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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: **June 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 July 31, 2002</u>
Common Stock, \$1.67 par value	112,188,621*

\* Consisting of 95,425,413 shares of Series A Common Stock and 16,763,208 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.....	7
Item 3.	Quantitative and Qualitative Disclosures About Market Risk.....	12
<b>PART II</b>	<b>OTHER INFORMATION</b>	
Item 1.	Legal Proceedings .....	12
Item 2.	Changes in Securities and Use of Proceeds .....	12
Item 3.	Defaults Upon Senior Securities .....	12
Item 4.	Submission of Matters to a Vote of Security Holders .....	13
Item 5.	Other Information .....	13
Item 6.	Exhibits and Reports on Form 8-K.....	13

**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 June 30,</i>		<i>Six months ended June 30,</i>	
	2002	2001	2002	2001
<b>Net Operating Revenues</b>	\$ 366,239	\$ 361,848	\$ 686,096	\$ 693,395
<b>Operating Costs and Expenses</b>				
Salaries, wages and employee benefits	124,889	127,589	247,994	253,771
Other production, distribution and operating costs	96,675	93,120	185,594	182,598
Newsprint, ink and other supplies	28,025	38,536	56,894	76,969
Depreciation	24,450	25,232	48,769	50,599
Amortization	2,484	20,227	4,126	40,478
Total operating costs and expenses	<u>276,523</u>	<u>304,704</u>	<u>543,377</u>	<u>604,415</u>
Earnings from operations	89,716	57,144	142,719	88,980
<b>Other Income and Expense</b>				
Interest expense	(27,126)	(28,205)	(55,419)	(59,114)
Other, net	4,259	(29,047)	6,461	(28,795)
Total other income and expense	(22,867)	(57,252)	(48,958)	(87,909)
<b>Earnings (Loss)</b>				
Earnings (loss) before income taxes	66,849	(108)	93,761	1,071
Income taxes	26,332	207	36,480	763
Net earnings (loss)	<u>\$ 40,517</u>	<u>\$ (315)</u>	<u>\$ 57,281</u>	<u>\$ 308</u>
<b>Net Earnings Per Share</b>				
Basic	\$ .36	\$ .00	\$ .51	\$ .00
Diluted	\$ .36	\$ .00	\$ .51	\$ .00
<b>Average Shares Outstanding</b>				
Basic	111,849	109,656	111,330	109,601
Diluted	114,032	109,656	113,167	110,135
<b>Cash Dividends Declared Per Share</b>	\$ .075	\$ .075	\$ .15	\$ .15

*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>	June 30, 2002	December 31, 2001
<b>Assets</b>		
Current assets:		
Cash and temporary cash investments	\$ 34,148	\$ 35,913
Accounts receivable, net	228,418	231,673
Other current assets	<u>53,061</u>	<u>64,593</u>
Total current assets	315,627	332,179
Property, plant and equipment, net	574,309	597,106
Intangible assets, net	1,375,405	1,368,385
Goodwill, net	1,255,262	1,255,262
Other assets	<u>88,113</u>	<u>119,293</u>
Total assets	<u>\$3,608,716</u>	<u>\$3,672,225</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 54,967	\$ 60,347
Accrued expenses	83,528	85,911
Other current liabilities	<u>53,482</u>	<u>39,142</u>
Total current liabilities	191,977	185,400
Long-term debt	1,551,450	1,696,900
Deferred income taxes	418,090	416,500
Other liabilities	54,785	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 95,170,571 shares at June 30, 2002 and 91,800,402 shares at December 31, 2001	158,935	153,307
Series B: Issued 16,961,070 shares at June 30, 2002 and 18,582,538 shares at December 31, 2001	28,325	31,033
Additional paid-in capital	865,657	837,515
Retained earnings	<u>339,497</u>	<u>298,890</u>
Total shareholders' equity	<u>1,392,414</u>	<u>1,320,745</u>
Total liabilities and shareholders' equity	<u>\$3,608,716</u>	<u>\$3,672,225</u>

