Aircastle LTD
Form 424B5
March 21, 2016
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SUBJECT TO COMPLETION, DATED MARCH 21, 2016

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are neither offers to sell nor solicitations of offers to buy these securities in any jurisdiction where the offer or sale thereof is not permitted.

Prospectus Supplement to Prospectus dated May 6, 2015

$400,000,000

Aircastle Limited

% Senior Notes due 2023

We are offering $400.0 million aggregate principal amount of % Senior Notes due 2023 (the notes). The notes will bear interest at a rate of % per annum. The notes will mature on , 2023. Interest will accrue on the notes from March , 2016. Interest on the notes is payable on and of each year, commencing on , 2016.

We may redeem all of the notes at any time by paying a specified make-whole premium, plus accrued and unpaid interest, if any, to the redemption date, as described in this prospectus supplement. In addition, on or before , 2019, we may redeem up to 40% of the aggregate principal amount of the notes with the net proceeds of certain equity offerings at the redemption price set forth in this prospectus supplement, plus accrued and unpaid interest, if any, to the redemption date. If we experience a change of control triggering event as described in this prospectus supplement under Description of Notes Repurchase at the Option of the Holders Change of Control, holders of the notes will have the right to require us to repurchase the notes under the terms set forth herein, plus accrued and unpaid interest, if any, to the date of purchase.

The notes will be our unsecured senior obligations, will rank equally in right of payment with all of our existing and future senior debt (including our existing senior notes) and will rank senior in right of payment to all of our future subordinated debt. The notes will be effectively junior in right of payment to all of our existing and future secured debt to the extent of the assets securing such debt, and to all existing and future indebtedness and other liabilities of our subsidiaries that do not guarantee the notes. The notes will not initially be guaranteed by any of our subsidiaries or any third party.

Investing in the notes involves risks. See Risk Factors beginning on page S-14 of this prospectus supplement and page 1 of the accompanying prospectus and those risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus from our Annual Report on Form 10-K for the year ended December 31, 2015.

Neither the Securities and Exchange Commission (SEC), the Registrar of Companies in Bermuda, the Bermuda Monetary Authority, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price(1)	%	$
Underwriting discount	%	$
Proceeds, before expenses, to us	%	$

(1) Plus accrued interest, if any, from , 2016 if settlement occurs after that date.

The notes will not be listed on any securities exchange.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company (DTC) on or about , 2016.

Joint Book-Running Managers

Deutsche Bank Securities **BNP PARIBAS** **Citigroup** **Credit Agricole CIB**

Goldman, Sachs & Co. **J.P. Morgan** **MUFG** **RBC Capital Markets**

Prospectus Supplement dated March , 2016

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This prospectus supplement and the accompanying prospectus are part of a shelf registration statement that we filed with the SEC. Under this shelf registration process, we may sell the securities described in the accompanying prospectus at our discretion in one or more offerings. You should read (i) this prospectus supplement, (ii) the accompanying prospectus, (iii) any free writing prospectus prepared by or on behalf of us or to which we have referred you and (iv) the documents incorporated by reference herein and therein that are described in the accompanying prospectus under the heading Where You Can Find More Information.

Consent under the Exchange Control Act of 1972 (and its related regulations) has been granted by the Bermuda Monetary Authority for the issue and transfer of securities of Bermuda companies (other than certain equity securities) to and between non-residents of Bermuda for exchange control purposes, which includes the notes. Neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this prospectus supplement or the accompanying prospectus.

This prospectus supplement, the accompanying prospectus and any free writing prospectus that we prepare or authorize, contain and incorporate by reference information that you should consider when making your investment decision. Neither we nor the underwriters nor their affiliates and agents have authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters nor their affiliates and agents are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus or any documents incorporated by reference in either is accurate only as of the stated date of each document in which the information is contained. After the stated date, our business, financial condition, results of operations and prospects may have changed.

This prospectus supplement and the accompanying prospectus summarize certain documents and other information to which we refer you for a more complete understanding of what we discuss in this prospectus supplement and the accompanying prospectus. In making an investment decision, you should rely on your own examination of our company and the terms of this offering and the notes, including the merits and risks involved.

Neither we nor the underwriters nor their affiliates and agents are making any representation to any purchaser of the notes regarding the legality of the purchaser s investment in the notes. You should not consider any information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

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FORWARD-LOOKING STATEMENTS

All statements included or incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, other than characterizations of historical fact, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward looking-statements include, but are not necessarily limited to, statements relating to our ability to acquire, sell, lease or finance aircraft, raise capital, pay dividends, and increase revenues, earnings, EBITDA, Adjusted EBITDA and Adjusted Net Income and the global aviation industry and aircraft leasing sector. Words such as anticipates, expects, intends, plans, projects, believes, may, will, would, could, should, seeks on these words and similar expressions are intended to identify such forward-looking statements. These statements are based upon our historical performance and that of our subsidiaries and on our current plans, estimates and expectations and are subject to a number of factors that could lead to actual results being materially different from those described in the forward-looking statements; we can give no assurance that our expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein. Factors that could have a material adverse effect on our operations and future prospects or that could cause actual results to differ materially from our expectations include, but are not limited to, those risk factors that are included under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015 that is incorporated by reference in this prospectus supplement and the accompanying prospectus. In addition, new risks and uncertainties emerge from time to time, and it is not possible for us to predict or assess the impact of every factor that may cause our actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of the document in which the statements are contained. We expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein, in the accompanying prospectus or in the documents incorporated by reference herein or therein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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SUMMARY

This summary highlights the information contained elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the information incorporated by reference herein and therein, including the financial statements and the notes to those statements.

In this prospectus supplement, except as otherwise indicated or the context otherwise requires, the terms Aircastle, we, our and us refer to Aircastle Limited and its consolidated subsidiaries.

Our Company

We acquire, lease, and sell commercial jet aircraft with large, global operator bases and long useful lives. As of December 31, 2015, our aircraft portfolio consisted of 162 aircraft leased to 53 lessees located in 34 countries. Our aircraft fleet is managed by an experienced team based in the United States, Ireland and Singapore. Typically, our aircraft are subject to net leases whereby the lessee is generally responsible for maintaining the aircraft and paying operational, maintenance and insurance costs arising during the term of the lease. We also may occasionally make investments in other aviation assets, including debt investments secured by commercial jet aircraft. As of December 31, 2015, the net book value of our flight equipment and finance and sales-type lease aircraft was $6.07 billion compared to $5.69 billion at the end of 2014. Our revenues, net income and Adjusted EBITDA for the year ended December 31, 2015 were $819.2 million, $121.7 million and $832.1 million, respectively, and for the year ended December 31, 2014 were $818.6 million, $100.8 million and $792.3 million, respectively.

Growth in commercial air traffic is broadly correlated with world economic activity and, in recent years, has been expanding at a rate of one and a half to two times that of global GDP growth. The expansion of air travel has driven a rise in the world aircraft fleet. There are currently 19,000 commercial mainline passenger and freighter aircraft in operation worldwide. This fleet is expected to continue expanding at an average annual rate of three to four percent per annum over the next 20 years. In addition, aircraft leasing companies own an increasing share of the world s commercial jet aircraft and now account for approximately 40% of this fleet.

Notwithstanding the sector s long-term growth, the aviation markets have been, and are expected to remain, subject to economic variability, as well as to changes in macroeconomic relations such as fuel price levels and foreign exchange rates. The industry is susceptible to external shocks, such as regional conflicts and terrorist events. Mitigating these risks is the portability of the assets, allowing aircraft to be redeployed in locations where demand is higher.

Air traffic data for the past several years has shown strong passenger market growth. According to the International Air Transport Association, during 2015, global passenger traffic increased 6.5% compared to 2014. This strong growth was, in part, stimulated by lower air fare prices resulting from the significant drop in fuel prices. Air cargo demand, which is more sensitive to economic conditions, appears to have stabilized. However, the air cargo market continues to be hampered by oversupply arising from the production of dedicated freighter aircraft as well as the rapid growth in belly cargo capacity in passenger aircraft. During 2015, air cargo traffic increased 2.2% on a year over year basis, but capacity increased 6.1%, further depressing load factors.

There are large regional variations in demand for air travel. Emerging market economies have been experiencing significant increases in air traffic, driven by rising levels of per capita income. Air traffic growth in

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some regions is being driven by the proliferation of low cost carriers, which have stimulated demand through lower prices, and by the expansion of long-haul hub and spoke traffic, such as that flowing through the Persian Gulf. Mature markets, such as North America and Western Europe, are likely to grow more slowly in tandem with their economies. Also, airlines operating in areas with political instability or weakening economies, such as those in Russia and Brazil, will face increasing pressures, and their near-term outlook is more uncertain. On balance, we believe air travel will increase over time, and as a result, we expect demand for modern aircraft will continue to remain strong over the long-term.

