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

## Form 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**  
For the quarterly period ended: **September 30, 2002**

OR

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

Commission File No. **1-8598**

## Belo Corp.

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

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

**P. O. Box 655237**  
**Dallas, Texas**  
*(Address of principal executive offices)*

**75265-5237**  
*(Zip code)*

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

Former name, former address and former fiscal year, if changed since last report.

**None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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

<u>Class</u>	<u>Outstanding at October 31, 2002</u>
Common Stock, \$1.67 par value	112,613,600*

\* Consisting of 95,922,554 shares of Series A Common Stock and 16,691,046 shares of Series B Common Stock.

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**BELO CORP.  
FORM 10-Q  
TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>PART I</b>	<b>FINANCIAL INFORMATION</b>
Item 1.	Financial Statements ..... 1
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations..... 8
Item 3.	Quantitative and Qualitative Disclosures About Market Risk..... 14
Item 4.	Controls and Procedures..... 14
<b>PART II</b>	<b>OTHER INFORMATION</b>
Item 1.	Legal Proceedings ..... 14
Item 2.	Changes in Securities and Use of Proceeds ..... 14
Item 3.	Defaults Upon Senior Securities ..... 14
Item 4.	Submission of Matters to a Vote of Security Holders ..... 14
Item 5.	Other Information ..... 14
Item 6.	Exhibits and Reports on Form 8-K..... 14
	Signatures..... 19
	Certifications ..... 20

**PART I.**

**Item 1. Financial Statements**

**CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS**

Belo Corp. and Subsidiaries

<i>In thousands, except per share amounts (unaudited)</i>	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	2002	2001	2002	2001
<b>Net Operating Revenues</b>	\$ 347,608	\$ 322,485	\$ 1,033,704	\$ 1,015,880
<b>Operating Costs and Expenses</b>				
Salaries, wages and employee benefits	127,315	120,555	375,309	374,326
Other production, distribution and operating costs	94,727	91,311	280,321	273,909
Newsprint, ink and other supplies	28,217	37,163	85,111	114,132
Depreciation	23,871	24,876	72,640	75,475
Amortization	2,087	20,176	6,213	60,654
Total operating costs and expenses	<u>276,217</u>	<u>294,081</u>	<u>819,594</u>	<u>898,496</u>
Earnings from operations	71,391	28,404	214,110	117,384
<b>Other Income and Expense</b>				
Interest expense	(24,955)	(26,150)	(80,374)	(85,264)
Other, net	<u>(1,072)</u>	<u>(395)</u>	<u>5,389</u>	<u>(29,190)</u>
Total other income and expense	(26,027)	(26,545)	(74,985)	(114,454)
<b>Earnings (Loss)</b>				
Earnings before income taxes	45,364	1,859	139,125	2,930
Income taxes	<u>17,373</u>	<u>2,377</u>	<u>53,853</u>	<u>3,140</u>
Net earnings (loss)	<u>\$ 27,991</u>	<u>\$ (518)</u>	<u>\$ 85,272</u>	<u>\$ (210)</u>
<b>Net Earnings Per Share</b>				
Basic	\$ .25	\$ .00	\$ .76	\$ .00
Diluted	\$ .25	\$ .00	\$ .75	\$ .00
<b>Average Shares Outstanding</b>				
Basic	112,225	109,918	111,632	109,708
Diluted	113,857	109,918	113,400	109,708
<b>Cash Dividends Declared Per Share</b>	\$ .15	\$ .15	\$ .30	\$ .30

*See accompanying Notes to Consolidated Condensed Financial Statements.*

**CONSOLIDATED CONDENSED BALANCE SHEETS**

Belo Corp. and Subsidiaries

<i>In thousands, except share and per share amounts (Current year unaudited)</i>	September 30, 2002	December 31, 2001
<b>Assets</b>		
Current assets:		
Cash and temporary cash investments	\$ 39,554	\$ 35,913
Accounts receivable, net	212,527	231,673
Other current assets	<u>56,995</u>	<u>64,593</u>
Total current assets	309,076	332,179
Property, plant and equipment, net	565,065	597,106
Intangible assets, net	1,373,318	1,368,385
Goodwill, net	1,255,262	1,255,262
Other assets	<u>90,249</u>	<u>119,293</u>
Total assets	<u>\$3,592,970</u>	<u>\$3,672,225</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 54,575	\$ 60,347
Accrued expenses	87,946	85,911
Other current liabilities	<u>64,905</u>	<u>39,142</u>
Total current liabilities	207,426	185,400
Long-term debt	1,489,300	1,696,900
Deferred income taxes	425,515	416,500
Other liabilities	62,905	52,680
Shareholders' equity:		
Preferred stock, \$1.00 par value. Authorized 5,000,000 shares; none issued.		
Common stock, \$1.67 par value. Authorized 450,000,000 shares:		
Series A: Issued 95,613,438 shares at September 30, 2002 and 91,800,402 shares at December 31, 2001	159,675	153,307
Series B: Issued 16,727,185 shares at September 30, 2002 and 18,582,538 shares at December 31, 2001	27,934	31,033
Additional paid-in capital	869,568	837,515
Retained earnings	<u>350,647</u>	<u>298,890</u>
Total shareholders' equity	<u>1,407,824</u>	<u>1,320,745</u>
Total liabilities and shareholders' equity	<u>\$3,592,970</u>	<u>\$3,672,225</u>