*See accompanying Notes to Consolidated Condensed Financial Statements.*

**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**

Belo Corp. and Subsidiaries

	<i>Six months ended June 30,</i>	
<i>In thousands (unaudited)</i>	2002	2001
<b>Operations</b>		
Net earnings	\$ 57,281	\$ 308
Adjustments to reconcile net earnings to net cash provided by operations:		
Net gain on sale of investments	(1,841)	---
Depreciation and amortization	52,895	91,077
Deferred income taxes	5,842	(8,412)
Non-cash charge for write-down of Internet investments	---	28,785
Non-cash expenses	6,000	3,995
Other, net	757	2,548
Net change in current assets and liabilities:		
Accounts receivable	3,502	30,479
Other current assets	1,782	3,103
Accounts payable	(5,432)	(29,214)
Accrued expenses	8,206	(18,424)
Other current liabilities	<u>21,941</u>	<u>(53,230)</u>
Net cash provided by operations	150,933	51,015
<b>Investing</b>		
Capital expenditures	(16,885)	(31,015)
Acquisitions	(18,000)	---
Proceeds from sale of investments	27,000	---
Other investments	(8,925)	(1,493)
Other, net	<u>(220)</u>	<u>1,235</u>
Net cash used for investments	(17,030)	(31,273)
<b>Financing</b>		
Borrowings of debt	611,700	415,350
Repayment of debt	(757,250)	(466,455)
Purchase of treasury shares	---	(12,621)
Payment of dividends on stock	(16,674)	(16,430)
Net proceeds from exercise of stock options	<u>26,556</u>	<u>5,947</u>
Net cash used for financing	(135,668)	(74,209)
Net decrease in cash and temporary cash investments	(1,765)	(54,467)
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>\$ 34,148</u>	<u>\$ 33,213</u>
<b>Supplemental Disclosures</b>		
Interest paid, net of amounts capitalized	\$ 56,273	\$ 63,479
Income taxes paid, net of refunds	\$ (88)	\$ 54,534

*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 six-month periods ended June 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 six months ended June 30, 2002 and 2001:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>June 30,</i>		<i>June 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
Weighted average shares for basic earnings per share	111,849	109,656	111,330	109,601
Effect of employee stock options	<u>2,183</u>	<u>---</u>	<u>1,837</u>	<u>534</u>
Weighted average shares for diluted earnings per share	<u><u>114,032</u></u>	<u><u>109,656</u></u>	<u><u>113,167</u></u>	<u><u>110,135</u></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.

During the second quarter of 2002, the Company's review for impairment of goodwill and other intangible assets 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 six months ended June 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>Six months ended</i>	
	<i>June 30,</i>		<i>June 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
Net earnings (loss), as reported	\$40,517	\$ (315)	\$57,281	\$ 308
Add back: Goodwill and FCC license amortization, net of tax	<u>---</u>	<u>10,797</u>	<u>---</u>	<u>22,282</u>
Net earnings, pro forma	<u>\$40,517</u>	<u>\$10,482</u>	<u>\$57,281</u>	<u>\$22,590</u>
Per share amounts:				
Basic net earnings per share, as reported	\$ .36	\$ .00	\$ .51	\$ .00
Add back: Goodwill and FCC license amortization, net of tax	<u>---</u>	<u>.10</u>	<u>---</u>	<u>.21</u>
Basic net earnings per share, pro forma	<u>\$ .36</u>	<u>\$ .10</u>	<u>\$ .51</u>	<u>\$ .21</u>
Diluted net earnings per share, as reported	\$ .36	\$ .00	\$ .51	\$ .00
Add back: Goodwill and FCC license amortization, net of tax	<u>---</u>	<u>.10</u>	<u>---</u>	<u>.21</u>
Diluted net earnings per share, pro forma	<u>\$ .36</u>	<u>\$ .10</u>	<u>\$ .51</u>	<u>\$ .21</u>

The reported effective tax rates for the second quarter and first six months of 2002 were 39.4 percent and 38.9 percent, respectively, compared to a rate exceeding 100 percent for the second quarter of 2001 and a rate of 71.2 percent for the first six months of 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 43.2 percent and 40.9 percent for the second quarter and first six months of 2001, respectively, if SFAS No. 142 had been in effect at the beginning of 2001.