Capital availability for aircraft has varied over time, and we consider this variability to be a basic characteristic of our business and if pursued properly, represents an important source of opportunity. Both debt and equity markets have improved globally over the past several years with the recovery from the global financial crisis. Strong U.S. debt capital market conditions benefited borrowers by permitting access to financing at historic lows while higher fees have driven down export credit agency (ECA) demand. Commercial bank debt continues to play a critical role in the air finance market, although we believe regulatory pressures will ultimately limit its role. However, recent heightened financial markets volatility stemming from global growth concerns and falling oil prices may increase capital costs and limit availability going forward. We believe these market forces could generate attractive new investment and trading opportunities upon which we are well placed to capitalize given our access to different financing sources and our limited capital commitments. Over the longer term, our strategy is to achieve an investment grade credit rating, which we believe will reduce our borrowing costs and enable more reliable access to debt capital throughout the business cycle.

We believe our business approach is differentiated from those of other large leasing companies. Our investment strategy is to seek out the best risk-adjusted return opportunities across the commercial jet market, regardless of aircraft type or investment source, so our acquisition targets vary with market opportunities. Additionally, our business approach is much less reliant on orders for new aircraft from aircraft manufacturers as a source of new investments, as we prefer to limit large, long-term future capital commitments. In general, we focus on discerning investment value in situations that are often more bespoke and generally less competitive.

Our Business

We originate acquisitions and sales through well-established relationships with airlines, other aircraft lessors, financial institutions and brokers, as well as other sources. We believe that sourcing such transactions both globally and through multiple channels provides for a broad and relatively consistent set of opportunities.

Our objective is to develop and maintain a diverse and stable operating lease portfolio. We review our operating lease portfolio periodically to sell aircraft opportunistically, to manage our portfolio diversification and to exit from aircraft investments when we believe selling will achieve better expected risk-adjusted cash flows than reinvesting in and re-leasing the aircraft.

We have an experienced acquisitions and sales team based in Stamford, Connecticut; Dublin, Ireland; and Singapore that maintains strong relationships with a wide variety of market participants throughout the world. We believe that our seasoned personnel and extensive industry contacts facilitate our access to acquisition and sales opportunities and that our strong operating track record facilitates our access to debt and equity capital markets.

Potential investments and sales are evaluated by teams comprised of marketing, technical, risk management, financial and legal professionals. These teams consider a variety of aspects before we commit to purchase or sell an aircraft, including price, specification/configuration, age, condition and maintenance history, operating efficiency, lease terms, financial condition and liquidity of the lessee, jurisdiction, industry trends and

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future redeployment potential and values, among other factors. We believe that utilizing a cross-functional team of experts to consider the investment parameters noted above will help us assess more completely the overall risk and return profile of potential acquisitions and will help us move forward expeditiously on letters of intent and acquisition documentation. Our letters of intent are typically non-binding prior to internal approval, and upon internal approval, are binding subject to the fulfillment of customary closing conditions.

Nearly all of our aircraft are contracted on operating leases. Under an operating lease, we retain the benefit, and bear the risk, of re-leasing and of the residual value of the aircraft at the end of the lease. Operating leasing can be an attractive alternative to ownership for an airline because leasing increases their fleet flexibility, requires lower capital commitments, and significantly reduces aircraft residual value risks. Under these leases, the lessee agrees to lease an aircraft for a fixed term, although certain of our operating leases allow the lessee the option to extend the lease for an additional term or, in rare cases, terminate the lease prior to its expiration.

Each of our leases requires the lessee to pay periodic rentals during the lease term. As of December 31, 2015, rentals on more than 92% of our leases then in effect, as a percentage of net book value, are fixed and do not vary according to changes in interest rates. For the remaining leases, rentals are payable on a floating interest-rate basis. Most lease rentals are payable either monthly or quarterly in advance, and all lease rentals are payable in U.S. dollars.

Our aircraft re-leasing strategy is to develop opportunities proactively, well in advance of scheduled lease expiration, to enable consideration of a broad set of alternatives, including passenger or freighter deployments, or part-out or other sales, and to allow for reconfiguration or maintenance lead times where needed. We also take a proactive approach to monitoring the credit quality of our customers, and seek early return and redeployment of aircraft if we feel that a lessee is unlikely to perform its obligations under a lease. We have invested significant resources in developing and implementing what we consider to be state-of-the-art lease management information systems and processes to enable efficient management of aircraft in our portfolio.

Our Strengths

We believe that the following competitive strengths will allow us to capitalize on future growth opportunities in the global aviation industry.

Flexible, Disciplined Acquisition Approach and Broad Investment Sourcing Network: Our investment strategy is to seek out the best risk-adjusted return opportunities across the commercial jet market, so our acquisition targets vary with market opportunities. Indeed, we consider Aircastle to be the industry s largest value investor. We source our acquisitions through well-established relationships with airlines, other aircraft lessors, manufacturers, financial institutions and other aircraft owners. Since our formation in 2004, we built our aircraft portfolio through more than 125 transactions with 75 counterparties.

Strong Capital Raising Track Record and Access to a Wide Range of Financing Sources: Aircastle is a publicly listed company and our shares have traded on the New York Stock Exchange since 2006. Since our inception in late 2004, we raised approximately $1.7 billion in equity capital from private and public investors. Our two largest shareholders are Marubeni Corporation (Marubeni) and Ontario Teachers Pension Plan (Teachers) with whom we maintain strong, strategic relationships. We also obtained $11.7 billion in debt capital from a variety of sources including export credit agency-backed debt, commercial bank debt, the aircraft securitization markets and the unsecured bond market. The diversity and global nature of our financing sources demonstrates our ability to adapt to changing market conditions and seize new opportunities

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Our Capital Structure Is Long-Dated and Provides Investment Flexibility: Our aircraft are currently financed under debt financings with a weighted average debt maturity of 4.0 years. We also have a $600 million unsecured revolving credit facility that expires in 2019, thereby limiting our near-term financial markets exposure. As such, and given our relatively limited future capital commitments, we have resources to take advantage of what we anticipate will be a more attractive investment environment. We also believe that our access to the unsecured bond market and our unsecured revolving line of credit, which are enabled by our large unencumbered asset base, allow us to pursue a flexible and opportunistic investment strategy.

Experienced Management Team with Significant Expertise: Each member of our management team has more than twenty years of industry experience and has expertise in the acquisition, leasing, financing, technical management, restructuring/repossession or sale of aviation assets. This experience spans several industry cycles and a wide range of business conditions and is global in nature. We believe our management team is highly qualified to manage and grow our aircraft portfolio and to address our long-term capital needs.

Significant Experience in Successfully Selling Aircraft Throughout Their Life Cycle: Since our formation, we sold 141 aircraft for $3.1 billion. These sales produced net gains of $192 million and involved a wide range of aircraft types and buyers. Our team is adept at managing and executing the sale of both new and used aircraft. We sold 100 aircraft that were 15 or more years old at the time of sale, with many of these being sold on a part-out disposition basis, where the airframe and engines may be sold to various buyers. We believe this sales experience with older aircraft is an essential portfolio management skill and one of the capabilities that sets us apart from many of our larger competitors.

Diversified Portfolio of Modern Aircraft: We have a portfolio of modern aircraft that is diversified with respect to lessees, geographic markets, lease maturities and aircraft types. As of December 31, 2015, our aircraft portfolio consisted of 162 aircraft, comprising a variety of aircraft types leased to 53 lessees located in 34 countries. Our lease expirations are well dispersed, with a weighted average remaining lease term of 5.9 years as of December 31, 2015. This provides the company with a long-dated base of contracted revenues. We believe our focus on portfolio diversification reduces the risks associated with individual lessee defaults and adverse geopolitical or economic issues, and results in generally predictable cash flows.

Global and Scalable Business Platform: We operate through offices in the United States, Ireland and Singapore, using a modern asset management system designed specifically for aircraft operating lessors and capable of handling a significantly larger aircraft portfolio. We believe that our current facilities, systems and personnel are capable of supporting an increase in our revenue base and asset base without a proportional increase in overhead costs.

Our Strategy

The overall financing environment has improved in recent years and aircraft owners generally have benefited from the low interest rate environment. Particularly strong conditions in the debt capital markets have provided select borrowers, including Aircastle, with access to attractively priced, flexible financing providing a competitive advantage over airlines and lessors that lack similar access. Moreover, traditional asset-based financing for aircraft from commercial banks remains limited, particularly for older aircraft. Going forward, recent heightened financial markets volatility stemming from global growth concerns and falling oil prices may increase capital costs and limit availability. This may enable more attractive investment opportunities for Aircastle.

We plan to grow our business and profits over the long-term by continuing to employ the following elements of our fundamental business strategy.

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Pursuing a disciplined and differentiated investment strategy. In our view, aircraft values change in different ways over time. As a consequence, we carefully evaluate investments across different aircraft models, ages, lessees and acquisition sources and re-evaluate these choices periodically as market conditions and relative investment values change. We believe the financing flexibility offered through unsecured debt and our team s experience with a wide range of asset types enables our value oriented strategy and provides us with a competitive advantage for many investment opportunities. We view orders from equipment manufacturers to be part of our investment opportunity set but choose to limit long term capital commitments unless we believe there is an adequate return premium to compensate for risks and opportunity costs.