*See accompanying Notes to Consolidated Condensed Financial Statements.*

**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**

Belo Corp. and Subsidiaries

*Nine months ended September 30,*

<i>In thousands (unaudited)</i>	2002	2001
<b>Operations</b>		
Net earnings (loss)	\$ 85,272	\$ (210)
Adjustments to reconcile net earnings to net cash provided by operations:		
Net gain on sale of investments	(1,841)	---
Depreciation and amortization	78,853	136,129
Deferred income taxes	15,006	(8,062)
Non-cash charge for write-down of Internet investments	---	28,785
Non-cash expenses	10,678	6,168
Other, net	5,278	(1,725)
Net change in current assets and liabilities:		
Accounts receivable	19,609	53,160
Other current assets	(4,040)	4,264
Accounts payable	(5,824)	(23,066)
Accrued expenses	15,412	(17,607)
Other current liabilities	<u>23,773</u>	<u>(63,953)</u>
Net cash provided by operations	242,176	113,883
<b>Investing</b>		
Capital expenditures	(31,789)	(42,521)
Acquisitions	(18,000)	---
Proceeds from sale of investments	27,000	---
Other investments	(11,641)	(14,202)
Other, net	<u>398</u>	<u>1,770</u>
Net cash used for investments	(34,032)	(54,953)
<b>Financing</b>		
Borrowings of debt	812,825	733,800
Repayments of debt	(1,020,525)	(816,410)
Purchase of treasury shares	---	(12,621)
Payment of dividends on stock	(25,090)	(24,676)
Net proceeds from exercise of stock options	<u>28,287</u>	<u>6,717</u>
Net cash used for financing	(204,503)	(113,190)
Net increase (decrease) in cash and temporary cash investments	3,641	(54,260)
Cash and temporary cash investments at beginning of period	<u>35,913</u>	<u>87,680</u>
Cash and temporary cash investments at end of period	<u>\$ 39,554</u>	<u>\$ 33,420</u>
<b>Supplemental Disclosures</b>		
Interest paid, net of amounts capitalized	\$ 69,601	\$ 80,870
Income taxes paid, net of refunds	\$ 18,548	\$ 80,747

*See accompanying Notes to Consolidated Condensed Financial Statements.*

## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Belo Corp. and Subsidiaries

(in thousands, except per share amounts)

- (1) The accompanying unaudited consolidated condensed financial statements of Belo Corp. and subsidiaries (the "Company" or "Belo") have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The balance sheet at December 31, 2001 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine-month periods ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

Certain amounts for the prior periods have been reclassified to conform to the current year presentation.

- (2) The following table sets forth the reconciliation between weighted average shares used for calculating basic and diluted earnings per share for the three and nine months ended September 30, 2002 and 2001:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
Weighted average shares for basic earnings per share	112,225	109,918	111,632	109,708
Effect of employee stock options	<u>1,632</u>	<u>---</u>	<u>1,768</u>	<u>---</u>
Weighted average shares for diluted earnings per share	<u>113,857</u>	<u>109,918</u>	<u>113,400</u>	<u>109,708</u>

- (3) Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." Under the provisions of SFAS No. 142, goodwill and certain other intangibles with indefinite lives, namely Federal Communications Commission ("FCC") licenses, are no longer amortized, but are instead reviewed at least annually for impairment at the reporting unit level and written down (expensed against earnings) when the implied fair value of a reporting unit, including goodwill and other related intangibles, is less than its carrying amount. Separable intangible assets that have finite useful lives will continue to be amortized over their useful lives. For Belo's Television Group, a reporting unit is defined as an operating cluster of television stations and for Belo's Newspaper Group, a reporting unit is defined as the newspaper operations in each individual market.

The Company's review for impairment of goodwill and other intangible assets performed during the second quarter of 2002 indicated no impairment of these assets as of January 1, 2002. The Company must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets in assessing the recoverability of its goodwill and other intangibles. If these estimates or the related assumptions change, the Company may be required to record impairment charges for these assets in the future.

Prior to the adoption of SFAS No. 142, amortization expense was recorded for goodwill and other intangibles with indefinite lives. The following table sets forth a reconciliation of net earnings and net earnings per share information for the three and nine months ended September 30, 2002 and 2001 as though SFAS No. 142 had been in effect at the beginning of fiscal 2001:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
Net earnings (loss), as reported	\$27,991	\$ (518)	\$85,272	\$ (210)
Add back: Goodwill and FCC license amortization, net of tax	---	<u>12,153</u>	---	<u>34,435</u>
Net earnings, pro forma	<u>\$27,991</u>	<u>\$11,635</u>	<u>\$85,272</u>	<u>\$34,225</u>
Per share amounts:				
Basic net earnings per share, as reported	\$ .25	\$ .00	\$ .76	\$ .00
Add back: Goodwill and FCC license amortization, net of tax	---	<u>.11</u>	---	<u>.31</u>
Basic net earnings per share, pro forma	<u>\$ .25</u>	<u>\$ .11</u>	<u>\$ .76</u>	<u>\$ .31</u>
Diluted net earnings per share, as reported	\$ .25	\$ .00	\$ .75	\$ .00
Add back: Goodwill and FCC license amortization, net of tax	---	<u>.11</u>	---	<u>.31</u>
Diluted net earnings per share, pro forma	<u>\$ .25</u>	<u>\$ .11</u>	<u>\$ .75</u>	<u>\$ .31</u>

The reported effective tax rates for the third quarter and first nine months of 2002 were 38.3 percent and 38.7 percent, respectively, compared to effective tax rates exceeding 100 percent for the quarter and nine months ended September 30, 2001 primarily due to the elimination of non-deductible goodwill amortization upon adoption of SFAS No. 142. The pro forma effective tax rates would have been 42.9 percent and 41.6 percent for the third quarter and first nine months of 2001, respectively, if SFAS No. 142 had been in effect at the beginning of 2001.

The following table is as of September 30, 2002 and sets out the identifiable intangible assets that continue to be subject to amortization and the identifiable intangible assets that are no longer subject to amortization beginning January 1, 2002:

	Gross Carrying Amount	Accumulated Amortization	Weighted Average Amortization Period
Amortized intangible assets:			
Television Group:			
Market alliance <sup>(1)</sup>	\$ 8,832	\$ 883	5 years
Newspaper Group:			
Subscriber lists	115,963	41,066	18 years
Unamortized intangible assets:			
Television Group:			
FCC licenses	<u>1,464,184</u>	<u>173,712</u>	
Total identifiable intangible assets	\$ 1,588,979	\$ 215,661	

(1) Acquired March 12, 2002.

Amortization expense for intangible assets subject to amortization was \$2,087 and \$6,213 for the three and nine months ended September 30, 2002, respectively. The annual amortization expense for intangible assets subject to amortization is estimated to be approximately \$8,500 for each of the next five fiscal years.

The total carrying amount of goodwill as of January 1, 2002 and September 30, 2002 is \$1,255,262, of which amount \$779,987, \$470,043 and \$5,232 is associated with the Television Group, Newspaper Group and Other, respectively.

- (4) During the third quarter of 2002, Belo evaluated its long-term rate of return on pension fund assets and reduced the assumed rate of return from 9.75 percent to 8.75 percent, retroactive to January 1, 2002. As a result of this revision, the Company will record \$6,200 of pension expense in 2002 compared with \$3,000 that would have been recorded using the 9.75 percent rate of return. During the nine months ended September 30, 2002, the Company recorded \$4,650 of pension expense and will record an additional \$1,550 of pension expense in the fourth quarter of 2002.

