
FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 21, 2013



A. H. BELO CORPORATION

(Exact name of registrant as specified in its charter)

Commission file number: 1-33741

Delaware

(State or other jurisdiction of incorporation or organization)

38-3765318

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

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

(Address of principal executive offices, including zip code)

(214) 977-8200

(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.01. Completion of Acquisition or Disposition of Assets.

On November 21, 2013, A. H. Belo Corporation and subsidiaries (the "Company") announced it completed the previously announced sale of substantially all of the assets which comprised the newspaper operations of *The Press-Enterprise* to Freedom Communications Holdings, Inc. for \$27.25 million, subject to customary working capital adjustments and closing costs. The Company has agreed to bear certain costs up to \$0.5 million related to the relocation of *The Press-Enterprise* to new leased premises and \$1.6 million for the relocation of a data center in the production facility and the completion of certain capital projects. A copy of the announcement press release is furnished with this report as Exhibit 99.1. Simultaneous with the closing, the parties entered into Amendment No. 2 dated as of November 21, 2013, ("Amendment No. 2") to the Asset Purchase Agreement dated October 9, 2013, (the "Purchase Agreement") acknowledging that the Purchase Agreement had not been terminated and that the closing took place on November 21, 2013. Amendment No. 2 is filed herewith as Exhibit 10.1 and is incorporated herein by reference. The Purchase Agreement and related guaranty were previously filed with the Securities and Exchange Commission on Current Report on Form 8-K filed October 11, 2013. Amendment No. 1 to the Purchase Agreement was previously filed with the Securities and Exchange Commission on Current Report on Form 8-K filed November 4, 2013.

On July 17, 2013, the Company completed the sale of its five-story office building and certain related assets in Riverside, California to the County of Riverside for \$30.0 million. The proceeds to the Company were approximately \$28.6 million after selling costs of approximately \$1.4 million. In the third quarter of 2013, the Company recorded a gain of \$4.5 million related to this transaction. On July 8, 2013, the Company received from Freedom Communications, Inc., \$0.5 million for the sale of certain press equipment previously idled by *The Press-Enterprise*.

These transactions have resulted in the divestiture of substantially all of the assets and operations of *The Press-Enterprise*. Upon completion of these transactions, the Company has no newspaper operations in Riverside, California but continues to own and market for sale the land and buildings associated with a previously idled commercial printing operation in Riverside, California.

Item 9.01. Financial Statements and Exhibits.**(b) Pro Forma Financial Information**

As furnished in Exhibit 99.2 to this Current Report on Form 8-K, the Company has provided the unaudited pro forma condensed consolidated balance sheet of A. H. Belo Corporation as of September 30, 2013, the unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2012, 2011 and 2010, and the related notes thereto to reflect the transactions described in Item 2.01 above.

(d) Exhibits.

- 10.1 Amendment No. 2 to Asset Purchase Agreement.
 - 99.1 Press release issued by A. H. Belo Corporation on November 21, 2013.
 - 99.2 Unaudited pro forma condensed consolidated financial statements.
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SIGNATURE

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

A. H. BELO CORPORATION

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

Date: November 25, 2013

EXHIBIT INDEX

10.1 Amendment No. 2 to Asset Purchase Agreement.

99.1 Press release issued by A. H. Belo Corporation on November 21, 2013.

99.2 Unaudited pro forma condensed consolidated financial statements.

**AMENDMENT NO. 2 TO
ASSET PURCHASE AGREEMENT**

This AMENDMENT NO. 2 TO ASSET PURCHASE AGREEMENT, dated as of November 21, 2013 (this "Amendment"), between Press-Enterprise Company, a Delaware corporation (the "Seller"), AHC California Properties, LLC, a Delaware limited liability company ("AHC California"), and A. H. Belo Management Services Inc., a Delaware corporation ("AHBMS" and, together with AHC California, the "Affiliated Sellers"), on the one hand, and Freedom Communications Holdings, Inc., a Delaware corporation (the "Buyer"), on the other hand.

RECITALS

A. The Seller, the Affiliated Sellers and the Buyer entered into that certain Asset Purchase Agreement, dated October 9, 2013, as amended by that certain Amendment No. 1 to Asset Purchase Agreement, dated October 31, 2013 (as amended, the "Agreement"; capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Agreement).