Originating investments from many different sources across the globe. Our strategy is to seek out worthwhile investments broadly leveraging our team s wide range of contacts around the world. We utilize a multi-channel approach to sourcing acquisitions and have purchased aircraft from a large number of airlines, lessors, original equipment manufacturers, lenders and other aircraft owners. Since our formation in 2004, we have acquired aircraft from 75 different sellers.

Maintaining a conservative capital commitment profile. We choose to limit long term capital commitments unless we believe there to be an adequate return premium to compensate for risks and opportunity costs. This approach sets us apart from most other large aircraft leasing companies.

Leveraging our strategic relationships. We intend to capture the benefits provided through the extensive global contacts and relationships maintained by Marubeni, which is our biggest shareholder and one of the largest Japanese trading companies. Our joint venture with Teachers provides us with an opportunity to pursue larger transactions, manage portfolio concentrations and improve our return on deployed capital.

Maintaining efficient access to capital from a wide range of sources while targeting an investment grade credit rating. We believe the aircraft investment market is subject to forces related to the business cycle and our strategy is to increase our purchase activity when prices are low and to emphasize asset sales when competition for assets is high. To implement this approach, we believe it is very important to maintain access to a wide variety of financing sources. Our strategy is to improve our corporate credit ratings to an investment grade level by maintaining strong portfolio and capital structure metrics while achieving a critical size through accretive growth. We believe improving our credit rating will not only reduce our borrowing costs but also facilitate more reliable access to both secured and unsecured debt capital throughout the business cycle.

Selling assets when attractive opportunities arise and for portfolio management purposes. We pursue asset sales, as opportunities arise over the course of the business cycle, with the aim of realizing profits and reinvesting proceeds where more accretive investments are available. We also use asset sales for portfolio management purposes, such as reducing lessee specific concentrations and lowering residual value exposures to certain aircraft types, and as an exit from investments when a sale would provide the greatest expected cash flow for us.

Capturing the value of our efficient operating platform and strong operating track record. We believe our team s capabilities in the global aircraft leasing market place us in a favorable position to source and manage new income-generating activities. We intend to continue to focus our efforts in areas where we believe we have competitive advantages, including new direct investments as well as ventures with strategic business partners.

Intending to pay quarterly dividends to our shareholders based on the Company s sustainable earnings levels. We have paid dividends each quarter since our initial public offering in 2006. On October 30, 2015, our Board of Directors declared a regular quarterly dividend of $0.24 per common share, or an aggregate

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of $19.4 million for the three months ended December 31, 2015, which was paid on December 15, 2015 to holders of record on November 30, 2015. These dividend amounts may not be indicative of any future dividends.

Recent Developments

We are currently seeking the agreement of the lenders under our revolving credit facility to increase the amount of borrowings available under the facility from $600.0 million to $675.0 million. We are also seeking to extend the maturity of the facility from 2019 to 2020. There can be no assurance that we and the lenders will agree to any such amendments, the final terms related to any such amendments or when any such amendments might be finalized.

Company Information

We are a Bermuda exempted company and were incorporated on October 29, 2004. Our principal executive offices are located at c/o Aircastle Advisor LLC, 300 First Stamford Place, 5th Floor, Stamford, CT 06902. Our telephone number is (203) 504-1020. Our website address is www.aircastle.com. Information on, or accessible through, our website does not constitute part of this prospectus supplement or the accompanying prospectus.

For a further discussion of our business, we urge you to read the documents incorporated by reference herein, including our Annual Report on Form 10-K for the year ended December 31, 2015 and our Current Reports on Form 8-K. See Where You Can Find More Information.

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The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The following is not intended to be complete. You should carefully review the Description of the Notes section of this prospectus supplement, which contains a more detailed description of the terms and conditions of the notes.

Issuer	Aircastle Limited, a Bermuda exempted company (the Issuer).
Notes Offered	$400.0 million aggregate principal amount of % senior notes due 2023.
Maturity	, 2023.
Interest Payment Dates	and , commencing on , 2016. Interest will accrue from , 2016.
Ranking	The notes will be our general unsecured senior indebtedness and will:

rank senior in right of payment to any of our future subordinated indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the notes;

rank equally in right of payment to all of our existing and future indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including our previously issued $500 million aggregate principal amount of 6.75% senior notes due 2017, $400 million aggregate principal amount of 4.625% senior notes due 2018, $500 million aggregate principal amount of 6.25% senior notes due 2019, $300 million aggregate principal amount of 7.625% senior notes due 2020, $500 million aggregate principal amount of 5.125% senior notes due 2021 and $500 million aggregate principal amount of 5.50% senior notes due 2022 (collectively, the existing notes);

be effectively junior in right of payment to all of our existing and future secured indebtedness and other obligations to the extent of the value of the assets securing such indebtedness and other obligations;

be structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries; and not be initially guaranteed by any of our subsidiaries or any third party.

As of December 31, 2015, after giving effect to the sale of the notes and the application of the net proceeds therefrom, the aggregate carrying value of our and our subsidiaries indebtedness was approximately $4.4 billion, including $3.3 billion of our indebtedness (none of which is secured) and $1.1 billion of indebtedness at our subsidiaries (all of which is secured). As of December 31, 2015, we also had $375.0 million of borrowings available under our revolving credit facility. See Recent Developments. As of December 31, 2015, our subsidiaries had approximately $1.1 billion of outstanding indebtedness and other obligations (excluding intercompany liabilities). In addition, none of our outstanding indebtedness is subordinated.

Optional Redemption	We may redeem the notes, in whole or in part, at any time at the make whole redemption price, as described in the Description of the Notes Optional Redemption, plus accrued and unpaid interest, if any, to the applicable redemption date.

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	In addition, at any time on or before , 2019, we may redeem up to 40% of the aggregate principal amount of the notes using the net cash proceeds from certain equity offerings at the applicable redemption price specified for the notes in the Description of the Notes Optional Redemption, plus accrued and unpaid interest, if any, to the applicable redemption date.
Change of Control	Upon a Change of Control (as defined herein), we will be required to make an offer to purchase each holder s notes at a price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase. See Description of the Notes Repurchase at the Option of the Holders Change of Control. If the notes have an investment grade rating from any two of Fitch, Inc., Moody s Investor Service, Inc. and Standard & Poor s Ratings Group at the time of the applicable Change of Control, we will only be required to offer to repurchase the notes if, in addition to a Change of Control, there is a Rating Decline, as defined in Description of the Notes Certain Definitions.
Certain Covenants	The indenture governing the notes will contain covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to:

incur or guarantee additional indebtedness and issue disqualified stock or preference shares;

sell assets;

incur liens;

pay dividends on or make distributions in respect of our capital stock or make other restricted payments;

agree to any restrictions on the ability of restricted subsidiaries to transfer property or make payments to us;

make certain investments;

guarantee other indebtedness without guaranteeing the notes offered hereby;

consolidate, amalgamate, merge, sell or otherwise dispose of all or substantially all of our assets; and

enter into transactions with our affiliates.

These limitations will be subject to a number of important qualifications and exceptions. See Description of the Notes Certain Covenants. The liens covenant only applies to us and our subsidiaries that guarantee the notes, and the notes will initially not be guaranteed by any of our subsidiaries. Many of these covenants will cease to apply to the notes during the period the notes are rated investment grade by any two of Fitch Inc., Moody s Investor Service, Inc. and Standard & Poor s Ratings Group.

No Prior Market	The notes will be new securities for which there is no market. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so and may discontinue market-making at any time without notice. Accordingly, a liquid market for the notes may not develop or be maintained.

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Use of Proceeds	We intend to use the net proceeds from the sale of the notes for general corporate purposes, which may include the acquisition of aircraft or the refinancing of our existing indebtedness. See Use of Proceeds.
Risk Factors	You should carefully consider the information set forth herein under Risk Factors and in the section entitled Risk Factors in our most recent Annual Report on Form 10-K, and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus in deciding whether to purchase the notes.