The following table is as of June 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	\$ 8,832	\$ 442 <sup>(1)</sup>	5 years
Newspaper Group:			
Subscriber lists	115,963	39,420	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	\$ 213,574	

(1) Acquired March 12, 2002.

Amortization expense for intangible assets subject to amortization was \$2,484 and \$4,126 for the three and six months ended June 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 June 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) 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</i>		<i>Six months ended</i>	
	<i>June 30,</i>		<i>June 30,</i>	
	2002	2001	2002	2001
<b>Net Operating Revenues</b>				
Television Group	\$ 171,087	\$ 164,663	\$ 311,698	\$ 308,094
Newspaper Group	185,734	189,650	357,193	370,963
Interactive Media	4,847	3,369	8,841	6,267
Other	4,571	4,166	8,364	8,071
Total net operating revenues	<u>\$ 366,239</u>	<u>\$ 361,848</u>	<u>\$ 686,096</u>	<u>\$ 693,395</u>
<b>Earnings from Operations</b>				
Television Group	\$ 65,783	\$ 46,174	\$ 105,661	\$ 72,020
Newspaper Group	41,026	33,644	70,618	57,661
Interactive Media	(3,440)	(5,869)	(7,248)	(11,055)
Other	(867)	(1,008)	(2,108)	(2,180)
Corporate expenses	(12,786)	(15,797)	(24,204)	(27,466)
Total earnings from operations	<u>\$ 89,716</u>	<u>\$ 57,144</u>	<u>\$ 142,719</u>	<u>\$ 88,980</u>
<b>Depreciation and Amortization</b>				
Television Group	\$ 12,018	\$ 27,678	\$ 23,761	\$ 55,493
Newspaper Group	12,477	15,381	24,360	30,640
Interactive Media	863	663	1,722	1,402
Other	605	687	1,177	1,340
Corporate	971	1,050	1,875	2,202
Total depreciation and amortization	<u>\$ 26,934</u>	<u>\$ 45,459</u>	<u>\$ 52,895</u>	<u>\$ 91,077</u>
<b>Operating Cash Flow (see definition above)</b>				
Television Group	\$ 77,801	\$ 73,852	\$ 129,422	\$ 127,513
Newspaper Group	53,503	49,025	94,978	88,301
Interactive Media	(2,577)	(5,206)	(5,526)	(9,653)
Other	(262)	(321)	(931)	(840)
Corporate	(11,815)	(14,747)	(22,329)	(25,264)
Total operating cash flow	<u>\$ 116,650</u>	<u>\$ 102,603</u>	<u>\$ 195,614</u>	<u>\$ 180,057</u>
<b>Consolidated Cash Flow Information <sup>(a)</sup></b>				
Net cash provided by operations			\$ 150,933	\$ 51,015
Net cash used for investments			\$ (17,030)	\$ (31,273)
Net cash used for financing			\$ (135,668)	\$ (74,209)

- (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 June 30, 2002:

<i>Television Group</i>					
<i>Market</i>	<i>Market Rank</i> <sup>(a)</sup>	<i>Station</i>	<i>Network Affiliation</i> <sup>(b)</sup>	<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	UPN/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</i> <sup>(i)</sup>	<i>Sunday Circulation</i> <sup>(i)</sup>
<i>The Dallas Morning News (“DMN”)</i>	Dallas, TX	<sup>(h)</sup>	529,617	776,868
<i>The Providence Journal (“PJ”)</i>	Providence, RI	February 1997	164,065	232,040
<i>The Press-Enterprise (“PE”)</i>	Riverside, CA	July 1997	184,562	189,095
<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 is with UPN. The WB network is currently a secondary affiliation.
- (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 is for the six months ended March 31, 2002 as filed in the Audit Bureau of Circulation’s FAS-FAX report, except for the *Denton Record-Chronicle*, for which circulation data 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 June 30, 2002 and 2001*

Total net operating revenues increased \$4,391, or 1.2 percent, for the second quarter of 2002 as compared to the same period in 2001 primarily due to a \$6,975 increase in spot revenues for the Television Group, a \$3,013 increase in preprints and Total Market Coverage (“TMC”) revenues for the Newspaper Group and a \$1,481 increase in Interactive Media advertising revenues, offset somewhat by a decrease of \$6,876 in classified advertising revenues in the Newspaper Group.

