 for the nine months ended September 30, 2010 compared to net cash provided by operations of $15,885 for the same period last year. The 2010 operating cash flows were primarily provided by a lower operating loss in the nine months ended September 30, 2010 when compared to the same period in 2009 and routine changes in working capital. The lower operating loss was the result of cost cutting during 2009 and 2010, which resulted in the lower net loss by the Company and lower cash expenditures.

At September 30, 2010, the Company's working capital was $71,672 compared to $46,252 at December 31, 2009, an increase of $25,420. The increase in working capital consists primarily of higher cash levels partially offset by decreases in accounts receivable resulting from collections and lower advertising revenue and in the funds held by Belo for future pension payments and increases in accrued compensation and benefits. During the nine months ended September 30, 2010, the Company reimbursed Belo $8,572 for pension contributions. These reimbursements to Belo were paid from the funds held by Belo for future pension payments. The Company does not expect the split of the Pension Plan, effective on or about January 1, 2011, to have a material impact on the liquidity of the Company.

Management believes that current working capital, cash flow provided by operations and the ability to borrow under the Company's revolving credit facility should be adequate to fund its current obligations.

Investing Cash Flows

Net cash flows provided by investing activities were $2,082 for the nine months ended September 30, 2010 compared to net cash flows used for investing activities of $4,994 for the same period in 2009. Cash flows provided by investing activities for the nine months ended September 30, 2010, reflect the sale of property, plant and equipment totaling $9,728, including a parking garage in Providence, Rhode Island, 8.2 acres and a 32,682 square foot building located in Plano, Texas and 4.59 acres and a 76,345 square foot building located in Arlington, Texas. During the nine months ended September 30, 2010, the Company had capital expenditures of $6,479 compared to capital spending of $7,833 for the same period in 2009. The decrease in capital spending is primarily due to timing differences in spending between 2009 and 2010.

Financing Cash Flows

Cash provided by financing activities for the nine months ended September 30, 2010 was $932, reflecting proceeds received from stock option exercises, compared to $10,000 used in financing activities during the same period in 2009. The cash used in 2009 was to reduce the outstanding amount under the Company's credit facility.

On December 3, 2009, the Company entered into the Second Amendment ("Second Amendment") to the Amended and Restated Credit Agreement (the Amended and Restated Credit Agreement as so amended, the "Credit Agreement"). Among other matters, the Second Amendment to the Credit Agreement extended the maturity date of the credit facility from April 30, 2011 to September 30, 2012, reduced the total commitment amount from $50,000 to $25,000, and released certain real property securing the facility. The amended facility remains subject to a borrowing base. If borrowing capacity under the Credit Agreement becomes less than $17,500, then a fixed charge coverage ratio covenant of 1:1 will apply. The Second Amendment also makes certain minor administrative amendments to the Amended and Restated Pledge and Security Agreement dated as of January 30, 2009. The decrease in the Company's revolving credit facility from $50,000 to $25,000 was a decision made by management. Management concluded that based on estimated future borrowing needs, the cost of the revolving credit facility, and borrowing base availability, $25,000 was sufficient to meet the Company's borrowing needs. The borrowing base is calculated using eligible accounts receivable and inventory, as defined in the Credit Agreement. A decrease in the borrowing base could potentially limit the Company's borrowing capacity. At September 30, 2010, the Company had eligible collateral to secure the Credit Agreement of $33,321 resulting in a borrowing base of $25,000. When letters of credit and other required reserves are deducted from the borrowing base, the Company had $19,147 of borrowing capacity available under the credit facility. At December 31, 2009, the Company had eligible collateral to secure the Credit Agreement of $44,202, resulting in a borrowing base of $25,000. When letters of credit and other required reserves are deducted from the borrowing base, the Company had $18,871 of borrowing capacity available under the Credit Agreement as of December 31, 2009.

At September 30, 2010 and December 31, 2009, the Company had no borrowings under the Credit Agreement.