The Company may be required to record an additional minimum liability in the fourth quarter of 2002 if the accumulated benefit obligation exceeds the value of the pension fund assets at December 31, 2002. In accordance with generally accepted accounting principles, this charge will be reflected in other comprehensive income/(loss) as a reduction in shareholders' equity. The amount to be recorded will depend upon the fair value of plan assets and the accumulated benefit obligation at December 31, 2002.

- (5) Belo plans to begin recording compensation expense for stock options once final accounting standards have been adopted. On a pro forma basis, if the Company had expensed stock options, earnings per share for the three and nine-month periods ended September 30, 2002 would have been 22 cents per share and 67 cents per share, respectively, as compared to the 25 cents per share and 75 cents per share reported. On a pro forma basis, earnings per share for the three and nine-month periods ended September 30, 2001 would have been 8 cents per share and 24 cents per share, respectively, versus 11 cents per share and 31 cents per share on a SFAS No. 142 basis (see Note 3).

- (6) Net operating revenues, earnings from operations, depreciation and amortization, operating cash flow by industry segment and consolidated cash flow information are shown below. Operating cash flow is defined as earnings from operations plus depreciation and amortization. Operating cash flow is used in the broadcasting and publishing industries to analyze and compare companies on the basis of operating performance and liquidity. Operating cash flow should not be considered as a measure of financial performance or liquidity under generally accepted accounting principles and should not be considered in isolation or as an alternative to net income, cash flows generated by operating, investing or financing activities or financial statement data presented in the consolidated condensed financial statements. Because operating cash flow is not a measurement determined in accordance with generally accepted accounting principles and is thus susceptible to varying calculations, operating cash flow as presented may not be comparable to other similarly titled measures of other companies.

<i>In thousands</i>	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	2002	2001	2002	2001
<b>Net Operating Revenues</b>				
Television Group	\$ 158,714	\$ 133,998	\$ 470,412	\$ 442,092
Newspaper Group	179,482	181,066	536,675	552,029
Interactive Media	5,009	3,449	13,850	9,716
Other	4,403	3,972	12,767	12,043
Total net operating revenues	<u>\$ 347,608</u>	<u>\$ 322,485</u>	<u>\$ 1,033,704</u>	<u>\$ 1,015,880</u>
<b>Earnings from Operations</b>				
Television Group	\$ 53,518	\$ 18,068	\$ 159,060	\$ 90,088
Newspaper Group	34,990	26,529	105,608	84,190
Interactive Media	(3,744)	(4,890)	(10,992)	(15,945)
Other	(559)	(1,226)	(2,667)	(3,406)
Corporate expenses	(12,814)	(10,077)	(36,899)	(37,543)
Total earnings from operations	<u>\$ 71,391</u>	<u>\$ 28,404</u>	<u>\$ 214,110</u>	<u>\$ 117,384</u>
<b>Depreciation and Amortization</b>				
Television Group	\$ 11,977	\$ 27,319	\$ 35,857	\$ 82,812
Newspaper Group	11,940	15,201	36,300	45,841
Interactive Media	861	807	2,583	2,209
Other	602	731	1,779	2,071
Corporate	578	994	2,334	3,196
Total depreciation and amortization	<u>\$ 25,958</u>	<u>\$ 45,052</u>	<u>\$ 78,853</u>	<u>\$ 136,129</u>
<b>Operating Cash Flow (see definition above)</b>				
Television Group	\$ 65,495	\$ 45,387	\$ 194,917	\$ 172,900
Newspaper Group	46,930	41,730	141,908	130,031
Interactive Media	(2,883)	(4,083)	(8,409)	(13,736)
Other	43	(495)	(888)	(1,335)
Corporate	(12,236)	(9,083)	(34,565)	(34,347)
Total operating cash flow	<u>\$ 97,349</u>	<u>\$ 73,456</u>	<u>\$ 292,963</u>	<u>\$ 253,513</u>
<b>Consolidated Cash Flow Information <sup>(a)</sup></b>				
Net cash provided by operations			\$ 242,176	\$ 113,883
Net cash used for investments			\$ (34,032)	\$ (54,953)
Net cash used for financing			\$ (204,503)	\$ (113,190)

- (a) Cash flow information is provided on a consolidated basis and is as presented in the Consolidated Condensed Statements of Cash Flows included herein.

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

The Company is an owner and operator of 19 television stations and publisher of four daily newspapers. The following table sets forth the Company’s major media assets by segment as of September 30, 2002:

<i>Television Group</i>					
<i>Market</i>	<i>Market Rank<sup>(a)</sup></i>	<i>Station</i>	<i>Network Affiliation<sup>(b)</sup></i>	<i>Status</i>	<i>Acquired</i>
Dallas/Fort Worth	7	WFAA	ABC	Owned	March 1950
Houston	11	KHOU	CBS	Owned	February 1984
Seattle/Tacoma	12	KING	NBC	Owned	February 1997
Seattle/Tacoma	12	KONG	IND	Owned	March 2000
Phoenix	16	KTVK	IND	Owned	November 1999
Phoenix	16	KASW	WB	Owned	March 2000
St. Louis	22	KMOV	CBS	Owned	June 1997
Portland	23	KGW	NBC	Owned	February 1997
Charlotte	27	WCNC	NBC	Owned	February 1997
San Antonio	37	KENS	CBS	Owned	October 1997
San Antonio	37	KBEJ	UPN	LMA <sup>(c)</sup>	
Hampton/Norfolk	42	WVEC	ABC	Owned	February 1984
New Orleans	43	WWL	CBS	Owned	June 1994
Louisville	50	WHAS	ABC	Owned	February 1997
Austin	54	KVUE	ABC	Owned	June 1999
Tucson	73	KMSB	FOX	Owned	February 1997
Tucson	73	KTTU	UPN	Owned	March 2002 <sup>(d)</sup>
Spokane	78	KREM	CBS	Owned	February 1997
Spokane	78	KSKN	WB <sup>(e)</sup>	Owned	October 2001 <sup>(f)</sup>
Boise <sup>(g)</sup>	121	KTVB	NBC	Owned	February 1997

  

<i>Newspaper Group</i>				
<i>Newspaper</i>	<i>Location</i>	<i>Acquired</i>	<i>Daily Circulation<sup>(i)</sup></i>	<i>Sunday Circulation<sup>(i)</sup></i>
<i>The Dallas Morning News (“DMN”)</i>	Dallas, TX	<sup>(h)</sup>	525,532	784,905
<i>The Providence Journal (“PJ”)</i>	Providence, RI	February 1997	164,065	232,040
<i>The Press-Enterprise (“PE”)</i>	Riverside, CA	July 1997	178,994	184,637
<i>Denton Record-Chronicle</i>	Denton, TX	June 1999	14,783	19,098

  

<i>Interactive Media</i>	
Belo Interactive, Inc.	Includes the Web site operations of Belo’s operating companies, interactive alliances and Internet-based products and services. <sup>(j)</sup>

  

<i>Other</i>	
Northwest Cable News (“NWCN”)	Cable news channel distributed to over 2.3 million homes in the Pacific Northwest.
Texas Cable News (“TXCN”)	Cable news channel distributed to over 1.3 million homes in Texas.