Salaries, wages and employee benefits expense decreased \$2,700, or 2.1 percent, for the second quarter of 2002 as compared to the year earlier period due to a decrease in the number of 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, which amounts were offset by higher accruals in 2002 for performance-based bonuses and higher medical insurance expense. Salaries, wages and employee benefits expense in the second quarter of 2001 included a charge of \$4,461 for early retirement costs and corporate staff reductions.

Other production, distribution and operating costs increased \$3,555, or 3.8 percent, in the second quarter of 2002 as compared to the second quarter of 2001 primarily due to increases in outside services (\$1,772), outside solicitation (\$1,187), cash programming (\$1,060), distribution (\$989) and insurance (\$616) expenses, partially offset by a \$1,905 decrease in bad debt expense.

Newsprint, ink and other supplies decreased \$10,511, or 27.3 percent, in the second 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 29.1 percent in the second quarter of 2002 as compared to the year earlier period. Newsprint consumption increased approximately 1 percent in the second quarter of 2002 as compared to the year earlier period.

Depreciation expense decreased \$782 in the second quarter of 2002, from \$25,232 in the second quarter of 2001 to \$24,450 in the second quarter of 2002.

Amortization expense decreased from \$20,227 in second quarter of 2001 to \$2,484 in the second quarter of 2002 due to the Company’s adoption of SFAS No. 142 effective January 1, 2002. See Note 3 of Notes to the Consolidated Condensed Financial Statements.

Interest expense for the second quarter of 2002 of \$27,126 was 3.8 percent lower than second quarter 2001 expense of \$28,205, reflecting lower average debt levels.

Other, net increased from expense of \$29,047 in the second quarter of 2001 to income of \$4,259 in the second quarter of 2002 primarily due to a charge of \$28,785 in 2001 related to the write-down of the Company’s investments in certain Internet-related companies and a credit of \$4,787 in 2002 related to the favorable resolution of certain contingencies associated with the Company’s sales of KOTV in Tulsa, Oklahoma, the *Messenger-Inquirer* in Owensboro, Kentucky, *The Gleaner* in Henderson, Kentucky and *The Eagle* in Bryan/College Station, Texas in the fourth quarter of 2000.

The effective tax rate for the second quarter of 2002 was 39.4 percent. The Company recorded tax expense of \$207 for the second quarter of 2001 on a loss before income taxes of \$108. The second quarter 2001 tax provision was due to a 71.2 percent projected annual effective tax rate, 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 43.2 percent for the second 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 \$40,517 (36 cents per share) were reported for the three months ended June 30, 2002, compared with a net loss of \$315 (0 cents per share) for the same period in 2001.

Net earnings for the three months ended June 30, 2001 would have been \$10,482 (10 cents per share) if SFAS No. 142 had been in effect at the beginning of 2001.

*Six Months Ended June 30, 2002 and 2001*

Total net operating revenues declined \$7,299, or 1.1 percent, for the six months ended June 30, 2002 as compared to the same period in 2001 primarily due to a decrease in classified advertising revenues (\$18,326) for the Newspaper Group, partially offset by increases in Newspaper Group preprints and TMC revenues (\$4,424), Television Group spot revenues (\$4,104) and Interactive Media advertising revenues (\$2,577).

Salaries, wages and employee benefits expense declined \$5,777, or 2.3 percent, for the six months ended June 30, 2002 as compared to the year earlier period due to a decrease in the number of 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, which amounts were partially offset by higher accruals in 2002 for performance-based bonuses and higher medical insurance expense. Salaries, wages and employee benefits expense in 2001 included a charge of \$4,461 for early retirement costs and corporate staff reductions.