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SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

Our summary historical consolidated financial and operating data set forth below as of December 31, 2015 and 2014 and for each of the years ended December 31, 2015, 2014 and 2013 is derived from our audited consolidated financial statements incorporated by reference herein. Our summary historical consolidated financial and operating data set forth below as of December 31, 2013, 2012 and 2011 and for each of the years ended December 31, 2012 and 2011 is derived from our audited consolidated financial statements not included or incorporated by reference herein. You should also read our historical financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2015, as well as the section of our Annual Report on Form 10-K for the year ended December 31, 2015 entitled Management s Discussion and Analysis of Financial Condition and Results of Operations, all of which are incorporated by reference herein.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	(in thousands, except per share amounts and other data)				
Consolidated Statements of Operation:					
Total revenues	$ 819,202	$ 818,602	$ 708,645	$ 686,572	$ 605,197
Selling, general and administrative expenses	56,198	55,773	53,436	48,370	45,953
Depreciation	318,783	299,365	284,924	269,920	242,103
Interest, net	243,577	238,378	243,757	222,808	204,150
Net income	121,729	100,828	29,781	32,868	124,270
Earnings per common share Basic: Net income	$ 1.50	$ 1.25	$ 0.40	$ 0.46	$ 1.64
Earnings per common share Diluted: Net income	$ 1.50	$ 1.25	$ 0.40	$ 0.46	$ 1.64
Cash dividends declared per share	$ 0.90	$ 0.82	$ 0.695	$ 0.615	$ 0.50
Other Operating Data:					
EBITDA(1)(3)	$ 707,524	$ 658,606	$ 600,088	$ 546,285	$ 594,800
Adjusted EBITDA(1)(3)	832,105	792,283	717,209	647,622	607,870
Adjusted net income(2)(3)	142,271	167,642	59,260	57,009	144,963
Consolidated Statements of Cash Flows:					
Cash flows provided by operations	$ 526,285	$ 458,786	$ 424,037	$ 427,277	$ 359,377
Cash flows used in investing activities	(864,662)	(861,602)	(682,933)	(741,909)	(445,420)
Cash flows provided by (used in) financing activities	324,625	(82,141)	295,292	637,327	141,608
Consolidated Balance Sheet Data (end of period):					
Cash and cash equivalents	$ 155,904	$ 169,656	$ 654,613	$ 618,217	$ 295,522

Flight equipment held for lease, net of accumulated depreciation	5,867,062	5,579,718	5,044,410	4,662,661	4,387,986
Net investment in finance leases	201,211	106,651	145,173	119,951	
Total assets	6,569,964	6,175,146	6,199,429	5,757,703	5,188,499
Borrowings under senior notes, securitizations and term debt financings	4,041,156	3,744,587	3,684,897	3,543,589	2,950,586
Shareholders equity	1,779,500	1,720,335	1,645,407	1,415,626	1,404,608
Other Data:					
Number of Aircraft (at the end of period)	162	148	162	159	144
Total debt to total capitalization	69.4%	68.5%	69.1%	71.5%	67.7%

(1) EBITDA and Adjusted EBITDA are measures of operating performance that are not calculated in accordance with U.S. generally accepted accounting principles (US GAAP). EBITDA and Adjusted EBITDA should not be considered as substitutes for net income (loss), income (loss) from operations or cash flows provided by or used in operations, as determined in accordance with US GAAP. EBITDA and Adjusted EBITDA are key measures of our operating performance used by management to focus on consolidated operating performance exclusive of income and expense that relate to the financing and capitalization of the business.

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We define EBITDA as income (loss) from continuing operations before income taxes, interest expense, and depreciation and amortization. We use EBITDA to assess our consolidated financial and operating performance, and we believe this non-GAAP measure is helpful in identifying trends in our performance. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieving optimal financial performance. It provides an indicator for management to determine if adjustments to current spending decisions are needed. EBITDA provides us with a measure of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results. Accordingly, this metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure, or expenses, of the organization. EBITDA is one of the metrics used by senior management and the Board of Directors to review the consolidated financial performance of our business.

We define Adjusted EBITDA as EBITDA (as defined above) further adjusted to give effect to adjustments required in calculating covenant ratios and compliance under the indenture governing our senior unsecured notes. Adjusted EBITDA is a material component of these covenants.

The table below shows the reconciliation of net income to EBITDA and Adjusted EBITDA for the years ended December 31, 2015, 2014, 2013, 2012 and 2011.

	Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
			(in thousands)		
Net income	$ 121,729	$ 100,828	$ 29,781	$ 32,868	$ 124,270
Depreciation	318,783	299,365	284,924	269,920	242,103
Amortization of net lease premiums (discounts) and lease incentives	10,664	6,172	32,411	12,844	16,445
Interest, net	243,577	238,378	243,757	222,808	204,150
Income tax provision	12,771	13,863	9,215	7,845	7,832
EBITDA	$ 707,524	$ 658,606	$ 600,088	$ 546,285	$ 594,800
Impairment of aircraft	119,835	93,993	117,306	96,454	6,436
Non-cash share based payment expense	5,537	4,244	4,569	4,232	5,786
Loss on extinguishment of debt		36,570			
Loss (gain) on mark to market of interest rate derivative contracts	(791)	(1,130)	(4,754		

Total other comprehensive income
246

10

491

20

Comprehensive income (loss)
1,362

272

(6,469
)

(3,611
)
Comprehensive loss attributable to noncontrolling interests
(65
)

—

(119
)

—

Total comprehensive income (loss) attributable to A. H. Belo Corporation
$
1,427

$
272

$
(6,350
)

$
(3,611
)
See accompanying Notes to Condensed Consolidated Financial Statements.

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

In thousands, except share amounts (unaudited)	June 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$32,851	$34,094
Accounts receivable (net of allowance of $2,141 and $2,759 at June 30, 2013 and December 31, 2012, respectively)	39,890	46,964
Inventories	8,280	9,393
Prepaids and other current assets	7,204	7,190
Deferred income taxes, net	1,462	1,496
Assets held for sale	24,467	—
Total current assets	114,154	99,137
Property, plant and equipment, at cost	578,436	622,203
Less accumulated depreciation	(466,489)	(477,594)
Property, plant and equipment, net	111,947	144,609
Intangible assets, net	9,393	11,711
Goodwill	24,582	24,582
Investments	9,113	6,826
Deferred income taxes, net	965	1,113
Other assets	3,532	3,961
Total assets	$273,686	$291,939
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$14,418	$15,178
Accrued compensation and benefits	15,226	19,343
Other accrued expense	6,184	6,669
Advance subscription payments	20,801	20,708
Total current liabilities	56,629	61,898
Long-term pension liabilities	118,702	122,821
Other post-employment benefits	2,929	2,919
Other liabilities	2,782	2,241
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 19,912,769 and 19,651,830 shares at June 30, 2013 and December 31, 2012, respectively	199	197
Series B: issued 2,400,300 and 2,401,556 shares at June 30, 2013 and December 31, 2012, respectively	24	24
Treasury stock, Series A, at cost; 308,161 and 74,130 shares held at June 30, 2013 and December 31, 2012, respectively	(1,714)	(350)
Additional paid-in capital	496,485	495,528
Accumulated other comprehensive loss	(73,041)	(73,532)
Accumulated deficit	(329,438)	(319,862)
Total shareholders' equity attributable to A. H. Belo Corporation	92,515	102,005
Noncontrolling interests	129	55
Total shareholders' equity	92,644	102,060
Total liabilities and shareholders' equity	$273,686	$291,939

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries

Condensed Consolidated Statements of Shareholders' Equity

In thousands, except share amounts (unaudited)	Common Stock Shares Series A	Common Stock Shares Series B	Common Stock Amount	Additional Paid-in Capital	Treasury Stock Shares Series A	Treasury Stock Amount	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non-controlling Interests	Total
Balance at December 31, 2011	19,182,236	2,398,017	$216	$493,773	—	$—	$(63,069)	$(309,441)	$—	$121,479
Net loss	—	—	—	—	—	—	—	(3,631)	—	(3,631)
Other comprehensive income	—	—	—	—	—	—	20	—	—	20
Issuance of shares for restricted stock units	297,536	—	3	(3)	—	—	—	—	—	—
Issuance of shares for stock option exercises	63,326	16,500	1	147	—	—	—	—	—	148
Income tax on options and RSUs	—	—	—	4	—	—	—	—	—	4
Share-based compensation	—	—	—	923	—	—	—	—	—	923
Conversion of Series B to Series A	2,397	(2,397)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	(2,724)	—	(2,724)
Balance at June 30, 2012	19,545,495	2,412,120	$220	$494,844	—	$—	$(63,049)	$(315,796)	$—	$116,219
Balance at December 31, 2012	19,651,830	2,401,556	$221	$495,528	(74,130)	$(350)	$(73,532)	$(319,862)	$55	$102,060
Net loss	—	—	—	—	—	—	—	(6,841)	(119)	(6,960)
Other comprehensive income	—	—	—	—	—	—	491	—	—	491
Capital contributions by noncontrolling interests	—	—	—	—	—	—	—	—	193	193
Treasury stock purchases	—	—	—	—	(234,031)	(1,364)	—	—	—	(1,364)
Issuance of shares for restricted stock	247,863	—	2	(2)	—	—	—	—	—	—

units										
Issuance of shares for stock option exercises	11,820	—	—	55	—	—	—	—	—	55
Income tax on options and RSUs	—	—	—	(34)	—	—	—	—	—	(34)
Share-based compensation	—	—	—	938	—	—	—	—	—	938
Conversion of Series B to Series A	1,256	(1,256)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	(2,735)	—	(2,735)
Balance at June 30, 2013	19,912,769	2,400,300	$223	$496,485	(308,161)	$(1,714)	$(73,041)	$(329,438)	$ 129	$92,644

See accompanying Notes to Condensed Consolidated Financial Statements.