- (a) Market rank is based on the relative size of the television market, or Designated Market Area (“DMA”), among the 210 generally recognized DMAs in the United States, based on May 2002 Nielsen estimates.
- (b) Substantially all the revenue of the Company’s television stations is derived from advertising. Less than 4 percent of Television Group revenue is provided by compensation paid by networks to the television stations for broadcasting network programming.
- (c) Belo entered into an agreement to operate KBEJ under a local marketing agreement (“LMA”) in May 1999; the station’s on-air date was August 3, 2000.
- (d) Belo acquired KTTU, previously operated under an LMA, on March 12, 2002.
- (e) The primary affiliation with UPN expired in September 2002. The station is now affiliated with the WB network.
- (f) Belo acquired KSKN, previously operated under an LMA, on October 1, 2001.
- (g) The Company also owns KTFT-LP (NBC), a low power television station in Twin Falls, Idaho.
- (h) The first issue of *DMN* was published by Belo on October 1, 1885.
- (i) Average paid circulation data for *DMN* and *PE* is for the six months ended September 30, 2002 as filed in the Audit Bureau of Circulation’s (“ABC”) FAS-FAX report. Circulation data for *PJ* is for the six months ended March 31, 2002 as filed with the ABC FAS-FAX report. Circulation data for the *Denton Record-Chronicle* is taken from the Certified Audit of Circulations Report for the twelve-month period ended December 31, 2001.
- (j) The majority of Belo Interactive’s Web sites are associated with the Company’s television stations and newspapers and primarily provide news and information.

## Results of Operations

### *Consolidated Results of Operations*

#### *Three Months Ended September 30, 2002 and 2001*

Total net operating revenues increased \$25,123, or 7.8 percent, for the third quarter of 2002 as compared to the same period in 2001 due to increases of \$24,716, \$1,560 and \$431 in Television Group, Interactive Media and Other revenues, respectively, partially offset by a \$1,584 decrease in revenues in the Newspaper Group.

Salaries, wages and employee benefits expense increased \$6,760, or 5.6 percent, for the third quarter of 2002 as compared to the year earlier period due to an increase of \$7,420 in accruals for performance-based bonuses and a \$2,156 increase in pension expense, offset somewhat by lower salaries due to fewer employees in 2002 resulting primarily from a Company-wide reduction in force and an early retirement program at *The Providence Journal* in the fourth quarter of 2001. Pension expense increased in the third quarter of 2002 due primarily to a reduction in the assumed long-term rate of return on pension fund assets. See Note 4 of the Notes to the Consolidated Condensed Financial Statements.

Other production, distribution and operating costs increased \$3,416, or 3.7 percent, in the third quarter of 2002 as compared to the third quarter of 2001 primarily due to increases in outside services (\$2,170), cash programming (\$1,466), outside solicitation (\$994) and advertising and promotion (\$971) expenses, partially offset by a \$2,038 decrease in bad debt expense.

Newsprint, ink and other supplies decreased \$8,946, or 24.1 percent, in the third quarter of 2002 as compared to the year earlier period primarily due to a decrease in the average cost per metric ton of newsprint. The average cost per metric ton of newsprint decreased 25.6 percent in the third quarter of 2002 as compared to the year earlier period. Newsprint consumption increased less than 1 percent in the third quarter of 2002 as compared to the year earlier period.

Depreciation expense decreased \$1,005 in the third quarter of 2002, from \$24,876 in the third quarter of 2001 to \$23,871 in the third quarter of 2002.

Amortization expense decreased from \$20,176 in third quarter of 2001 to \$2,087 in the third quarter of 2002 due to the Company's adoption of SFAS No. 142 effective January 1, 2002. See Note 3 of the Notes to the Consolidated Condensed Financial Statements.

Interest expense for the third quarter of 2002 of \$24,955 was 4.6 percent lower than third quarter 2001 expense of \$26,150, reflecting lower average debt levels.

The effective tax rate for the third quarter of 2002 was 38.3 percent. The Company recorded tax expense of \$2,377 for the third quarter of 2001 on earnings before income taxes of \$1,859. The third quarter 2001 tax provision assumed a projected annual effective tax rate in excess of 100 percent, resulting from non-deductible goodwill amortization (which was eliminated in 2002 upon adoption of SFAS No. 142) and lower projected annual pretax earnings. The effective tax rate would have been 42.9 percent for the third quarter of 2001 if SFAS No. 142 had been in effect at the beginning of 2001.

As a result of the factors discussed above, net earnings of \$27,991 (25 cents per share) were reported for the three months ended September 30, 2002, compared with a net loss of \$518 (0 cents per share) for the same period in 2001. Net earnings for the three months ended September 30, 2001 would have been \$11,635 (11 cents per share) if SFAS No. 142 had been in effect at the beginning of 2001.

*Nine Months Ended September 30, 2002 and 2001*

Total net operating revenues increased \$17,824, or 1.8 percent, for the nine months ended September 30, 2002 as compared to the same period in 2001 due to increases of \$28,320, \$4,134 and \$724 in Television Group, Interactive Media and Other revenues, respectively, partially offset by a \$15,354 decrease in revenues for the Newspaper Group.

Salaries, wages and employee benefits expense was flat for the nine months ended September 30, 2002 when compared to the year earlier period. Increases in performance-based bonus accruals (\$14,930) and pension expense (\$3,921) were offset by lower salary expense (\$18,041) due largely to fewer employees in 2002 resulting primarily from a Company-wide reduction in force and an early retirement program at *The Providence Journal* in the fourth quarter of 2001. Salaries, wages and employee benefits expense in the first nine months of 2001 included a charge of \$4,461 for early retirement costs and corporate staff reductions. Pension expense increased in the first nine months of 2002 due primarily to a reduction in the assumed long-term rate of return on pension fund assets (see Note 4 of the Notes to the Consolidated Condensed Financial Statements).