B. Concurrently with and conditioned upon the Closing, pursuant to the terms and conditions of this Amendment, the parties to the Agreement desire to amend the Agreement.

C. Pursuant to Section 10.2 of the Agreement, the Agreement may be amended by the parties thereto by an instrument in writing specifically designated as an amendment to the Agreement, signed on behalf of each party to the Agreement.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

Section 1 Amendment to the Agreement. Notwithstanding any provision of the Agreement, the parties acknowledge that the Agreement has not been terminated, and the Closing took place on November 21, 2013, concurrently with the execution of this Amendment.

Section 2 Effect of Amendment. Except as amended as set forth above, the Agreement shall continue in full force and effect.

Section 3 Amendment and Modification. This Amendment may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each party.

Section 4 Interpretation. The headings contained in this Amendment are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment. All words used in this Amendment will be construed to be of such gender or number as the circumstances require.

Section 5 Governing Law. This Amendment and all disputes or controversies arising out of or relating to this Amendment or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of California.

Section 6 Submission to Jurisdiction. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Amendment shall be subject to Section 10.9 (Submission to Jurisdiction) of the Agreement.

Section 7 Successors and Assigns. This Amendment will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

Section 8 Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties. A facsimile, PDF or other electronic signature of this Amendment shall be valid and have the same force and effect as a manually signed original.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Seller and the Affiliated Sellers and the Buyer have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

PRESS-ENTERPRISE COMPANY, a Delaware corporation

By: /s/ Alison Engel
Name: Alison Engel
Title: Treasurer and Assistant Secretary

AHC CALIFORNIA PROPERTIES, LLC, a Delaware limited liability company

By: /s/ Alison Engel
Name: Alison Engel
Title: Treasurer and Assistant Secretary

A. H. BELO MANAGEMENT SERVICES, INC., a Delaware corporation

By: /s/ Alison Engel
Name: Alison Engel
Title: Treasurer and Assistant Secretary

SIGNATURE PAGES TO AMENDMENT NO. 2 TO ASSET PURCHASE AGREEMENT

FREEDOM COMMUNICATIONS HOLDINGS, INC., a
Delaware corporation

By: /s/ Aaron Kushner

Name: Aaron Kushner

Title: CEO

SIGNATURE PAGES TO AMENDMENT NO. 2 TO ASSET PURCHASE AGREEMENT

A. H. BELO CORPORATION

FOR IMMEDIATE RELEASE

Thursday, November 21, 2013

4:30 P.M. CST

A. H. Belo Corporation and Freedom Communications Holdings, Inc. Complete *Press-Enterprise* Transaction

DALLAS, TX and SANTA ANA, CA - A. H. Belo Corporation (NYSE: AHC) and Freedom Communications Holdings, Inc. (Freedom) announced today that the previously announced sale of *The Press-Enterprise* is now complete.

Freedom acquired substantially all of the assets which comprise the newspaper operations of *The Press-Enterprise* located in Riverside, CA (including the production facility and related land) for \$27.25 million. A. H. Belo continues to own and market for sale the land and buildings associated with a discontinued commercial printing operation in Riverside, CA. *The Press-Enterprise* will maintain its primary business offices in Riverside.

Jim Moroney, Chairman, President and Chief Executive Officer of A. H. Belo, said, “We are pleased the transaction has closed, and wish our colleagues in Riverside all the best as they go forward as part of Freedom Communications.”

Aaron Kushner, co-owner and Chief Executive Officer of Freedom Communications, said, “We appreciate the stewardship provided by A. H. Belo to *The Press-Enterprise*, an institution that plays an incredibly important role in building community and adding richness to people’s lives. Our focus moving forward will be to enhance the ways we can provide value to subscribers of *The Press-Enterprise* and the greater community.”

About A. H. Belo Corporation

A. H. Belo Corporation (NYSE: AHC), headquartered in Dallas, Texas, is a distinguished newspaper publishing and local news and information company that owns and operates three daily newspapers and related websites. A. H. Belo publishes *The Dallas Morning News*, Texas’ leading newspaper and winner of nine Pulitzer Prizes; *The Providence Journal*, the oldest continuously-published daily newspaper in the United States and winner of four Pulitzer Prizes; and the *Denton Record-Chronicle*. The Company publishes various niche publications targeting specific audiences, and its investments include Classified Ventures, owner of Cars.com, and Wanderful Media, owner of Find&Save. A. H. Belo offers digital marketing solutions through 508 Digital and Speakeasy and

also owns and operates commercial printing, distribution and direct mail service businesses. Additional information is available at www.ahbelo.com or by contacting Alison K. Engel, Senior Vice President/Chief Financial Officer, at 214-977-2248.