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

In thousands (unaudited)	Six Months Ended June 30, 2013	2012
Operating Activities		
Net loss	$(6,960)	$(3,631)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization	14,183	18,081
Share-based compensation	938	923
Amortization of net actuarial losses	491	20
Gain on disposal of fixed assets	(198)	(470)
Deferred income taxes	259	101
Provision for uncertain tax positions	—	72
Equity method investment earnings	(1,098)	(1,126)
Write-off of unamortized debt issuance costs	401	—
Other	188	—
Net change in assets acquired and held for sale	—	2,396
Benefit plan contributions in excess of expense	(7,416)	(25,932)
Changes in working capital and other operating assets and liabilities, net	6,035	(529)
Net cash provided (used) by operations	6,823	(10,095)
Investing Activities		
Capital expenditures, net	(3,015)	(4,044)
Proceeds from sale of fixed assets	243	514
Purchase of investments	(1,377)	—
Net cash used for investing activities	(4,149)	(3,530)
Financing Activities		
Dividends paid	(2,735)	(2,724)
Proceeds from exercise of stock options	55	148
Purchase of treasury stock	(1,364)	—
Capital contributions by noncontrolling interests	127	—
Net cash used for financing activities	(3,917)	(2,576)
Net decrease in cash and cash equivalents	(1,243)	(16,201)
Cash and cash equivalents at beginning of period	34,094	57,440
Cash and cash equivalents at end of period	$32,851	$41,239
Supplemental Disclosures		
Interest paid	$2	$219
Income tax paid, net of refunds	$1,406	$4,529
Noncash investing and financing activities:		
Capital contributions by noncontrolling interest of property, plant and equipment	$66	$—

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries
Notes to Condensed Consolidated Financial Statements
Note 1: Summary of Significant Accounting Policies

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

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

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

Note 2: Assets Held for Sale

Assets held for sale include long-lived assets being actively marketed for which a sale is considered probable within the next 12 months. These assets are recorded at the lower of their fair value less costs to sell or their carrying value at the time they are classified as Assets held for sale. As of June 30, 2013, the Company had entered into various agreements to sell certain building, land and equipment as described in Note 12 – Subsequent Events. These assets, with a total carrying value of $24,467, are reported as Assets held for sale as of June 30, 2013, as the related sales transactions closed in July 2013.

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Note 3: Goodwill and Intangible Assets

The Company recorded intangible assets consisting of goodwill and subscriber lists from its previous newspaper acquisitions. The carrying value of goodwill related to The Dallas Morning News reporting unit was $24,582 as of June 30, 2013 and December 31, 2012. Goodwill associated with The Providence Journal and The Press Enterprise was fully impaired in prior years. Cumulative impairment losses recorded for goodwill by the Company's newspapers total $439,509 as of June 30, 2013 and December 31, 2012. Subscriber lists related to The Providence Journal and The Press Enterprise are amortized over 18 years.

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

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

	Total Intangible Assets	The Dallas Morning News	The Providence Journal	The Press-Enterprise
June 30, 2013				
Gross balance	$92,290	$362	$78,698	$13,230
Accumulated amortization	(82,897)	(60)	(71,412)	(11,425)
Net balance	$9,393	$302	$7,286	$1,805
December 31, 2012				
Gross balance	$91,928	$—	$78,698	$13,230
Accumulated amortization	(80,217)	—	(69,225)	(10,992)
Net balance	$11,711	$—	$9,473	$2,238

Note 4: Investments

The Company owns investment interests in various entities which are recorded under the equity method or cost method of accounting or consolidated if the Company holds a controlling financial interest. Under the equity method, the Company records its share of the investee's earnings or losses each period in other income (expense), net, in the consolidated statements of operations. Under the cost method, the Company records earnings or losses when such amounts are realized. The Company evaluates the recoverability of its investments each period. During the three months ended June 30, 2013 and 2012, the Company recorded $549 and $775, respectively, of earnings from equity method investments. During the six months ended June 30, 2013 and 2012, the Company recorded $1,098 and $1,126, respectively, of earnings from equity method investments. The table below sets forth the Company's investments:

	June 30, 2013	December 31, 2012
Equity method investments	$8,181	$5,706
Cost method investments	932	1,120
Total investments	$9,113	$6,826

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

Classified Ventures, LLC ("Classified Ventures") – The Company and its former parent equally share a 6.6 percent interest in Classified Ventures, in which the other owners are Gannett Co., Inc., The McClatchy Company, Tribune Company and The Washington Post Company. The two principal businesses Classified Ventures operates are Cars.com and Apartments.com.

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

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

Note 5: Long-term Incentive Plans

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

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

	Number of Options	Weighted-Average Exercise Price
Outstanding at December 31, 2012	1,215,680	$ 17.90
Exercised	(11,820)	4.68
Canceled	(34,729)	22.13
Outstanding at June 30, 2013	1,169,131	$ 17.91
Vested and exercisable at June 30, 2013	1,169,131	$ 17.91

The vested and exercisable weighted average remaining contractual term of A. H. Belo stock options outstanding, as of June 30, 2013, was 2.8 years. The expense associated with all outstanding options was fully recognized in prior years and no new options were granted for the six months ended June 30, 2013.

Restricted Stock Units. Under A. H. Belo's long-term incentive plan, the Company's Board of Directors periodically awards RSUs. The RSUs have service and/or performance conditions and vest over a period of one to three years. Upon vesting, the RSUs are redeemed 60 percent in A. H. Belo Series A common stock and 40 percent in cash. As of June 30, 2013, the liability for the portion of the award to be redeemed in cash was $1,567. The table below sets forth a summary of RSU activity under the A. H. Belo long-term incentive plan:

	Total RSUs	Issuance of Common Stock	RSUs Redeemed in Cash	Cash Payments at Closing Price of Stock	Weighted-Average Price on Date of Grant
Non-vested at December 31, 2012	811,618				$5.97
Granted	335,029				5.46
Vested	(413,136)	247,863	165,273	$897	6.26
Non-vested at June 30, 2013	733,511				$5.57

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

	RSUs Redeemable in Stock	RSUs Redeemable in Cash	Total RSU Awards Expense
Three months ended June 30,			
2013	$143	$347	$490
2012	175	(228)	(53)
Six months ended June 30,			
2013	$938	$1,146	$2,084
2012	923	514	1,437

Note 6: Long-term Debt

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

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

Note 7: Income Taxes

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

The Company recognized income tax expense of $437 and $383 for the three months ended June 30, 2013 and 2012, respectively, and $856 and $785 for the six months ended June 30, 2013 and 2012, respectively. Tax expense represents effective income tax rates of 28.1 percent and 59.4 percent, for the three months ended June 30, 2013 and 2012, respectively, and (14.0) percent and (27.6) percent, for the six months ended June 30, 2013 and 2012, respectively. Tax expense for 2013 and 2012 was primarily attributable to state income tax expense and changes in the valuation allowance on deferred taxes.

The Company evaluates uncertain tax positions and recognizes a liability for the tax benefit associated with an uncertain position only if it is more likely than not the position will not be sustained on examination by taxing authorities, based on the technical merits of the position. As of June 30, 2013 and December 31, 2012, the Company recorded reserves of $319 and $324, respectively, for uncertain tax positions, and reserves of $108 and $93, respectively, for related interest and penalties.

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

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Note 8: Pension and Other Retirement Plans

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Required contributions	$1,940	$8,037	$2,336	$13,472
Voluntary contributions	—	10,000	—	10,000
Total contributions	$1,940	$18,037	$2,336	$23,472

The Company will fund the A. H. Belo Pension Plans to meet or exceed statutory requirements and anticipates required and voluntary contributions of $5,100 and $4,600, respectively, for the remainder of 2013.

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

Net Periodic Pension Benefit

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Interest cost	$3,999	$4,325	$7,998	$8,650
Expected return on plans' assets	(4,891)	(4,600)	(9,782)	(9,200)
Amortization of actuarial loss	426	175	851	350
Net periodic pension benefit	$(466)	$(100)	$(933)	$(200)

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

The A. H. Belo Pension Transition Supplement Plan ("PTS Plan"), a defined contribution plan, covered certain employees affected by the curtailment of The G. B. Dealey Retirement Pension Plan (a plan sponsored by the Company's former parent company). The Company was obligated to make contributions to this plan based on the earnings of actively employed participants for a period of five years, which concluded on March 31, 2013. Contributions were generally paid in the first quarter following each plan year. In April 2013, the Company made a final contribution for amounts accrued during the three months ended March 31, 2013, and the Company's obligation to fund this plan is now satisfied. Expense and contributions for 2013 and 2012 related to the PTS Plan are presented in the table following.