Forward-Looking Statements

Statements in this communication concerning A. H. Belo Corporation's business outlook or future economic performance, anticipated financial performance, revenues, expenses, dividends, capital expenditures, investments, impairments, pension plan contributions, 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, general economic conditions, changes in capital market conditions and prospects, and other factors such as changes in advertising demand and advertising preferences, interest rates, and newsprint prices; newspaper circulation trends and other circulation matters, including changes in readership patterns and demography, and audits and related actions by the Audit Bureau of Circulations; challenges in achieving expense reduction goals, and on schedule, and the resulting potential effects on operations; technological changes; development of Internet media and commerce; industry cycles; changes in pricing or other actions by competitors and suppliers; 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; significant armed conflict; and other factors beyond our control, as well as other risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, and other public disclosures and filings with the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Other than as disclosed, there have been no material changes in A. H. Belo's exposure to market risk from the disclosure included in the Annual Report on Form 10-K for the year ended December 31, 2009.

Item 4T. Controls and Procedures

During the nine months ended September 30, 2010, there were no changes in A. H. Belo's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer and the Senior Vice President/Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as of the end of the period covered by this report. Based upon that evaluation, the President and Chief Executive Officer and the Senior Vice President/Chief Financial Officer concluded that, as of September 30, 2010, due to a material weakness in internal control over financial reporting described in Management's Report on Internal Control over Financial Reporting in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, the Company's disclosure controls and procedures were not effective.

Notwithstanding the material weakness discussed above, the Company's principal executive officer and the principal financial officer have certified that, based on their knowledge, the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present in all material respects our financial position, results of operations and cash flows as of the period ends, and for each of the periods presented in this report.

In response to the identified material weakness, management has identified several enhancements to the Company's internal control over financial reporting to remediate the material weakness described above. These ongoing efforts include the following:

- Preparing more robust documentation over the Company's analysis and conclusions over the Company's critical accounting policies;
- Preparing more detailed analyses of conclusions reached in (a) the selection of new accounting policies and (b) the accounting for significant non-routine transactions.
- Enhancing management review controls over conclusions reached with regard to documentation of critical accounting policies, selection of new policies and accounting for significant non-routine transactions.

We anticipate that the actions described above and resulting improvements in controls will strengthen our internal control over financial reporting and will, over time, address the related material weakness that we identified as of December 31, 2009. As part of our 2010 assessment of internal control over financial reporting, our management will test and evaluate these additional controls to assess whether they are operating effectively.

PART II.

Item 1. Legal Proceedings

In addition to the matters previously disclosed (see Note 7 to the Condensed Consolidated Financial Statements in Part I, Item 1) for which there are no material developments, a number of other legal proceedings are pending against the Company, including several actions for alleged libel and/or defamation. In the opinion of management, liabilities, if any, arising from these other legal proceedings would not have a material adverse effect on the consolidated results of operations, liquidity or financial position of the Company.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed under the heading “Risk Factors” in Item 1A of our 2009 Annual Report on Form 10-K.

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

There have been no unregistered sales of equity securities during the period covered by this report. In addition, there have been no issuer purchases of securities during the period covered by this report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Removed and Reserved

Item 5. Other Information

(a) The Company announced in June 2010 that the Compensation Committee of the Board of Directors had approved special, one-time cash bonus opportunities for all Company employees based upon performance of an employee’s individual operating company, or consolidated performance in the case of corporate employees, for the first nine months of 2010. The bonus opportunities were established in recognition of the progress the Company had made during the preceding 12 months. The Company also announced that participants in the Company’s executive compensation plans had a one-time cash bonus opportunity equal to one-half of their target bonus opportunity under the Company’s Incentive Compensation Plan.

As a result of the Company’s financial performance for the first nine months of 2010, the Compensation Committee recently approved a one-time bonus for all employees except non-bargaining unit participants in the Company’s sales compensation plans. Bonuses for most employees range from 1.5 percent to 3.0 percent of base salary. Bonuses, at reduced levels, will be paid to 114 individuals at the senior management level for the first time since 2008. The Company’s named executive officers are included in the group of senior management receiving bonuses: Robert W. Decherd — $408,000; James M. Moroney III — $327,250; Alison K. Engel - $150,000; and Daniel J. Blizzard — $100,000. These special cash bonuses represent an amount equal to 50 percent of each named executive officer’s target cash bonus opportunity had the bonuses been made under the Company’s Incentive Compensation Plan, multiplied by the level of financial achievement for the first nine months of 2010. Financial achievement measures were based upon operating unit EBITDA for operating unit executives, and consolidated EBITDA for corporate executives. In each case, maximum performance levels were achieved and payouts were calculated at two times the reduced targets. The Company does not intend to award any cash bonuses in respect of 2010 financial performance under the Company’s incentive compensation plan.