About Freedom Communications Holdings, Inc.

Freedom Communications, headquartered in Santa Ana, Calif., is a privately-owned company that publishes four daily newspapers - Daily Press in Victorville, Calif., Desert Dispatch in Barstow, Calif., the Long Beach Register in Long Beach, Calif. and the Orange County Register in Santa Ana, Calif. Freedom also publishes more than 30 community newspapers that serve specific cities, audiences and geographic areas, including Spanish-language Excelsior. Freedom publishes highly designed glossy magazines and operates a custom publishing unit. The company's portfolio also includes news and entertainment websites and mobile applications. For more information, visit freedom.com or contact Eric Morgan at 714-796-2460 or emorgan@freedom.com.

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www.ahbelo.com Deliveries: 508 Young Street Dallas, Texas 75202

A. H. BELO CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited pro forma condensed consolidated financial statements of A. H. Belo Corporation and subsidiaries (the “Company”) were derived from the Company’s historical consolidated financial statements. The unaudited pro forma balance sheet as of September 30, 2013, was adjusted to reflect to the disposition of the assets and operations related to the sale of *The Press-Enterprise* to Freedom Communications Holdings, Inc. on November 21, 2013, as though the disposition occurred on September 30, 2013. The unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2012, 2011 and 2010, include pro forma adjustments that reflect the sale of the press equipment and the five-story office building which occurred in the third quarter of 2013, and the disposition of the assets and operations related to the sale of *The Press-Enterprise* on November 21, 2013. These financial statements were prepared as though the disposition occurred on January 1, 2010.

The unaudited pro forma condensed consolidated financial statements are furnished for informational purposes only and do not purport to reflect the Company’s financial position and results of operations had the dispositions occurred on the dates as indicated above. Further, these financial statements are not necessarily indicative of the Company’s future financial position and future results of operations and should be read in conjunction with the historical financial statements of the Company included in its Annual Report on Form 10-K for the year ended December 31, 2012, and its Quarterly Report on Form 10-Q for the nine months ended September 30, 2013.

The Company’s Quarterly Report on Form 10-Q for the nine months ended September 30, 2013, filed with the Securities and Exchange Commission on November 13, 2013, reported the assets and operations related to *The Press-Enterprise* as a discontinued operation of A. H. Belo Corporation. Accordingly, a proforma statement of operation is not required for this period as net income (loss) from continuing operations attributable to A. H. Belo Corporation excludes the effect of the transactions as described in Item 2.01 to this Current Report on Form 8-K.

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

<i>In thousands, except share amounts (unaudited)</i>	<i>September 30, 2013</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Assets			
Current assets:			
Cash and cash equivalents	\$ 56,436	\$ 25,539 (a)	\$ 81,975
Accounts receivable	34,375	—	34,375
Inventories	8,496	—	8,496
Prepays and other current assets	7,140	—	7,140
Deferred income taxes, net	128	—	128
Assets of discontinued operations	18,347	(18,347) (b)	—
Total current assets	124,922	7,192	132,114
Property, plant and equipment, at cost	544,413	—	544,413
Less accumulated depreciation	(444,846)	—	(444,846)
Property, plant and equipment, net	99,567	—	99,567
Intangible assets, net	6,466	—	6,466
Goodwill	24,582	—	24,582
Investments	9,834	—	9,834
Deferred income taxes, net	646	— (c)	646
Other assets	4,557	—	4,557
Total assets	\$ 270,574	\$ 7,192	\$ 277,766
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$ 15,376	\$ —	\$ 15,376
Accrued compensation and benefits	14,073	—	14,073
Other accrued expense	4,262	4,071 (d)	8,333
Advance subscription payments	19,562	—	19,562
Liabilities of discontinued operations	7,153	(7,153) (b)	—
Total current liabilities	60,426	(3,082)	57,344
Long-term pension liabilities	108,146	—	108,146
Other post-employment benefits	2,923	—	2,923
Other liabilities	3,358	—	3,358
Shareholders' equity:			
Preferred stock, \$.01 par value; Authorized 2,000,000 shares; none issued	—	—	—
Common stock, \$.01 par value; Authorized 125,000,000 shares			
Series A: issued 19,918,393 shares	199	—	199
Series B: issued 2,399,676 shares	24	—	24
Treasury stock, Series A, at cost; 432,283 shares held	(2,636)	—	(2,636)
Additional paid-in capital	496,782	—	496,782
Accumulated other comprehensive loss	(72,796)	—	(72,796)
Accumulated deficit	(325,931)	10,274 (e)	(315,657)
Total shareholders' equity attributable to A. H. Belo Corporation	95,642	10,274	105,916
Noncontrolling interests	79	—	79
Total shareholders' equity	95,721	10,274	105,995
Total liabilities and shareholders' equity	\$ 270,574	\$ 7,192	\$ 277,766