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Savings Plan				
Expense and contributions	$389	$96	$788	$753
PTS Plan				
Expense	—	1,112	1,090	2,248
Contributions	1,090	—	5,237	4,508

Note 9: Shareholders' Equity

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

	Three Months Ended June 30,					
	2013			2012		
	Total	Defined benefit pension plans	Other post-employment benefit plans	Total	Defined benefit pension plans	Other post-employment benefit plans
Balance, beginning of period	$(73,287)	$(74,507)	$ 1,220	$(63,059)	$(64,844)	$ 1,785
Amortization	246	426	(180)	10	175	(165)
Balance, end of period	$(73,041)	$(74,081)	$ 1,040	$(63,049)	$(64,669)	$ 1,620

	Six Months Ended June 30,					
	2013			2012		
	Total	Defined benefit pension plans	Other post-employment benefit plans	Total	Defined benefit pension plans	Other post-employment benefit plans
Balance, beginning of period	$(73,532)	$(74,932)	$ 1,400	$(63,069)	$(65,019)	$ 1,950
Amortization	491	851	(360)	20	350	(330)
Balance, end of period	$(73,041)	$(74,081)	$ 1,040	$(63,049)	$(64,669)	$ 1,620

Dividends. During the three months ended June 30, 2013 and 2012, the Company recorded and paid dividends of $1,368 and $1,367, respectively. During the six months ended June 30, 2013 and 2012, the Company recorded and paid dividends of $2,735 and $2,724, respectively.

On May 16, 2013, the Company announced an increase in its quarterly dividend to $0.08 per share to shareholders of record and holders of RSUs as of the close of business on August 16, 2013, payable on September 6, 2013.

Treasury Stock. In 2012, the Company's Board of Directors authorized the purchase of up to 1,000,000 shares of the Company's Series A or Series B common stock through open market purchases, privately negotiated transactions or otherwise. During the three and six months ended June 30, 2013, the Company purchased 121,982 and 234,031 shares of Series A common stock, respectively, for $767 and $1,364, respectively. All purchases were made through open market transactions.

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Note 10: Earnings Per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Earnings (numerator)				
Net income (loss) available to common shareholders [(a)]	$1,137	$262	$(6,934)	$(3,631)
Shares (denominator)				
Weighted average common shares outstanding (basic)	22,041,414	22,793,500	22,037,132	21,794,664
Effect of dilutive securities [(b)]	93,748	122,063	—	—
Adjusted weighted average shares outstanding (diluted)	22,135,162	22,915,563	22,037,132	21,794,664
Earnings per share				
Basic	$0.05	$0.01	$(0.31)	$(0.17)
Diluted	$0.05	$0.01	$(0.31)	$(0.17)

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

(b) A total of 1,731,290 and 2,147,076 options and RSUs outstanding during the three months ended June 30, 2013 and 2012, respectively, and 1,902,642 and 2,396,928 options and RSUs outstanding during the six months ended June 30, 2013 and 2012, respectively, were excluded from the calculation because they did not affect the EPS for common shareholders or the effect was anti-dilutive.

Note 11: Contingencies

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

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

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Note 12: Subsequent Events

On July 17, 2013, the Company completed the sale of a five-story office building and other ancillary assets in Riverside, California to the County of Riverside for $30,000. Prior to the closing of the sale, the property served as administrative headquarters for The Press Enterprise. This strategic sale was executed to allow the Company to monetize the value of certain real assets that were not fully utilized in the Company's operations. In December 2013, The Press Enterprise will relocate its administrative offices to premises within Riverside, California, leased under a five-year lease term with two five-year renewal options.

As of June 30, 2013, the Company reclassified the $24,107 carrying value associated with the property to Assets held for sale. After deducting selling costs, an expected gain of approximately $4,000 to $5,000 will be recognized in the third quarter of 2013. The Company anticipates expense associated with the relocation of The Press Enterprise offices to be approximately $500, which will be recognized to earnings as the obligations for these costs are incurred. The Company does not anticipate this transaction to result in a taxable gain.

On July 8, 2013, The Press Enterprise also sold certain equipment which was previously idled in 2012 when the newspaper ceased printing various unprofitable commercial products. Net sales proceeds of $494 were received, resulting in a net gain of $259, and the carrying value of $235 was reclassified to Assets held for sale as of June 30, 2013.

In June 2013, the Company executed an agreement with a third-party for the sale of a public parking lot in downtown Providence, Rhode Island. Net sales proceeds of $367 are anticipated to be received in the third quarter of 2013, upon the closing of the transaction, generating an estimated gain of $242. As of June 30, 2013, the Company reclassified the $125 carrying value associated with the property to Assets held for sale.

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

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

OVERVIEW

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

A. H. Belo intends for the discussion of its results of operations and financial condition that follows to provide information that will assist in understanding its financial statements, the changes in certain key items in those statements from period to period, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect its financial statements.

Overview

During 2013, the Company was influenced by several significant transactions and events. In the first quarter, the Company voluntarily terminated its Credit Agreement, which had not been drawn upon since 2009. This agreement contained various terms restricting the Company's ability to acquire investments, divest assets, make voluntary pension contributions and return capital to shareholders as described in Liquidity and Capital Resources below. Additionally, the Company executed various sales agreements for real estate and other assets that were not fully utilized in the Company's operations, including a five-story office building in Riverside, California which served as the administrative headquarters for The Press Enterprise, a public parking lot in downtown Providence, Rhode Island, and various equipment and other assets. These strategic sales transactions are all expected to be completed in third quarter of 2013, providing net sales proceeds approximating $29,500 and resulting in gains totaling approximately $4,500 to $5,500. The net carrying value of the assets of $24,467 was transferred from non-current assets to Assets held for sale as of June 30, 2013. As a result of the sale of its administrative headquarters, The Press Enterprise executed a five-year lease, commencing December 2013, for office space in Riverside, California with two five-year renewal options. See Note 12 – Subsequent Events to the condensed consolidated financial statements.

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

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In June 2013, the Company announced Robert W. Decherd will retire as the Company's Chairman, President and Chief Executive Officer effective September 11, 2013. Mr. Decherd will be succeeded by James M. ("Jim") Moroney III. Mr. Moroney served as the Company's Executive Vice-President since December 2007 and as Publisher and Chief Executive Officer of The Dallas Morning News since June 2001. Mr. Decherd will become Vice Chairman of the Board of Directors and continue to serve as a member of the Board of Directors and Mr. Moroney will be elected to the Board of Directors, and to be Chairman of the Board at its September 2013 meeting.

Second quarter and year-to-date results for 2013 compared to 2012 reflect a decrease in total revenue of 4.2 percent and 4.8 percent, respectively, due to a decline in all categories. Advertising and marketing services revenue decreased by 3.7 percent and 3.8 percent, respectively, for the three and six months ended June 30, 2013, as compared to 2012. These rates of revenue loss represent the lowest year-over-year quarterly declines in advertising and marketing services revenue since the Company's spin-off from its former parent company in 2008. The improvement of this performance measurement was primarily due to marketing services revenue recorded by The Dallas Morning News for 508 Digital and Speakeasy, which commenced operations in the second and third quarters of 2012, respectively, and due to continued growth in the newspaper's internet classified advertising.

The Company's second quarter and year-to-date circulation revenue for 2013 compared to 2012 decreased by 2.3 percent and 4.8 percent, respectively, due to a continued volume decline in home delivery and single copy sales at all newspapers. Printing and distribution revenue was also down by 13.4 percent and 10.3 percent, respectively, for the same periods, primarily due to The Press Enterprise no longer printing certain commercial products that were unprofitable.

The Company continues to monitor and control its operating costs according to changes in revenue. After adjusting for costs associated with the Company's marketing services initiatives for the second quarter and year-to-date, labor related costs declined by 5.2 percent and 5.0 percent, respectively, and non-labor related operating costs declined by 7.5 percent and 6.3 percent, respectively.

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

- Required contributions of $1,940 were made to the A. H. Belo Pension Plans in the second quarter of 2013, reflecting a decrease from the $18,037 of required and voluntary contributions made in the second quarter of 2012.
- The Company completed funding of contributions to the A. H. Belo Pension Transition Supplement Plan (the "PTS Plan"). A contribution of $1,090 related to the final obligation was paid in the second quarter of 2013.
- In May 2013, a dividend of $0.06 per share, or $1,368, was recorded and paid to shareholders of record and to holders of RSU awards as of May 17, 2013. The Company also announced in May 2013 an increased dividend of $0.08 per share payable on September 6, 2013, to shareholders of record and to holders of outstanding RSU awards on August 16, 2013.
- The Company purchased 121,982 of its Series A common shares during the quarter through open market transactions for $767.