Other production, distribution and operating costs increased \$2,996, or 1.6 percent, in the first six months of 2002 as compared to the first six months of 2001, primarily due to increases in cash programming (\$1,556), distribution (\$1,432), outside services (\$1,372) and outside solicitation (\$1,370) expenses, partially offset by a \$2,235 decrease in bad debt expense.

Newsprint, ink and other supplies decreased \$20,075, or 26.1 percent, in the six months ended June 30, 2002 as compared to the year earlier period. The average cost per metric ton of newsprint decreased 25.2 percent in the first six months of 2002 as compared to the year earlier period. Newsprint consumption decreased 3.5 percent as compared to the year earlier period.

Depreciation expense decreased \$1,830, from \$50,599 in the first six months of 2001 to \$48,769 in the first six months of 2002.

Amortization expense decreased from \$40,478 in the six months ended June 30, 2001 to \$4,126 in the six months ended June 30, 2002 due to the Company's adoption of SFAS No. 142 effective January 1, 2002. See Note 3 of Notes to the Consolidated Condensed Financial Statements.

Interest expense for the six months ended June 30, 2002 was \$55,419, or 6.3 percent, lower than the year earlier period expense of \$59,114, due primarily to lower average debt levels.

Other, net increased from expense of \$28,795 for the six month period ended June 30, 2001 to income of \$6,461 in the first six months of 2002 primarily due to a charge of \$28,785 in 2001 related to the write-down of the Company's investments in certain Internet-related companies, a credit of \$4,787 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 gain of \$2,375 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 six months ended June 30, 2002 was 38.9 percent. The effective tax rate for the six months ended June 30, 2001 was 71.2 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 40.9 percent for the first six 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 six months ended June 30, 2002 were \$57,281 (51 cents per share) as compared to \$308 (0 cents per share) for the six months ended June 30, 2001. Net earnings for the six months ended June 30, 2001 would have been \$22,590 (21 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 second quarter of 2002 were \$171,087, a 3.9 percent increase compared with second quarter 2001 revenues of \$164,663. In the first six months, Television Group revenues increased 1.2 percent, from \$308,094 in 2001 to \$311,698 in 2002. Total spot revenues including political revenue increased 4.5 percent and 1.4 percent for the quarter and six-month periods ended June 30, 2002, respectively, as compared to the prior year periods. Local spot advertising revenues were up 1.0 percent for the second quarter of 2002 and down 1.8 percent for the first six months of the year. National advertising revenues increased 4.7 percent in the second quarter of 2002 as compared to the second quarter of 2001 and were flat for the year-to-date period comparisons. Political advertising revenues increased \$3,413 in the second quarter and \$7,190 in the first six months of 2002 versus the same periods in 2001. Revenues for the first six 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 most significant revenue increases for the quarter and six month periods ended June 30, 2002 were reported in the Dallas, Houston and Phoenix markets with strength in the automotive, movies and health and beauty categories. The largest revenue decrease for these periods was reported in the Seattle market due to difficult economic conditions in the Pacific Northwest.

Television Group cash operating expenses for the quarter and six months ended June 30, 2002 increased \$2,475, or 2.7 percent, and \$1,695, or 0.9 percent, respectively, as a result of increases in accruals for performance-based bonuses, programming costs and insurance expenses. Television Group operating cash flow for the quarter and six months ended June 30, 2002 increased \$3,949, or 5.3 percent, and \$1,909, or 1.5 percent, respectively, from the comparable periods in 2001. Television Group operating cash flow margins improved from 44.9 percent in the second quarter of 2001 to 45.5 percent in the second quarter of 2002 but were relatively unchanged (approximately 41.5 percent) between the six-month periods.

### *Newspaper Group*

Newspaper Group revenues decreased \$3,916, or 2.1 percent, and \$13,770, or 3.7 percent, for the quarter and six months ended June 30, 2002, respectively, as compared to the prior year periods. In the first six months of 2002 there was one more Sunday than in the first six months of 2001. After adjusting for the effects of the additional Sunday, Newspaper Group revenues decreased 5.1 percent for the year-to-date period.