See notes to the pro forma condensed consolidated financial statements.

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

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Twelve Months Ended December 31, 2012</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Net Operating Revenue			
Advertising and marketing services	\$ 258,223	\$ (42,115) (f)	\$ 216,108
Circulation	136,506	(13,282) (f)	123,224
Printing and distribution	45,317	(9,959) (f)	35,358
Total net operating revenue	440,046	(65,356)	374,690
Operating Costs and Expense			
Salaries, wages and employee benefits	177,070	(24,547) (f)	152,523
Other production, distribution and operating costs	167,132	(27,566) (f)	139,566
Newsprint, ink and other supplies	61,315	(11,914) (f)	49,401
Depreciation	27,478	(6,077) (f) (h)	21,401
Amortization	5,239	(866) (f)	4,373
Asset impairments	2,444	(2,444) (i)	—
Total operating costs and expense	440,678	(73,414)	367,264
Net income (loss) from operations	(632)	8,058	7,426
Other Income (Expense), Net			
Other income, net	3,413	(33) (f)	3,380
Interest expense	(630)	1 (f)	(629)
Total other income (expense), net	2,783	(32)	2,751
Income (Loss) from Continuing Operations Before Income Taxes			
	2,151	8,026	10,177
Income tax expense	1,732	72 (g)	1,804
Net Income (Loss) from Continuing Operations			
	419	7,954	8,373
Net loss from continuing operations attributable to noncontrolling interests	(107)	—	(107)
Net Income (Loss) from Continuing Operations Attributable to A. H. Belo Corporation			
	\$ 526	\$ 7,954	\$ 8,480
Per Share Basis from Continuing Operations			
Net income from continuing operations attributable to A. H. Belo Corporation			
Basic and Diluted	\$ 0.01		\$ 0.37
Weighted average shares outstanding			
Basic and Diluted	21,947,981		21,947,981
Diluted	22,065,856		22,065,856

See notes to the pro forma condensed consolidated financial statements.

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

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Twelve Months Ended December 31, 2011</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Net Operating Revenue			
Advertising and marketing services	\$ 282,621	\$ (45,560) (f)	\$ 237,061
Circulation	139,892	(13,602) (f)	126,290
Printing and distribution	38,990	(8,145) (f)	30,845
Total net operating revenue	461,503	(67,307)	394,196
Operating Costs and Expense			
Salaries, wages and employee benefits	187,738	(26,864) (f)	160,874
Other production, distribution and operating costs	174,942	(28,106) (f)	146,836
Newsprint, ink and other supplies	60,081	(11,391) (f)	48,690
Depreciation	30,427	(5,577) (f) (h)	24,850
Amortization	5,239	(866) (f)	4,373
Asset impairments	6,500	(5,628) (i)	872
Pension plan withdrawal	1,988	—	1,988
Total operating costs and expense	466,915	(78,432)	388,483
Net income (loss) from operations	(5,412)	11,125	5,713
Other Income (Expense), Net			
Other income, net	159	(453) (f)	(294)
Interest expense	(669)	1 (f)	(668)
Total other income (expense), net	(510)	(452)	(962)
Income (Loss) from Continuing Operations Before Income Taxes	(5,922)	10,673	4,751
Income tax expense (benefit)	5,011	96 (g)	5,107
Net Loss from Continuing Operations	\$ (10,933)	\$ 10,577	\$ (356)
Per Share Basis from Continuing Operations			
Net loss from continuing operations attributable to A. H. Belo Corporation			
Basic and Diluted	\$ (0.51)		\$ (0.03)
Weighted average shares outstanding			
Basic and Diluted	21,495,814		21,495,814

See notes to the pro forma condensed consolidated financial statements.