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RESULTS OF OPERATIONS

Consolidated Results of Operations

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

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	Percentage Change	2012	2013	Percentage Change	2012
Advertising and marketing services	$61,808	(3.7)%	$64,173	$119,542	(3.8)%	$124,250
Circulation	32,988	(2.3)%	33,757	65,132	(4.8)%	68,412
Printing and distribution	9,716	(13.4)%	11,213	19,110	(10.3)%	21,315
	$104,512	(4.2)%	$109,143	$203,784	(4.8)%	$213,977

Newspaper Revenue

The table below sets forth the net operating revenue of A. H. Belo's three daily newspapers.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	Percentage Change	2012	2013	Percentage Change	2012
The Dallas Morning News	$69,123	—%	$69,129	$135,229	(0.8)%	$136,309
The Providence Journal	22,073	(8.0)%	23,982	42,706	(8.5)%	46,655
The Press Enterprise	13,316	(16.9)%	16,032	25,849	(16.7)%	31,013
	$104,512	(4.2)%	$109,143	$203,784	(4.8)%	$213,977

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

	Three Months Ended June 30,					Six Months Ended June 30,				
	2013	Percent of Total Revenue	Percentage Change	2012	Percent of Total Revenue	2013	Percent of Total Revenue	Percentage Change	2012	Percent of Total Revenue
Advertising and marketing services	$42,223	61.0 %	1.0 %	$41,823	60.5 %	$81,886	60.6 %	1.1 %	$81,027	59.4 %
Display	14,409		(7.6)%	15,593		28,418		(5.6)%	30,089	
Classified	6,390		(3.5)%	6,619		12,500		(6.4)%	13,349	
Preprint	13,926		(0.3)%	13,974		27,083		— %	27,086	
Digital	7,498		33.0 %	5,637		13,885		32.2 %	10,503	
Circulation	21,257	30.8 %	(2.5)%	21,803	31.5 %	42,237	31.2 %	(5.0)%	44,451	32.6 %
Printing and distribution	5,643	8.2 %	2.5 %	5,503	8.0 %	11,106	8.2 %	2.5 %	10,831	8.0 %
	$69,123	100.0 %	— %	$69,129	100.0 %	$135,229	100.0 %	(0.8)%	$136,309	100.0 %

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

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

Preprint – Revenue was flat for the three and six months ended June 30, 2013, due to higher home delivery mail advertisements, offset by a decline in preprint newspaper advertising inserts.

Digital – Revenue increased for the three and six months ended June 30, 2013, due to the increase of marketing services revenue of $1,278 and $2,125, respectively, associated with 508 Digital and Speakeasy, which began operations in the second and third quarter of 2012, respectively, and due to higher automotive and other classified advertising.

The Dallas Morning News results also include its niche publications which expand its advertising platform to nonsubscribers of The Dallas Morning News' core newspaper. This revenue is a component of total display, classified, preprint and digital revenue of The Dallas Morning News discussed above. In three months ended June 30, 2013 and 2012, advertising revenue for The Dallas Morning News' niche publications was $5,431 and $5,621, respectively. In six months ended June 30, 2013 and 2012, advertising revenue for The Dallas Morning News' niche publications was $10,511 and $10,719, respectively. Revenue was flat as the growth in classified was offset by a decline in retail and general display advertising and preprint newspaper advertising inserts.

Circulation – Revenue decreased for the three months ended June 30, 2013, due to a decline in home delivery and single copy paid print circulation volumes of 7.0 percent and 8.2 percent, respectively, partially offset by an increase in home delivery rates. Revenue decreased for the six months ended June 30, 2013, due to a decline in home delivery and single copy paid print circulation volumes of 6.4 percent and 10.4 percent, respectively.

Printing and distribution – Revenue increased for the three and six months ended June 30, 2013, due to higher single copy delivery volumes of third-party newspapers.

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

	Three Months Ended June 30,					Six Months Ended June 30,				
	2013	Percent of Total Revenue	Percentage Change	2012	Percent of Total Revenue	2013	Percent of Total Revenue	Percentage Change	2012	Percent of Total Revenue
Advertising and marketing services	$10,340	46.8 %	(13.8)%	$12,002	50.0 %	$19,890	46.6 %	(14.4)%	$23,228	49.8 %
Display	2,640		(20.3)%	3,312		4,958		(16.1)%	5,906	
Classified	3,316		(18.2)%	4,054		6,644		(20.7)%	8,374	
Preprint	2,992		(2.6)%	3,073		5,638		(4.1)%	5,882	
Digital	1,392		(10.9)%	1,563		2,650		(13.6)%	3,066	
Circulation	8,473	38.4 %	(2.0)%	8,649	36.1 %	16,437	38.5 %	(4.7)%	17,252	37.0 %
Printing and distribution	3,260	14.8 %	(2.1)%	3,331	13.9 %	6,379	14.9 %	3.3 %	6,175	13.2 %
	$22,073	100.0 %	(8.0)%	$23,982	100.0 %	$42,706	100.0 %	(8.5)%	$46,655	100.0 %

Display – Revenue decreased for the three and six months ended June 30, 2013, due to retail advertising volume decreases in all categories except for furniture and other. Additionally, general advertising declined in all categories, except for telecommunications for both periods, and travel for the three months ended June 30, 2013.

Classified – Revenue decreased for the three and six months ended June 30, 2013, due to volume declines in all categories except automotive and rate declines in all categories.

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

Digital – Revenue decreased for the three and six months ended June 30, 2013, due to lower volumes in banner and online advertising, offset slightly by increased automotive and other classified advertising.

Circulation – Revenue decreased for the three months ended June 30, 2013, due to a decline in volumes of home delivery and single copy paid print circulation of 7.6 percent and 12.0 percent, respectively. Volume declines were partially offset by higher effective home delivery and single copy rates of 5.4 percent and 4.2 percent, respectively. Revenue decreased for the six months ended June 30, 2013, due to a decline in home delivery and single copy paid print volumes of 7.7 percent and 13.4 percent, respectively.

Printing and distribution – Revenue decreased for the three months ended June 30, 2013, due to lower commercial printing volumes. Revenue increased for the six months ended June 30, 2013, due to two new commercial contracts, which started in the third quarter of 2012, for print and home delivery of third-party newspapers. In June 2013, The Providence Journal executed an agreement with a third-party distributor allowing it to effectively assume the distribution of certain publications. Operations under this agreement will commence in the third quarter of 2013.

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The table below sets forth the components of The Press Enterprise net operating revenue:

	Three Months Ended June 30,					Six Months Ended June 30,				
	2013	Percent of Total Revenue	Percentage Change	2012	Percent of Total Revenue	2013	Percent of Total Revenue	Percentage Change	2012	Percent of Total Revenue
Advertising and marketing services	$9,245	69.4 %	(10.7)%	$10,348	64.5 %	$17,766	68.7 %	(11.1)%	$19,995	64.5 %
Display	2,430		(4.7)%	2,549		4,635		(4.9)%	4,875	
Classified	2,530		(13.8)%	2,935		4,923		(15.3)%	5,810	
Preprint	3,062		(5.8)%	3,249		5,911		(5.5)%	6,258	
Digital	1,223		(24.3)%	1,615		2,297		(24.7)%	3,052	
Circulation	3,258	24.5 %	(1.4)%	3,305	20.6 %	6,458	25.0 %	(3.7)%	6,709	21.6 %
Printing and distribution	813	6.1 %	(65.8)%	2,379	14.9 %	1,625	6.3 %	(62.3)%	4,309	13.9 %
	$13,316	100.0 %	(16.9)%	$16,032	100.0 %	$25,849	100.0 %	(16.7)%	$31,013	100.0 %

Display – Revenue decreased for the three and six months ended June 30, 2013, resulting from lower display advertising in retail due to both volume and average rate decreases in department stores and food and beverage. Additionally, general advertising declined due to decreased volumes in all categories.

Classified – Revenue decreased for the three and six months ended June 30, 2013, due to lower rates in all categories except legal, partially offset by increases in volumes in automotive and employment.

Preprint – Revenue decreased for the three and six months ended June 30, 2013, due to a decline in preprint volumes.

Digital – Revenue decreased for the three and six months ended June 30, 2013, due to nonrecurring 2012 revenue associated with a discontinued digital advertising platform.

Circulation – Revenue decreased for the three and six months ended June 30, 2013, primarily due to a decline in home delivery circulation volumes of 5.2 percent and 3.5 percent, respectively. These declines were partially offset by improved home delivery rates of 2.5 percent for the three months ended June 30, 2013, and improved single copy rates.

Printing and distribution – Revenue decreased for the three and six months ended June 30, 2013, primarily due to the newspaper discontinuing the production of certain commercial products in the fourth quarter of 2012 that were unprofitable.

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Operating Costs and Expense

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	Percentage Change	2012	2013	Percentage Change	2012
Operating Costs and Expense						
Salaries, wages and employee benefits	$40,713	(4.5)%	$42,623	$85,750	(3.2)%	$88,628
Other production, distribution and operating costs	41,483	(0.1)%	41,525	82,564	0.4%	82,221
Newsprint, ink and other supplies	14,295	(7.0)%	15,371	28,209	(3.9)%	29,343
Depreciation	5,781	(30.7)%	8,348	11,503	(25.6)%	15,461
Amortization	1,340	2.3%	1,310	2,680	2.3%	2,620
Total operating costs and expense	$103,612	(5.1)%	$109,177	$210,706	(3.5)%	$218,273

Salaries, wages and employee benefits – Salaries, wages and employee benefits decreased by $1,910 and $2,878 for the three and six months ended June 30, 2013, respectively. For these periods, savings included reduced salary expense of $541 and $2,274, respectively, due to lower headcount resulting from the Company's on-going cost reduction initiatives; lower pension expense of $1,478 and $1,891, respectively, primarily due to the Company no longer accruing benefits for the PTS Plan beginning in the second quarter of 2013; and savings of $703 and $790, respectively, due to cost control initiatives related to medical benefits provided to employees. These savings were partially offset by higher compensation costs of $435 and $1,549, respectively, associated with the Company's marketing services initiatives, 508 Digital and Speakeasy, which commenced operations in the second and third quarters of 2012, respectively, and higher incentive compensation costs of $610 and $865, respectively.

