

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): September 3, 2014



A. H. BELO CORPORATION

(Exact name of registrant as specified in its charter)

Commission file number: 1-33741

Delaware

(State or other jurisdiction of incorporation or organization)

38-3765318

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

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

(Address of principal executive offices, including zip code)

(214) 977-8200

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01. Completion of Acquisition or Disposition of Assets.

On September 3, 2014, A. H. Belo Corporation (the "Company") announced that its wholly-owned subsidiary, The Providence Journal Company, had completed the previously reported transaction with LMG Rhode Island Holdings, Inc. ("LMG"), a subsidiary of New Media Investment Group Inc., for the (i) sale of substantially all of the assets comprising the newspaper operations of *The Providence Journal* and related real property in Providence, Rhode Island, and (ii) assumption of certain liabilities by LMG (collectively, the "Sale"), for \$46 million, subject to a customary working capital adjustment. A copy of the press release announcing the closing of the Sale is filed with this report as Exhibit 99.1. The asset purchase agreement and related form of limited guaranty relating to the transaction were previously filed with the Securities and Exchange Commission as exhibits to the Company's Current Report on Form 8-K filed July 24, 2014.

As a result of the Sale, the Company has no newspaper operations in Providence, Rhode Island, but continues to own and market for sale certain land and buildings in Providence. The Company also retains the obligation for the A. H. Belo Pension Plan II, which provides benefits to former employees of The Providence Journal Company.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

As furnished in Exhibit 99.2 to this Current Report on Form 8-K, the Company has provided the unaudited pro forma condensed consolidated balance sheet of A. H. Belo Corporation as of June 30, 2014, the unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2013, 2012 and 2011, and the related notes thereto to reflect the completion of the transactions described in Item 2.01 above.

(d) Exhibits.

99.1 Press release issued by A. H. Belo Corporation on September 3, 2014

99.2 Unaudited pro forma condensed consolidated financial statements

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

A. H. BELO CORPORATION

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

Date: September 9, 2014

EXHIBIT INDEX

99.1 Press release issued by A. H. Belo Corporation on September 3, 2014

99.2 Unaudited pro forma condensed consolidated financial statements

A. H. BELO CORPORATION

A. H. Belo Corporation Completes Sale of *The Providence Journal*

DALLAS, TX and PROVIDENCE, RI - A. H. Belo Corporation (NYSE: AHC) announced today that the previously reported sale of *The Providence Journal* is now complete.

A subsidiary of New Media Investment Group Inc. (New Media) acquired substantially all of the assets which comprise the newspaper operations of *The Providence Journal* located in Providence, Rhode Island, including the production facility and related land, for \$46 million in cash before usual closing costs. A. H. Belo retains sponsorship of the defined benefit pension plan for Providence employees.

A. H. Belo continues to own and market for sale the 75 Fountain Street headquarters building, the downtown parking lots and the former Rhode Island Monthly / Sunday inserting building. New Media executed a one-year lease of the headquarters building and parking lots following the close of the transaction. Stephens Inc. served as exclusive financial advisor to A. H. Belo on the transaction.

About A. H. Belo Corporation

A. H. Belo Corporation (NYSE: AHC) is a leading local news and information publishing company with commercial printing, distribution and direct mail capabilities, as well as businesses with expertise in emerging media and digital marketing. With a continued focus on extending our media platform, we are able to deliver news and information in innovative ways to new audiences with diverse interests and lifestyles. For additional information, visit ahbelo.com, email invest@ahbelo.com.

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

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

A. H. BELO CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited pro forma condensed consolidated financial statements of A. H. Belo Corporation and subsidiaries (the "Company") were derived from the Company's historical consolidated financial statements. The unaudited pro forma balance sheet as of June 30, 2014, was adjusted to reflect the disposition of the assets and operations related to the sale of *The Providence Journal* to LMG Rhode Island Holdings, Inc. on September 3, 2014, as though the disposition occurred on June 30, 2014. The unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2013, 2012 and 2011, include pro forma adjustments that reflect the disposition of the assets and operations related to the sale of *The Providence Journal* on September 3, 2014. These financial statements were prepared as though the disposition occurred on January 1, 2011.

The unaudited pro forma condensed consolidated financial statements are furnished for informational purposes only and do not purport to reflect the Company's financial position and results of operations had the dispositions occurred on the dates as indicated above. Further, these financial statements are not necessarily indicative of the Company's future financial position and future results of operations and should be read in conjunction with the historical financial statements of the Company included in its Annual Report on Form 10-K for the year ended December 31, 2013, and its Quarterly Report on Form 10-Q for the six months ended June 30, 2014.

The Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2014, filed with the Securities and Exchange Commission on July 29, 2014, reported the assets and operations related to *The Providence Journal* as a discontinued operation of A. H. Belo Corporation. Accordingly, a proforma statement of operation is not required for this period as net income (loss) from continuing operations attributable to A. H. Belo Corporation excludes the effect of the transaction as described in Item 2.01 to this Current Report on Form 8-K.

A. H. Belo Corporation and Subsidiaries
Pro Forma Condensed Consolidated Balance Sheet

<i>In thousands, except share amounts (unaudited)</i>	<i>June 30, 2014</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Assets			
Current assets:			
Cash and cash equivalents	\$ 59,754	\$ 47,982 (a)	\$ 107,736
Accounts receivable	28,399	—	28,399
Inventories	7,974	—	7,974
Prepays and other current assets	8,181	—	8,181
Deferred income taxes, net	116	—	116
Assets held for sale	2,525	—	2,525
Assets of discontinued operations	36,658	(36,658) (b)	—
Total current assets	143,607	11,324	154,931
Property, plant and equipment, at cost	488,364	—	488,364
Less accumulated depreciation	(420,056)	—	(420,056)
Property, plant and equipment, net	68,308	—	68,308
Intangible assets, net	554	—	554
Goodwill	24,582	—	24,582
Investments	8,511	—	8,511
Deferred income taxes, net	230	—	230
Other assets	4,098	—	4,098
Total assets	\$ 249,890	\$ 11,324	\$ 261,214
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$ 12,575	\$ —	\$ 12,575
Accrued compensation and benefits	9,793	—	9,793
Other accrued expense	3,271	2,959 (c)	6,230
Advance subscription payments	14,555	—	14,555
Liabilities of discontinued operations	9,489	(9,489) (b)	—
Total current liabilities	49,683	(6,530)	43,153
Long-term pension liabilities	44,187	—	44,187
Other post-employment benefits	2,659	—	2,659
Other liabilities	4,172	—	4,172
Shareholders' equity:			
Preferred stock, \$.01 par value; Authorized 2,000,000 shares; none issued	—	—	—
Common stock, \$.01 par value; Authorized 125,000,000 shares			
Series A: issued 19,918,393 shares	203	—	203
Series B: issued 2,399,676 shares	24	—	24
Treasury stock, Series A, at cost; 432,283 shares held	(5,231)	—	(5,231)
Additional paid-in capital	498,890	—	498,890
Accumulated other comprehensive loss	(15,440)	—	(15,440)
Accumulated deficit	(329,585)	17,854 (d)	(311,731)
Total shareholders' equity attributable to A. H. Belo Corporation	148,861	17,854	166,715
Noncontrolling interests	328	—	328
Total shareholders' equity	149,189	17,854	167,043
Total liabilities and shareholders' equity	\$ 249,890	\$ 11,324	\$ 261,214

See notes to the pro forma condensed consolidated financial statements.

A. H. Belo Corporation and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Twelve Months Ended December 31, 2013</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Net Operating Revenue			
Advertising and marketing services	\$ 208,959	\$ (41,015) (e)	\$ 167,944
Circulation	120,316	(34,042) (e)	86,274
Printing and distribution	36,975	(15,011) (e)	21,964
Total net operating revenue	366,250	(90,068)	276,182
Operating Costs and Expense			
Salaries, wages and employee benefits	146,307	(35,894) (e)	110,413
Other production, distribution and operating costs	140,230	(25,512) (e)	114,718
Newsprint, ink and other supplies	50,810	(15,963) (e)	34,847
Depreciation	18,079	(3,218) (e)	14,861
Amortization	4,493	(4,372) (e)	121
Total operating costs and expense	359,919	(84,959)	274,960
Net income from operations	6,331	(5,109)	1,222
Other Income, Net			
Gains on equity method investments, net	2,122	—	2,122
Interest expense	(311)	—	(311)
Other income, net	599	(256) (e)	343
Total other income, net	2,410	(256)	2,154
Income from Continuing Operations Before Income Taxes			
	8,741	(5,365)	3,376
Income tax expense	1,584	(124) (f)	1,460
Income from Continuing Operations			
	7,157	(5,241)	1,916
Net loss from continuing operations attributable to noncontrolling interests	(193)	—	(193)
Net Income from Continuing Operations Attributable to A. H. Belo Corporation	\$ 7,350	\$ (5,241)	\$ 2,109
Per Share Basis, Basic and Diluted, from Continuing Operations			
Net income from continuing operations attributable to A. H. Belo Corporation			
Basic and Diluted	\$ 0.31		\$ 0.09
Weighted average shares outstanding			
Basic	21,967,666		21,967,666
Diluted	22,063,741		22,063,741

See notes to the pro forma condensed consolidated financial statements.