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

<i>In thousands, except share and per share amounts (unaudited)</i>	<i>Twelve Months Ended December 31, 2010</i>		
	Historical	Pro Forma Adjustments	Pro Forma
Net Operating Revenue			
Advertising and marketing services	\$ 310,309	\$ (51,461) (f)	\$ 258,848
Circulation	141,091	(13,963) (f)	127,128
Printing and distribution	35,908	(7,986) (f)	27,922
Total net operating revenue	487,308	(73,410)	413,898
Operating Costs and Expense			
Salaries, wages and employee benefits	212,998	(29,272) (f)	183,726
Other production, distribution and operating costs	183,017	(33,466) (f)	149,551
Newsprint, ink and other supplies	55,472	(10,888) (f)	44,584
Depreciation	32,902	(6,215) (f) (h)	26,687
Amortization	5,238	(866) (f)	4,372
Asset impairments	3,404	—	3,404
Pension plan withdrawal	132,346	—	132,346
Total operating costs and expense	625,377	(80,707)	544,670
Net loss from operations	(138,069)	7,297	(130,772)
Other Income (Expense), Net			
Other income, net	7,067	(93) (f)	6,974
Interest expense	(808)	—	(808)
Total other income (expense), net	6,259	(93)	6,166
Loss from Continuing Operations Before Income Taxes	(131,810)	7,204	(124,606)
Income tax benefit	(7,575)	3,203 (g)	(4,372)
Net Loss from Continuing Operations	\$ (124,235)	\$ 4,001	\$ (120,234)
Per Share Basis from Continuing Operations			
Net loss from continuing operations attributable to A. H. Belo Corporation			
Basic and Diluted	\$ (5.92)		\$ (5.73)
Weighted average shares outstanding			
Basic and Diluted	20,992,424		20,992,424

See notes to the pro forma condensed consolidated financial statements.

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

Pro Forma Condensed Consolidated Balance Sheet

- (a) The cash adjustment amount consists of gross proceeds of \$27,250 received from the sale of *The Press-Enterprise* on November 21, 2013. This amount is reduced by approximately \$1,711 for the minimum working capital adjustment and for liabilities requiring payment at closing.
- (b) The eliminated assets/liabilities of discontinued operations are related to the sale of *The Press-Enterprise* to Freedom Communications Holdings, Inc. on November 21, 2013.
- (c) Deferred income tax assets were not effected by the sale of *The Press-Enterprise* as all tax assets were fully reserved.
- (d) Other accrued expense adjustment includes \$4,071 for estimated exit costs related to the sale of *The Press-Enterprise*.
- (e) Stockholders' equity was adjusted as a result of adjustments (a) through (d).

Pro Forma Condensed Consolidated Statement of Operations

- (f) The revenues and expenses eliminated are related to the November 21, 2013, sale of *The Press-Enterprise* to Freedom Communications Holdings, Inc. Additionally, adjustments include revenues and expenses related to press equipment sold to Freedom Communications, Inc. on July 8, 2013, and a five-story office building and certain furniture, fixtures and equipment sold to the County of Riverside on July 17, 2013, detailed in (h) and (i) below.
- (g) Adjustment represents the tax effect of pro forma adjustments to income before income taxes based on the applicable statutory rate. The effective tax rate of the Company could be different depending on activities subsequent to the disposition.
- (h) Adjustments include depreciation expense related to the sale of *The Press-Enterprise* as follows:

	Twelve Months Ended		
	<i>December 31, 2012</i>	<i>December 31, 2011</i>	<i>December 31, 2010</i>
Press equipment	\$ 200	\$ 200	\$ 200
Five-story office building	1,156	1,820	1,820
<i>The Press-Enterprise</i>	4,721	3,557	4,195
Total depreciation expense	<u>\$ 6,077</u>	<u>\$ 5,577</u>	<u>\$ 6,215</u>

- (i) Impairment adjustments include \$2,310 which are related to the press equipment for the year ended December 31, 2012, and \$5,540 which are related to the five-story office building for the year ended December 31, 2011.