Item 6. 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. 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 dated 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)
4.1		Certain rights of the holders of the Company's Common Stock are 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		Financing agreements:
		(1)* Credit Agreement dated as of February 4, 2008 among the Company, as Borrower, JPMorgan Chase, N.A., as Administrative Agent, JPMorgan Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Bookrunners, Bank of America, N.A., as Syndication Agent, SunTrust Bank and Capitol One Bank, N.A. as Co-Documentation Agents (Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 5, 2008 (Securities and Exchange Commission File No. 001-33741))
		(2)* First Amendment and Waiver to the Credit Agreement dated as of October 23, 2008 (Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 24, 2008 (Securities and Exchange Commission File No. 001-33741))
		(3)* Amended and Restated Credit Agreement dated as of January 30, 2009, (Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 2, 2009 (Securities and Exchange Commission File No. 001-33741) (the "February 2, 2009 Form 8-K"))
		(4)* Amended and Restated Pledge and Security Agreement dated as of January 30, 2009 (Exhibit 10.2 to the February 2, 2009 From 8-K)
		(5)* First Amendment to the Amended and Restated Credit Agreement dated as of August 18, 2009 (Exhibit 10.1(5) to the Company's Quarterly Report on Form 10-Q file with the Securities and Exchange Commission on December 13, 2009 (Securities and Exchange Commission File No. 001-33741))
		(6)* Second Amendment to the Amended and Restated Credit Agreement dated as of December 3, 2009, 2009 (Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 4, 2009 (Securities and Exchange Commission File No. 001-33741))
		(7) Third Amendment to the Amended and Restated Credit Agreement dated as of August 18, 2010.

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 From 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)

~ (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 From 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)* John C. McKeon Retention and Relocation Agreement effective September 22, 2010 (Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 28, 2010 (Securities and Exchange Commission File No. 001-33741))

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

Exhibit Number	Description
	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 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 (See 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 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"))
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	Certification 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

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

November 3, 2010

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

November 3, 2010

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

EXHIBIT INDEX

Exhibit Number	Description
10.1(7)	Third Amendment to Amended and Restated Credit Agreement
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	Certification 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

THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT ("Amendment"), dated as of August 18, 2010 (the "Effective Date"), is among A.H. BELO CORPORATION, THE PROVIDENCE JOURNAL COMPANY, PRESS-ENTERPRISE COMPANY, DENTON PUBLISHING COMPANY, DMI ACQUISITION SUB, INC., THE DALLAS MORNING NEWS, INC., and DFW PRINTING COMPANY, INC. (collectively, the "Borrowers"), the other Loan Parties party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent (the "Administrative Agent").

RECITALS:

A. The Borrowers, the other Loan Parties, the Administrative Agent and the Lenders have entered into that certain Amended and Restated Credit Agreement dated as of January 30, 2009 (as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of August 18, 2009 and that certain Second Amendment to Amended and Restated Credit Agreement dated as of December 3, 2009, the "Credit Agreement"), pursuant to which the Lenders have provided certain credit facilities to the Borrowers.

B. Subject to the limitations and satisfaction of the conditions set forth herein, the Administrative Agent and the Lenders hereby agree to amend the Credit Agreement as specifically provided herein.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1

Definitions

Section 1.1 Definitions. Term defined by the Credit Agreement, where used in this Amendment, to the extent not otherwise defined herein shall have the same meanings as are prescribed by the Credit Agreement.

ARTICLE 2

Amendment

Section 2.1 Amendment to Section 6.05 of the Credit Agreement. Effective as of the Effective Date, clause (j) of Section 6.05 of the Credit Agreement is amended and restated to read in its entirety as follows:

(j) disposition of real property assets located in Arlington, Texas owned by DFW Printing Company provided the Borrowers receive no less than $650,000 in Net Proceeds from such disposition and such Net Proceeds are applied in accordance with Section 2.11 hereto and no Default or Event of Default exists or would result from such disposition;

ARTICLE 3

Miscellaneous

Section 3.1 Ratifications. Each of the Loan Parties agrees that the terms and provisions of the Credit Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect after giving effect to this Amendment. Each of the Loan Parties, the Administrative Agent and the Lenders agrees that the Credit Agreement as amended hereby and the other Loan Documents shall continue to be legal, valid, binding, and enforceable in accordance with their respective terms.