Other production, distribution and operating costs increased \$6,412, or 2.3 percent, in the first nine months of 2002 as compared to the first nine months of 2001, primarily due to increases in outside services (\$3,542), cash programming (\$3,022), outside solicitation (\$2,364) and distribution (\$2,217) expenses, partially offset by a \$4,274 decrease in bad debt expense.

Newsprint, ink and other supplies decreased \$29,021, or 25.4 percent, in the nine months ended September 30, 2002 as compared to the year earlier period. The average cost per metric ton of newsprint decreased 25.3 percent in the first nine months of 2002 as compared to the year earlier period. Newsprint consumption decreased 2.5 percent as compared to the year earlier period.

Depreciation expense decreased \$2,835, from \$75,475 in the first nine months of 2001 to \$72,640 in the first nine months of 2002.

Amortization expense decreased from \$60,654 in the nine months ended September 30, 2001 to \$6,213 in the nine months ended September 30, 2002 due to the Company's adoption of SFAS No. 142 effective January 1, 2002. See Note 3 of the Notes to the Consolidated Condensed Financial Statements.

Interest expense for the nine months ended September 30, 2002 was \$80,374, or 5.7 percent, lower than the year earlier period expense of \$85,264, due primarily to lower average debt levels.

Other, net increased from expense of \$29,190 for the nine month period ended September 30, 2001 to income of \$5,389 in the first nine months of 2002 primarily due to a \$28,785 charge in 2001 related to the write-down of the Company's investments in certain Internet-related companies, a \$4,787 credit in 2002 related to the favorable resolution of certain contingencies associated with the Company's sales in the fourth quarter of 2000 of KOTV in Tulsa, Oklahoma, the *Messenger-Inquirer* in Owensboro, Kentucky, *The Gleaner* in Henderson, Kentucky and *The Eagle* in Bryan/College Station, Texas and a \$2,375 gain in the first quarter of 2002 on the sale of Belo's interest in the Dallas Mavericks and the American Airlines Center.

The provision for income taxes is computed utilizing the Company's expected annual effective income tax rate. The effective tax rate for the nine months ended September 30, 2002 was 38.7 percent. The effective tax rate for the nine months ended September 30, 2001 was 107.2 percent. The lower rate in 2002 is due to the elimination of non-deductible goodwill amortization upon adoption of SFAS No. 142 and higher estimated pretax earnings. The effective tax rate would have been 41.6 percent for the first nine months of 2001 if SFAS No. 142 had been in effect at the beginning of 2001.

As a result of the factors discussed above, net earnings for the nine months ended September 30, 2002 were \$85,272 (75 cents per share) as compared to a net loss of \$210 (0 cents per share) for the nine months ended September 30, 2001. Net earnings for the nine months ended September 30, 2001 would have been \$34,225 (31 cents per share) if SFAS No. 142 had been in effect at the beginning of 2001.

## *Segment Results of Operations*

### *Television Group*

Television Group revenues for the third quarter of 2002 were \$158,714, an 18.4 percent increase compared to third quarter 2001 revenues of \$133,998. Year-to-date Television Group revenues increased 6.4 percent, from \$442,092 in 2001 to \$470,412 in the current year. Total spot revenues including political revenue increased 20.0 percent and 7.0 percent for the quarter and nine-month periods ended September 30, 2002, respectively, as compared to the prior year periods. Local advertising revenues were up 8.8 percent for the third quarter of 2002 and 1.4 percent for the first nine months of the year with the most significant increases in the Dallas, Houston and Phoenix markets. National advertising revenues increased 15.4 percent in the third quarter of 2002 as compared to the third quarter of 2001 and 4.8 percent for the year-to-date period comparisons. The largest increases in national advertising revenues were in the Phoenix, St. Louis and Portland markets.

Political advertising revenues increased \$11,073 in the third quarter and \$18,263 in the first nine months of 2002 versus the same periods in 2001 primarily due to certain election campaigns in Texas, Missouri, Arizona and Louisiana. Revenues for the first nine months of 2002 included approximately \$9,000 of advertising revenues generated by the Company's NBC affiliates from their broadcast of the Winter Olympics in February 2002. The quarter and nine-month periods ended September 30, 2001 included revenue losses of approximately \$9,000 related to the events of September 11.

Television Group cash operating expenses for the quarter and nine months ended September 30, 2002 increased \$4,608, or 5.2 percent, and \$6,303, or 2.3 percent, respectively, from the comparable periods in 2001 as a result of increases in accruals for performance-based bonuses, programming costs and pension expense. Television Group operating cash flow for the quarter and nine months ended September 30, 2002 increased \$20,108, or 44.3 percent, and \$22,017, or 12.7 percent, respectively, when compared to the prior year periods. Television Group operating cash flow margins improved from 33.9 percent in the third quarter of 2001 to 41.3 percent in the third quarter of 2002 and from 39.1 percent in the first nine months of 2001 to 41.4 percent in the same period of 2002.

### *Newspaper Group*

Newspaper Group revenues decreased \$1,584, or approximately 1 percent, and \$15,354, or 2.8 percent, for the quarter and nine months ended September 30, 2002, respectively, as compared to the prior year periods. In the third quarter of 2002, there was one fewer Sunday than in the third quarter of 2001. After adjusting for the effects of the extra Sunday in the third quarter of 2001, Newspaper Group revenues increased 1.2 percent for the third quarter of 2002.

*DMN* reported decreases in total revenues of 1.8 percent and 4.4 percent for the third quarter and first nine months of 2002 as compared to the year earlier periods with declines in advertising revenue of 1.6 percent and 5.1 percent in the respective periods. Classified advertising revenues declined 9.7 percent in the third quarter and 15.2 percent in the first nine months of 2002 as compared to the year earlier periods, due to decreases in classified employment volume. Excluding classified employment revenues, advertising revenues were up 2.4 percent in the third quarter and 1.8 percent in the first nine months of 2002. General advertising revenues declined 10.8 percent and 8.1 percent for the quarter and nine months ended September 30, 2002. Retail advertising revenues increased 4.6 percent and 2.0 percent for the third quarter and first nine months of 2002, respectively, as compared to the year earlier periods. Other advertising revenues improved by 12.0 percent and 9.3 percent for the quarter and year-to-date periods, respectively, due to increases in preprints and TMC revenues.