A. H. Belo Corporation and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Twelve Months Ended December 31, 2012</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Net Operating Revenue			
Advertising and marketing services	\$ 216,108	\$ (45,995) (e)	\$ 170,113
Circulation	123,224	(34,562) (e)	88,662
Printing and distribution	35,358	(13,209) (e)	22,149
Total net operating revenue	374,690	(93,766)	280,924
Operating Costs and Expense			
Salaries, wages and employee benefits	152,523	(41,268) (e)	111,255
Other production, distribution and operating costs	139,566	(25,150) (e)	114,416
Newsprint, ink and other supplies	49,401	(15,328) (e)	34,073
Depreciation	21,401	(4,356) (e)	17,045
Amortization	4,373	(4,372) (e)	1
Total operating costs and expense	367,264	(90,474)	276,790
Net income from operations	7,426	(3,292)	4,134
Other Income, Net			
Gains on equity method investments, net	2,628	—	2,628
Interest expense	(629)	—	(629)
Other income, net	752	15 (e)	767
Total other income, net	2,751	15	2,766
Income from Continuing Operations Before Income Taxes	10,177	(3,277)	6,900
Income tax expense	1,804	(11) (f)	1,793
Income from Continuing Operations	8,373	(3,266)	5,107
Net loss from continuing operations attributable to noncontrolling interests	(107)	—	(107)
Net Income from Continuing Operations Attributable to A. H. Belo Corporation	\$ 8,480	\$ (3,266)	\$ 5,214
Per Share Basis, Basic and Diluted, from Continuing Operations			
Net income from continuing operations attributable to A. H. Belo Corporation			
Basic and Diluted	\$ 0.37		\$ 0.22
Weighted average shares outstanding			
Basic	21,947,981		21,947,981
Diluted	22,065,856		22,065,856

See notes to the pro forma condensed consolidated financial statements.

A. H. Belo Corporation and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Twelve Months Ended December 31, 2011</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Net Operating Revenue			
Advertising and marketing services	\$ 237,061	\$ (52,886) (e)	\$ 184,175
Circulation	126,290	(33,797) (e)	92,493
Printing and distribution	30,845	(8,382) (e)	22,463
Total net operating revenue	394,196	(95,065)	299,131
Operating Costs and Expense			
Salaries, wages and employee benefits	160,874	(42,555) (e)	118,319
Other production, distribution and operating costs	146,836	(22,414) (e)	124,422
Newsprint, ink and other supplies	48,690	(12,524) (e)	36,166
Depreciation	24,850	(5,219) (e)	19,631
Amortization	4,373	(4,373) (e)	—
Asset impairments	872	—	872
Pension plan withdrawal	1,988	—	1,988
Total operating costs and expense	388,483	(87,085)	301,398
Net income (loss) from operations	5,713	(7,980)	(2,267)
Other Expense, Net			
Loss on equity method investments, net	(630)	—	(630)
Interest expense	(668)	—	(668)
Other income, net	336	(4) (e)	332
Total other expense, net	(962)	(4)	(966)
Income (Loss) from Continuing Operations Before Income Taxes	4,751	(7,984)	(3,233)
Income tax expense	5,107	56 (f)	5,163
Loss from Continuing Operations	\$ (356)	\$ (8,040)	\$ (8,396)
Per Share Basis, Basic and Diluted, from Continuing Operations			
Net loss from continuing operations attributable to A. H. Belo Corporation			
Basic and Diluted	\$ (0.03)		\$ (0.40)
Weighted average shares outstanding			
Basic and Diluted	21,495,814		21,495,814

See notes to the pro forma condensed consolidated financial statements.

A. H. Belo Corporation and Subsidiaries
Notes to Unaudited Pro Forma Condensed Financial Statements
(all amounts are presented in thousands)

Pro Forma Condensed Consolidated Balance Sheet

- (a) The cash adjustment amount consists of gross proceeds of \$47,982 received from the sale of *The Providence Journal* on September 3, 2014. This amount is comprised of the purchase price of \$46,000 and is increased by the anticipated working capital adjustment less liabilities requiring payment at closing, which net to approximately \$1,982.
- (b) The eliminated assets/liabilities of discontinued operations are related to the sale of *The Providence Journal* to LMG Rhode Island Holdings, Inc. on September 3, 2014.
- (c) Other accrued expense adjustment includes \$2,959 for estimated exit costs related to the sale of *The Providence Journal*.
- (d) Stockholders' equity was adjusted as a result of adjustments (a) through (d).

Pro Forma Condensed Consolidated Statement of Operations

- (e) The revenues and expenses eliminated are related to the September 3, 2014, sale of *The Providence Journal* to LMG Rhode Island Holdings, Inc.
- (f) The income tax adjustment amount represents the calculated tax effect of pro forma adjustments to income before income taxes based on the applicable statutory rate. The effective tax rate of the Company could be different depending on activities subsequent to the disposition.