Section 3.2 Representations and Warranties. Each Loan Party hereby represents and warrants to the Administrative Agent and the Lenders that, as of the date of and after giving effect to this Amendment, (a) the execution, delivery, and performance of this Amendment and any and all other documents executed and/or delivered in connection herewith have been authorized by all requisite action on the part of such Loan Party and will not violate such Loan Party's organizational or governing document, (b) the representations and warranties contained in the Credit Agreement and in the other Loan Documents are true and correct on and as of the date hereof, in all material respects, as if made again on and as of the date hereof except for such representations and warranties limited by their terms to a specific date, and (c) after giving effect to this Amendment, no Default or Event of Default exists.

Section 3.3 Survival of Representations and Warranties. All representations and warranties made in this Amendment, the Credit Agreement, or any other Loan Document, including any other Loan Document furnished in connection with this Amendment, shall survive the execution and delivery of this Amendment, and no investigation by the Administrative Agent or any Lender, or any closing, shall affect the representations and warranties or the right of the Administrative Agent and the Lenders to rely upon them.

Section 3.4 Reference to Credit Agreement. The Credit Agreement and each of the other Loan Documents, and any and all other agreements, documents, or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement as amended hereby, are hereby amended so that any reference to the Credit Agreement in such agreements, documents, and instruments, whether direct or indirect, shall be a reference to the Credit Agreement as amended hereby.

Section 3.5 Severability. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

Section 3.6 Effect of Amendment. No consent or waiver, express or implied, by the Administrative Agent or any Lender to or for any breach of or deviation from any covenant, condition, or duty by any Loan Party shall be deemed a consent or waiver to or of any other breach of the same or any other covenant, condition, or duty. Each of the Loan Parties (individually, a "Subject Loan Party") hereby (a) consents to the execution and delivery of this Amendment by the other Loan Parties, (b) agrees that this Amendment shall not limit or diminish the obligations of the Subject Loan Party under its certain Loan Documents delivered in connection with the Credit Agreement or executed or joined in by the Subject Loan Party and delivered to the Administrative Agent, (c) reaffirms the Subject Loan Party's obligations under each of such Loan Documents, and (d) agrees that each of such Loan Documents remains in full force and effect and is hereby ratified and confirmed.

Section 3.7 Applicable Law. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, BUT GIVING EFFECT TO FEDERAL LAW APPLICABLE TO NATIONAL BANKS.

Section 3.8 Successors and Assigns. This Amendment is binding upon and shall inure to the benefit of the Loan Parties, the Administrative Agent and the Lenders and their respective successors and assigns, except that no Loan Party may assign or transfer any of its respective rights or obligations hereunder without the prior written consent of the Administrative Agent and the Lenders.

Section 3.9 Counterparts. This Amendment may be executed in one or more counterparts, and on telecopy counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement.

Section 3.10 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment. A telecopy or other electronic transmission of any executed counterpart shall be deemed valid as an original.