Total revenues for *PJ* were flat for the third quarter and first nine months of 2002 as compared to the same periods in 2001. Gains in retail, general and other advertising revenues were offset by declines in classified advertising and circulation revenues.

Total revenues at *PE* increased 2.5 percent for the third quarter and were flat for the nine months ended September 30, 2002 when compared to the prior year periods. Higher general and retail advertising revenues and increased revenues from commercial printing were offset somewhat by decreases in classified advertising and circulation revenues.

Newspaper Group cash operating expenses decreased 4.9 percent and 6.5 percent for the quarter and nine months ended September 30, 2002, respectively, as compared to the prior year periods, primarily due to lower newsprint expense. Newsprint expense decreased 25.9 percent and 27.1 percent for the quarter and year-to-date periods in 2002, respectively, from the comparable periods in 2001. Newspaper Group operating cash flow for the third quarter of 2002 was \$46,930, an increase of 12.5 percent over third quarter 2001 operating cash flow of \$41,730. For the year-to-date period, 2002 operating cash flow was \$141,908, or 9.1 percent higher than the same period in 2001. Newspaper Group operating cash flow margins improved from 23.0 percent and 23.6 percent for the quarter and nine-month periods ended September 30, 2001, respectively, to 26.1 percent and 26.4 percent in the same periods of 2002.

#### *Interactive Media*

Interactive Media revenues, which are principally derived from advertising, increased \$1,560, or 45.2 percent, in the third quarter of 2002 and \$4,134, or 42.5 percent, in the first nine months of 2002 when compared to the year earlier periods. Interactive Media cash expenses increased 4.8 percent for the third quarter of 2002 as compared to the third quarter of 2001, primarily due to increases in performance-based bonuses and outside services. Interactive Media cash expenses decreased 5.1 percent in the first nine months of 2002 as compared to the first nine months of 2001, due primarily to expense reduction initiatives begun in the third quarter of 2001 in response to the softening economy. As a result, Interactive Media's operating cash flow deficits improved from \$4,083 in the third quarter of 2001 to \$2,883 in the same period of 2002, and from a deficit of \$13,736 in the first nine months of 2001 to a deficit of \$8,409 in the 2002 comparable period.

#### *Other*

Other revenues consist primarily of Belo's regional cable news operations, NWCN and TXCN. Other revenues increased 10.9 percent, from \$3,972 in the third quarter of 2001 to \$4,403 in the third quarter of 2002. For the nine-month period, Other revenues increased 6.0 percent, from \$12,043 in 2001 to \$12,767 in 2002. Cash expenses decreased 2.4 percent during the third quarter and increased 2.1 percent during the first nine months of 2002 when compared to the prior year periods. Operating cash flow improved from a deficit of \$495 in the third quarter of 2001 to a surplus of \$43 in the third quarter of 2002 and improved from a deficit of \$1,335 in the first nine months of 2001 to a deficit of \$888 for the 2002 comparable period. Operating cash flow at NWCN increased during the third quarter of 2002 as compared to the third quarter of 2001 but decreased slightly in the first nine months of 2002 as compared to the prior year period. TXCN reported decreases in cash flow deficits in both the quarter and nine months ended September 30, 2002 as compared to the comparable prior year periods.

### **Liquidity and Capital Resources**

Net cash provided by operations, bank borrowings and term debt are the Company's primary sources of liquidity. During the first nine months of 2002, net cash provided by operations was \$242,176, compared with \$113,883 for the same period in 2001. Higher net earnings and lower working capital requirements for income taxes, bonus payments and interest in the first nine months of 2002 as compared to the year earlier period, contributed to the increase in cash provided by operations. Total debt decreased \$207,700 from December 31, 2001 to September 30, 2002.

On June 3, 2002, the Company repaid \$250,000 of Senior Notes due 2002 utilizing borrowings under its existing credit facility. At September 30, 2002, the Company had \$1,100,000 in fixed-rate debt securities as follows: \$300,000 of 7-1/8 percent Senior Notes due 2007; \$350,000 of 8 percent Senior Notes due 2008; \$200,000 of 7-3/4 percent Senior Debentures due 2027; and \$250,000 of 7-1/4 percent Senior Debentures due 2027. The weighted average effective interest rate for the fixed-rate debt instruments is 7.5 percent.

At September 30, 2002, the Company had borrowings of \$370,000 under a \$720,000 variable-rate revolving credit facility. Borrowings under the credit facility mature upon expiration of the agreement on November 29, 2006. In addition, the Company had \$12,900 of short-term unsecured notes outstanding at September 30, 2002. These borrowings may be converted at the Company's option to revolving debt. Accordingly, such borrowings are classified as long-term in the Company's financial statements.

The Company is required to maintain certain ratios as of the end of each quarter, as defined in its revolving credit agreement. As of September 30, 2002, the Company was in compliance with all debt covenant requirements.

The Company also has \$150,000 of additional debt securities available for issuance under a shelf registration statement filed in April 1997. Future issuances of fixed-rate debt may be used to refinance variable-rate debt in whole or in part or for other corporate needs as determined by management.

On January 30, 2002, the Company sold its interest in the Dallas Mavericks and the American Airlines Center for \$27,000 which resulted in a pretax gain of approximately \$2,375.

On March 12, 2002, Belo completed the purchase of KTTU, the UPN affiliate in the Tucson, Arizona television market, for \$18,000 in cash. Belo had previously operated KTTU under a local marketing agreement.

In the first nine months of 2002, the Company paid dividends of \$25,090, or 22.5 cents per share, on Series A and Series B common stock outstanding, compared with \$24,676, or 22.5 cents per share, in the first nine months of 2001.

Capital expenditures in the first nine months of 2002 were \$31,789. Expenditures were primarily for Television Group equipment purchases, including those for equipment to be used in the transmission of digital television, and Newspaper Group equipment purchases.

During 2000 and 2001, Belo announced the formation of a series of cable news partnerships with Time Warner Cable ("Time Warner"). The Time Warner agreements call for the creation of 24-hour cable news channels in Houston and San Antonio, Texas and Charlotte, North Carolina. As of September 30, 2002, investments totaling \$26,950 (\$12,700 of which was invested in the first nine months of 2002) had been made related to the Time Warner partnerships which will be used to fund capital expenditures and operating costs. The on-air date of the news channel in Charlotte, North Carolina was June 14, 2002. The projected on-air dates of the news channels in Houston and San Antonio, Texas are late 2002 and early 2003, respectively.