Other production, distribution and operating costs – Expense was flat for the three and six months ended June 30, 2013, due to higher non-labor related expense associated with 508 Digital and Speakeasy of $1,051 and $1,800, respectively, and due to higher third-party services supporting the growth in internet classified advertising for both periods. Additionally, expense increased by $665 in the second quarter of 2013 due to the settlement of a distribution contingency as discussed in Note 11 – Contingencies. These costs were offset by general cost reduction measures.

Newsprint, ink and other supplies – Ink and newsprint costs decreased for the three and six months ended June 30, 2013, primarily associated with lower circulation volumes of the Company's newspapers. Newsprint consumption for three months ended June 30, 2013 and 2012, was approximately 14,719 and 16,206 metric tons, respectively, and the average cost per metric ton of newsprint was $609 and $621, respectively. Newsprint consumption for six months ended June 30, 2013 and 2012, was approximately 28,919 and 31,247 metric tons, respectively, and the average cost per metric ton of newsprint was $616 and $627, respectively. Ink costs also decreased due to lower third party printing. These decreases were slightly offset by higher costs for insert printing and customer products for the three and six months ended June 30, 2013.

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

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

Other

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	Percentage Change	2012	2013	Percentage Change	2012
Other Income (Expense), Net						
Other income, net	$661	(28.2)%	$921	$1,237	(32.3)%	$1,828
Interest expense	(8)	(96.7)%	(242)	(419)	10.8%	(378)
Total other income (expense), net	$653	(3.8)%	$679	$818	(43.6)%	$1,450
Income Tax Expense	$437	14.1%	$383	$856	9.0%	$785

Other income, net – Other income for the three and six months ended June 30, 2013, decreased due to lower gains on asset sales and lower income for equity method investments.

Interest expense – Interest expense decreased for the three months ended June 30, 2013, due to the Company's voluntary termination of the Credit Agreement in the first quarter of 2013. Interest expense increased for the six months ended June 30, 2013, due to the amortization of the $401 remaining debt issuance costs related to the Credit Agreement.

Tax expense – Tax expense for 2013 and 2012 is primarily due to franchise and state income tax expense and changes in the valuation allowance. See the Condensed Consolidated Financial Statements, Note 7 – Income Taxes.

Earnings and Adjusted Earnings before Interest, Taxes, Depreciation and Amortization

In addition to the Company's analysis of net income (loss) attributable to A. H. Belo Corporation, the Company also evaluates earnings after adjusting for depreciation, amortization, interest and taxes ("EBITDA") and after adding the recorded loss from withdrawal from the G. B. Dealey Retirement Pension Plan, non-cash impairment expense and net investment-related losses ("Adjusted EBITDA"). For the periods presented below, there were no transactions related to the withdrawal from the G. B. Dealey Retirement Pension Plan, non-cash impairment expense or net investment-related losses and, accordingly, EBITDA and Adjusted EBITDA are the same for each period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income (loss) attributable to A. H. Belo Corporation	$1,181	$262	$(6,841)	$(3,631)
Depreciation and amortization	7,121	9,658	14,183	18,081
Interest expense	8	242	419	378
Income tax expense	437	383	856	785
EBITDA	$8,747	$10,545	$8,617	$15,613

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

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

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Liquidity and Capital Resources

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

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

As of June 30, 2013 and December 31, 2012, the Company's working capital was $57,525 and $37,239, respectively, of which $32,851 and $34,094, respectively, was comprised of cash. The increase in working capital is due to the reclassification of $24,467 of long-lived assets to Assets held for sale. In the third quarter of 2013, the Company expects to complete the sale a five-story office building in Riverside, California, a public parking lot in Providence, Rhode Island, and various equipment and other assets, as described in Note 12 – Subsequent Events of the condensed consolidated financial statements. The Company expects to realize sales proceeds of approximately $29,500 related to these assets in the third quarter of 2013.

During the six months ended June 30, 2013, Adjusted EBITDA was $8,617. These amounts were used to fund capital spending of $3,015 and required pension contributions of $2,336. Capital spending and required pension plan contributions for the remainder of 2013 are expected to approximate $7,000 and $5,100, respectively. Additionally, the Company expects to fund $4,600 in voluntary pension contributions for the remainder of the year. The Company anticipates Adjusted EBITDA to be sufficient to cover these costs.

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

Operating Cash Flows

Net cash flows provided/(used) by operations for the six months ended June 30, 2013 and 2012, were $6,823 and $(10,095), respectively. Cash flows from operations increased due to lower 2013 pension contributions of $21,136 offset by higher costs of $2,444 related to marketing services initiatives. Cash flows also increased due to a nonrecurring 2012 tax settlement payment for $2,961, offset by nonrecurring 2012 cash receipts of $2,410 related to the sale of officer's residence acquired by the Company as part of an employment agreement.

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

Investing Cash Flows

Net cash flows used for investing activities for the six months ended June 30, 2013 and 2012, were $4,149 and $3,530, respectively. Cash flows used for investing activities increased by $1,377 due to the purchase of additional ownership in the Company's equity-method investments, which was offset by lower capital spending in 2013 of $1,029.

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Financing Cash Flows

Net cash flows used for financing activities for the six months ended June 30, 2013 and 2012, were $3,917 and $2,576, respectively. Cash flows used for financing activities increased primarily due to purchases in 2013 of 234,031 shares of the Company's Series A common stock for $1,364 made under the share purchase program authorized in 2012. Dividend payments of $2,735 and $2,724 were made in 2013 and 2012, respectively.

Contractual Obligations

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

On May 16, 2013, the Company announced an $0.08 per share dividend to shareholders of record and holders of RSUs as of the close of business on August 16, 2013, payable on September 6, 2013.

During the three and six months ended June 30, 2013, the Company made required contributions of $1,940 and $2,336, respectively, to the A. H. Belo Pension Plans. The Company will fund the A. H. Belo Pension Plans to meet or exceed statutory requirements and anticipates required and voluntary contributions for the remainder of 2013 of $5,100 and $4,600, respectively.

In association with the sale of The Press-Enterprise administration offices, the Company executed a five-year lease commencing December 2013, with annual lease payments of approximately $765.

Additional information related to the Company's contractual obligations is available in Company's Annual Report on Form 10 K for the year ended December 31, 2012, filed on March 7, 2013, with the Securities and Exchange Commission (the "SEC").

Critical Accounting Policies and Estimates

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

Forward-Looking Statements

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

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

SEC.

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Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

Item 4. Controls and Procedures

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

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

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PART II

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

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

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

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

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibits marked with an asterisk (*) are incorporated by reference to documents previously filed by the Company with the SEC, as indicated. In accordance with Regulation S-T, the XBRL-related information marked with a double asterisk (**) in Exhibit No. 101 to this Quarterly Report on Form 10-Q is deemed "furnished" (and not "filed"). All other documents are filed with this report. Exhibits marked with a tilde (~) are management contracts, compensatory plan contracts or arrangements filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K.

Exhibit Number		Description
2.1	*	Separation and Distribution Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008 (Exhibit 2.1 to the Company's Current Report on Form 8 K filed with the Securities and Exchange Commission on February 12, 2008 (Securities and Exchange Commission File No. 001 33741) (the "February 12, 2008 Form 8 K"))
3.1	*	Amended and Restated Certificate of Incorporation of the Company (Exhibit 3.1 to Amendment No. 3 to the Company's Form 10 dated January 18, 2008 (Securities and Exchange Commission File No. 001 33741) (the "Third Amendment to Form 10"))
3.2	*	Certificate of Designations of Series A Junior Participating Preferred Stock of the Company dated January 11, 2008 (Exhibit 3.2 to Post Effective Amendment No. 1 to Form 10 filed January 31, 2008 (Securities and Exchange Commission File No. 001 33741))
3.3	*	Amended and Restated Bylaws of the Company, effective January 11, 2008 (Exhibit 3.3 to the Third Amendment to Form 10)
		(1) * Amendment No. 1, effective June 17, 2013, to Amended and Restated Bylaws of A. H. Belo Corporation (Exhibit 3.1 to A. H. Belo Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 19, 2013, (Securities and Exchange Commission File No. 001-33741) (the "June 19, 2013 Form 8-K"))
4.1	*	Certain rights of the holders of the Company's Common Stock set forth in Exhibits 3.1 3.3 above
4.2	*	Specimen Form of Certificate representing shares of the Company's Series A Common Stock (Exhibit 4.2 to the Third Amendment to Form 10)
4.3	*	Specimen Form of Certificate representing shares of the Company's Series B Common Stock (Exhibit 4.3 to the Third Amendment to Form 10)
4.4	*	Rights Agreement dated as of January 11, 2008 between the Company and Mellon Investor Services LLC (Exhibit 4.4 to the Third Amendment to Form 10)

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

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

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SIGNATURES

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

A. H. BELO CORPORATION

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

Date: July 29, 2013

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

Date: July 29, 2013

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EXHIBIT INDEX

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