Section 3.11 Release. TO INDUCE THE ADMINISTRATIVE AGENT AND THE LENDERS TO AGREE TO THE TERMS OF THIS AMENDMENT, EACH OF THE LOAN PARTIES REPRESENTS AND WARRANTS THAT AS OF THE DATE OF THIS AMENDMENT THERE ARE NO CLAIMS OR OFFSETS AGAINST OR DEFENSES OR COUNTERCLAIMS TO SUCH LOAN PARTY'S OBLIGATIONS UNDER THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND WAIVES ANY AND ALL SUCH CLAIMS, OFFSETS, DEFENSES, OR COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING PRIOR TO THE DATE OF THIS AMENDMENT AND RELEASES AND DISCHARGES THE ADMINISTRATIVE AGENT, THE LENDERS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SHAREHOLDERS, AFFILIATES, AND ATTORNEYS (COLLECTIVELY THE "RELEASED PARTIES") FROM ANY AND ALL OBLIGATIONS, INDEBTEDNESS, LIABILITIES, CLAIMS, RIGHTS, CAUSES OF ACTION, OR DEMANDS WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, AT LAW OR IN EQUITY, WHICH SUCH LOAN PARTY NOW HAS OR MAY HAVE AGAINST ANY RELEASED PARTY ARISING PRIOR TO THE DATE HEREOF AND FROM OR IN CONNECTION WITH THE CREDIT AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Section 3.12 Entire Agreement. THIS AMENDMENT AND ALL OTHER INSTRUMENTS, DOCUMENTS, AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS AMENDMENT EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THIS AMENDMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Section 3.13 Required Lenders. Pursuant to Section 9.02 of the Credit Agreement, the Credit Agreement may be modified as provided in this Amendment with the agreement of the Required Lenders which means Lenders having Revolving Credit Exposure and unused Commitments representing more than 51.0% of the sum of the total Revolving Credit Exposure and unused Commitments (such percentage applicable to a Lender, herein such Lender's "Required Lender Percentage"). For purposes of determining the effectiveness of this Amendment, each Lender's Required Lender Percentage is set forth on Schedule 3.13 hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers in several counterparts effective as of the Effective Date specified in the preamble hereof.

BORROWERS:

A.H. BELO CORPORATION

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

THE DALLAS MORNING NEWS, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

DENTON PUBLISHING COMPANY

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

DFW PRINTING COMPANY, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

DMI ACQUISITION SUB, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

PRESS-ENTERPRISE COMPANY

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

THE PROVIDENCE JOURNAL COMPANY

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

OTHER LOAN PARTIES:

A.H. BELO MANAGEMENT SERVICES, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

AL DIA, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

THE BELO COMPANY

By: /s/ Sandra J. Radcliffe
Sandra J. Radcliffe,
Treasurer/Assistant Secretary

BELO ENTERPRISES, INC.

By: /s/ Sandra J. Radcliffe
Sandra J. Radcliffe,
Treasurer/Assistant Secretary

BELO INTERACTIVE, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

BELO INVESTMENTS II, INC.

By: /s/ Sandra J. Radcliffe
Sandra J. Radcliffe,
Treasurer/Assistant Secretary

BELO TECHNOLOGY ASSETS, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

NEWS-TEXAN, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

PROVIDENCE HOLDINGS, INC.

By: /s/ Alison K. Engel
Alison K. Engel
President

TDMN NEW PRODUCTS, INC.

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

TRUE NORTH REAL ESTATE LLC

By: A. H. Belo Management Services, Inc.,
its sole member

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

WASHINGTON STREET GARAGE CORPORATION

By: /s/ Alison K. Engel
Alison K. Engel
Treasurer/Assistant Secretary

ADMINISTRATIVE AGENT AND LENDERS:

JPMORGAN CHASE BANK, N.A.,
individually, as a Lender, Administrative Agent,Issuing Bank and Swingline Lender

By: /s/ Jeff A. Tompkins
Name: Jeff A. Tompkins
Title: Vice President

CAPITAL ONE, N.A., as a Lender

By: /s/ Shannon Pratt
Name: Shannon Pratt
Title: Senior Vice President

SCHEDULE 3.13
TO
THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

Required Lenders

Lender	**Required Lender Percentage Held**	**Lenders Agreeing to Amendment (insert % from prior column if Lender signs this Amendment then total percentages in this column)**
JPMorgan Chase Bank, N.A.	60.0%	60%
Capital One Bank, N.A.	40.0%	40%
Total	**100.0%**	**100%**

Exhibit 31.1

Section 302 Certification

I, Robert W. Decherd, 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.

Date: November 3, 2010

/s/ Robert W. Decherd
Robert W. Decherd
Chairman of the Board, President and
Chief Executive Officer

Exhibit 31.2

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.

Date: November 3, 2010

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

Exhibit 32

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 ending September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Robert W. Decherd, 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.

/s/ Robert W. Decherd
Robert W. Decherd
Chairman of the Board, President and Chief Executive Officer
November 3, 2010

/s/ Alison K. Engel
Alison K. Engel
Senior Vice President/Chief Financial Officer
November 3, 2010