#### *Other Matters*

The Company expects 2003 pension expense to exceed the \$6,200 expense recorded in 2002, but the ultimate amount will depend upon several factors, most notably plan asset values and interest rates at the end of 2002. Additionally, the Company may be required to record an additional minimum liability in the fourth quarter of 2002 if the accumulated benefit obligation exceeds the value of the pension fund assets at December 31, 2002. In accordance with generally accepted accounting principles, this charge will be reflected in other comprehensive income/(loss) as a reduction in shareholders' equity. The amount to be recorded will depend upon the fair value of plan assets and the accumulated benefit obligation at December 31, 2002.

Newsprint prices are expected to be higher in 2003 than in 2002, but the amount and the timing of any increase cannot be predicted with certainty.

#### *Forward-Looking Statements*

Statements in this Form 10-Q concerning the Company's business outlook or future economic performance, anticipated profitability, revenues, expenses, capital expenditures, investments, future financings or other financial and non-financial items that are not historical facts, are "forward-looking statements" as the term is defined under applicable federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those statements.

Such risks, uncertainties and factors include, but are not limited to, changes in capital market conditions and prospects, and other factors such as changes in advertising demand, interest rates and newsprint prices; technological changes; development of Internet commerce; industry cycles; changes in pricing or other actions by competitors and suppliers; regulatory changes; 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 and dispositions; and general economic conditions, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission ("SEC"), including the Annual Report on Form 10-K and in the Company's periodic press releases.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Other than as disclosed, there have been no material changes in the Company's exposure to market risk from the disclosure included in Belo's report on Form 10-K for the fiscal year ended December 31, 2001.

### **Item 4. Controls and Procedures**

Within the 90 days prior to the filing date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chairman of the Board, President and Chief Executive Officer and Executive Vice President/Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the Chairman of the Board, President and Chief Executive Officer and Executive Vice President/Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings. There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

## **PART II.**

### **Item 1. Legal Proceedings**

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

### **Item 2. Changes in Securities and Use of Proceeds**

None.

### **Item 3. Defaults Upon Senior Securities**

None.

### **Item 4. Submission of Matters to a Vote of Security Holders**

None.

### **Item 5. Other Information**

None.

### **Item 6. Exhibits and Reports on Form 8-K**

#### (a) Exhibits

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

- 3.1 \* Certificate of Incorporation of the Company (Exhibit 3.1 to the Company's Annual Report on Form 10-K dated March 15, 2000 (the "1999 Form 10-K"))
- 3.2 \* Certificate of Correction to Certificate of Incorporation dated May 13, 1987 (Exhibit 3.2 to the 1999 Form 10-K)

<u>Exhibit Number</u>	<u>Description</u>
3.3	* Certificate of Designation of Series A Junior Participating Preferred Stock of the Company dated April 16, 1987 (Exhibit 3.3 to the 1999 Form 10-K)
3.4	* Certificate of Amendment of Certificate of Incorporation of the Company dated May 4, 1988 (Exhibit 3.4 to the 1999 Form 10-K)
3.5	* Certificate of Amendment of Certificate of Incorporation of the Company dated May 3, 1995 (Exhibit 3.5 to the 1999 Form 10-K)
3.6	* Certificate of Amendment of Certificate of Incorporation of the Company dated May 13, 1998 (Exhibit 3.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 (the "2 <sup>nd</sup> Quarter 1998 Form 10-Q"))
3.7	* Certificate of Ownership and Merger, dated December 20, 2000, but effective as of 11:59 p.m. on December 31, 2000 (Exhibit 99.2 to Belo's Current Report on Form 8-K filed with the Commission on December 29, 2000)
3.8	* Amended Certificate of Designation of Series A Junior Participating Preferred Stock of the Company dated May 4, 1988 (Exhibit 3.7 to the 1999 Form 10-K)
3.9	* Certificate of Designation of Series B Common Stock of the Company dated May 4, 1988 (Exhibit 3.8 to the 1999 Form 10-K)
3.10	* Amended and Restated Bylaws of the Company, effective December 31, 2000 (Exhibit 3.10 to the Company's Annual Report on Form 10-K dated March 13, 2001 (the "2000 Form 10-K"))
4.1	Certain rights of the holders of the Company's Common Stock are set forth in Exhibits 3.1-3.10 above
4.2	* Specimen Form of Certificate representing shares of the Company's Series A Common Stock (Exhibit 4.2 to the 2000 Form 10-K)
4.3	* Specimen Form of Certificate representing shares of the Company's Series B Common Stock (Exhibit 4.3 to the 2000 Form 10-K)
4.4	* Amended and Restated Form of Rights Agreement as of February 28, 1996 between the Company and Chemical Mellon Shareholder Services, L.L.C., a New York banking corporation (Exhibit 4.4 to the 1999 Form 10-K)
4.5	* Supplement No. 1 to Amended and Restated Rights Agreement between the Company and The First National Bank of Boston dated as of November 11, 1996 (Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996)
4.6	* Supplement No. 2 to Amended and Restated Rights Agreement between the Company and The First National Bank of Boston dated as of June 5, 1998 (Exhibit 4.6 to the 2000 Form 10-K)
4.7	Instruments defining rights of debt securities: <ul style="list-style-type: none"> <li>(1) * Indenture dated as of June 1, 1997 between the Company and The Chase Manhattan Bank, as Trustee (Exhibit 4.6(1) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997 (the "2<sup>nd</sup> Quarter 1997 Form 10-Q"))</li> </ul>

**Exhibit  
Number Description**

- (2) \* (a) \$200 million 7-1/8% Senior Note due 2007 (Exhibit 4.6(3)(a) to the 2<sup>nd</sup> Quarter 1997 Form 10-Q)
- \* (b) \$100 million 7-1/8% Senior Note due 2007 (Exhibit 4.6(3)(b) to the 2<sup>nd</sup> Quarter 1997 Form 10-Q)
- (3) \* \$200 million 7-3/4% Senior Debenture due 2027 (Exhibit 4.6(4) to the 2<sup>nd</sup> Quarter 1997 Form 10-Q)
- (4) \* Officers' Certificate dated June 13, 1997 establishing terms of debt securities pursuant to Section 3.1 of the Indenture (Exhibit 4.6(5) to the 2<sup>nd</sup> Quarter 1997 Form 10-Q)
- (5) \* (a) \$200 million 7-1/4% Senior Debenture due 2027 (Exhibit 4.6(6)(a) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997 (the "3<sup>rd</sup> Quarter 1997 Form 10-Q"))
- \* (b) \$50 million 7-1/4% Senior Debenture due 2027 (Exhibit 4.6(6)(b) to the 3<sup>rd</sup> Quarter 1997 Form 10-Q)
- (6) \* Officers' Certificate dated September 26, 1997 establishing terms of debt securities pursuant to Section 3.1 of the Indenture (Exhibit 4.6(7) to the 3<sup>rd</sup> Quarter 1997 Form 10-Q)
- (7) \* \$350 million 8.00% Senior Note due 2008 (Exhibit 4.6(8) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001 (the "3<sup>rd</sup> Quarter 2001 Form 10-Q"))
- (8) \* Officers' Certificate dated November 1, 2001 establishing terms of debt securities pursuant to Section 3.1 of the Indenture (Exhibit 4.6(9) to the 3<sup>rd</sup> Quarter 2001 Form 10-Q)

10.1 Financing agreements:

- (1) \* Five-year Credit Agreement dated as of November 29, 2001 among the Company, as Borrower; J.P. Morgan Chase Bank, as Administrative Agent and as Competitive Advance Facility Agent; J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Co-Advisors, Co-Arrangers and Joint Bookrunners; Bank of America, N.A., Fleet National Bank and the Bank of New York, as Co-Syndication Agents; BNP Paribas, as Documentation Agent; and the Fuji Bank Limited and SunTrust Bank, as Senior Managing Agents (Exhibit 10.1(1) to the Company's Annual Report on Form 10-K dated March 15, 2002)

10.2 Compensatory plans:

- ~(1) Belo Savings Plan:
  - \* (a) Belo Savings Plan Amended and Restated July 1, 2000 (Exhibit 10.2(1) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000 (the "2<sup>nd</sup> Quarter 2000 Form 10-Q"))
  - \* (b) First Amendment to the Belo Savings Plan effective December 31, 2000 (Exhibit 10.2(1)(b) to the 2000 Form 10-K)

**Exhibit  
Number**    **Description**

- \* (c) Second Amendment to Belo Savings Plan effective as of January 1, 2002 (Exhibit 4.16(c) to the Company's Registration Statement on Form S-8 (No. 333-88030) filed with the Securities and Exchange Commission on May 10, 2002)
- \* (d) Third Amendment to Belo Savings Plan effective as of May 7, 2002 (Exhibit 4.16(d) to the Company's Registration Statement on Form S-8 (No. 333-88030) filed with the Securities and Exchange Commission on May 10, 2002)
- (e) Fourth Amendment to Belo Savings Plan effective as of August 23, 2002.
- (f) Fifth Amendment to Belo Savings Plan effective as of September 27, 2002.
  
- ~(2) Belo 1986 Long-Term Incentive Plan:
  - \* (a) Belo Corp. 1986 Long-Term Incentive Plan (Effective May 3, 1989, as amended by Amendments 1, 2, 3, 4 and 5) (Exhibit 10.3(2) to the Company's Annual Report on Form 10-K dated March 10, 1997 (the "1996 Form 10-K"))
  - \* (b) Amendment No. 6 to 1986 Long-Term Incentive Plan (Exhibit 10.3(2)(b) to the Company's Annual Report on Form 10-K dated March 19, 1998 (the "1997 Form 10-K"))
  - \* (c) Amendment No. 7 to 1986 Long-Term Incentive Plan (Exhibit 10.2(2)(c) to the 1999 Form 10-K)
  - \* (d) Amendment No. 8 to 1986 Long-Term Incentive Plan (Exhibit 10.3(2)(d) to the 2<sup>nd</sup> Quarter 1998 Form 10-Q)
  
- ~(3) \* Belo 1995 Executive Compensation Plan, as restated to incorporate amendments through December 4, 1997 (Exhibit 10.3(3) to the 1997 Form 10-K)
  - \* (a) Amendment to 1995 Executive Compensation Plan, dated July 21, 1998 (Exhibit 10.3(3)(a) to the 2<sup>nd</sup> Quarter 1998 Form 10-Q)
  - \* (b) Amendment to 1995 Executive Compensation Plan, dated December 16, 1999 (Exhibit 10.3(3)(b) to the 1999 Form 10-K)
  
- ~(4) \* Management Security Plan (Exhibit 10.3(1) to the 1996 Form 10-K)
  - \* (a) Amendment to Management Security Plan of Belo Corp. and Affiliated Companies (as Restated Effective January 1, 1982) (Exhibit 10.2(4)(a) to the 1999 Form 10-K)
  
- ~(5) Belo Supplemental Executive Retirement Plan
  - \* (a) Belo Supplemental Executive Retirement Plan As Amended and Restated Effective January 1, 2000 (Exhibit 10.2(5)(a) to the 1999 Form 10-K)
  - \* (b) First Amendment to Belo Supplemental Executive Retirement Plan as Amended and Restated Effective January 1, 2000, dated July 27, 2000 (Exhibit 10.2(5) to the 2<sup>nd</sup> Quarter 2000 Form 10-Q)
  
- ~(6) \* Belo 2000 Executive Compensation Plan (Exhibit 4.15 to the Company's Registration Statement on Form S-8 (No. 333-43056) filed with the Securities and Exchange Commission on August 4, 2000)
  
- ~(7) \* Retirement Agreement between the Company and Burl Osborne, dated June 27, 2001 (Exhibit 10.2(8) to Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2001)
  
- ~(8) \* Retirement Agreement between the Company and Michael J. McCarthy, dated March 15, 2002 (Exhibit 10.2(8) to Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2002)

**Exhibit**  
**Number**    **Description**

12    Ratio of Earnings to Fixed Charges

99.1    Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.2    Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b)    Reports on Form 8-K.

On August 9, 2002, Belo filed a current report on Form 8-K, reporting under Item 9 that the Company's Principal Executive Officer and Principal Financial Officer filed sworn statements with the SEC pursuant to SEC Order No. 4-460.

**SIGNATURES**

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

**BELO CORP.**

November 11, 2002

By: /s/ Dunia A. Shive  
Dunia A. Shive  
Executive Vice President/  
Chief Financial Officer  
(Authorized Officer and Principal  
Financial and Accounting Officer)

## CERTIFICATIONS

I, Robert W. Decherd, Chairman of the Board, President and Chief Executive Officer of Belo Corp., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Belo Corp.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 11, 2002

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

I, Dunia A. Shive, Executive Vice President/Chief Financial Officer of Belo Corp., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Belo Corp.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 11, 2002

By: /s/ Dunia A. Shive  
Dunia A. Shive  
Executive Vice President/  
Chief Financial Officer