*DMN* reported revenue decreases of 3.3 percent and 5.7 percent for the second quarter and first six months of 2002 as compared to the year earlier periods. Classified advertising revenues declined 13.7 percent in the second quarter and 17.8 percent in the first six months of 2002 as compared to the year earlier periods, due to decreases in classified employment volume. General advertising revenues declined 4.8 percent and 7.0 percent for the quarter and six months ended June 30, 2002. The decrease in the second quarter of 2002 was due to a decline in volume, primarily in the packaged goods category, while the decrease for the year-to-date period was primarily due to a decline in volume in the financial category. Retail advertising revenues were down 1.7 percent and up 0.7 percent for the second quarter and first six months of 2002, respectively, as compared to the year earlier periods. Other advertising revenues improved for the quarter and year-to-date periods due to increases in preprints and TMC revenues.

Total revenues for *PJ* and *PE* were flat for the second quarter and first six months of 2002 when compared to the same periods in 2001. The declines in classified advertising revenues at both papers were offset by gains in retail, general and other advertising revenues at *PJ* and improvements in general and other advertising revenue at *PE*.

Newspaper Group cash operating expenses decreased 6.0 percent and 7.2 percent for the second quarter and six-month period ended June 30, 2002, respectively, as compared to the prior year periods, primarily due to lower newsprint expense. Newsprint expense decreased 28.6 percent and 27.7 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 second quarter of 2002 was \$53,503, an increase of 9.1 percent over second quarter 2001 operating cash flow of \$49,025. For the year-to-date period, 2002 operating cash flow was \$94,978, or 7.6 percent higher than 2001. Newspaper Group operating cash flow margins were 28.8 percent and 26.6 percent for the quarter and six-month

periods ended June 30, 2002, respectively, as compared to 25.9 percent and 23.8 percent for the comparable 2001 periods.

#### *Interactive Media*

Interactive Media revenues, which are principally derived from advertising, increased 43.9 percent, from \$3,369 in the second quarter of 2001 to \$4,847 in the second quarter of 2002. For the first six months of 2002, Interactive Media revenues increased 41.1 percent over the year earlier period, from \$6,267 to \$8,841. Interactive Media cash expenses decreased 13.4 percent and 9.8 percent for the quarter and six-month periods ended June 30, 2002, respectively, primarily as a result of lower outside services and expense reduction initiatives beginning in the third quarter of 2001 in response to the softening economy. As a result, Interactive Media's operating cash flow deficits improved from \$5,206 in the second quarter of 2001 to \$2,577 in the same period of 2002, and from \$9,653 in the first six months of 2001 to \$5,526 in the 2002 comparable period.

#### *Other*

Other revenues consist primarily of Belo's regional cable news operations, NWCN and TXCN. Other revenues increased 9.7 percent, from \$4,166 in the second quarter of 2001 to \$4,571 in the second quarter of 2002. For the six-month periods, Other revenues increased 3.6 percent, from \$8,071 in 2001 to \$8,364 in 2002. Cash expenses increased 7.7 percent and 4.3 percent during the second quarter and first six months of 2002, respectively, as compared to prior year periods. The operating cash flow deficit decreased from \$321 for the second quarter of 2001 to \$262 for the second quarter of 2002 and increased from \$840 for the first six months of 2001 to \$931 for the 2002 comparable period. Operating cash flow decreased at NWCN for the quarter and year-to-date periods, while TXCN reported a decrease in its cash flow deficit.

### **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 six months of 2002, net cash provided by operations was \$150,933, compared with \$51,015 for the same period in 2001. Higher net earnings and lower working capital requirements for taxes, bonus payments and interest in the first six months of 2002 as compared to the year earlier period, contributed to the increase in cash provided by operations. Total debt decreased \$145,550 from December 31, 2001 to June 30, 2002.

On June 3, 2002, the Company repaid \$250,000 of Senior Notes due 2002 utilizing borrowings under its existing credit facility. At June 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 June 30, 2002, the Company had borrowings of \$422,000 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 \$23,050 of short-term unsecured notes outstanding at June 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 June 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 of 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 six months of 2002, the Company paid dividends of \$16,674, or 15 cents per share, on Series A and Series B common stock outstanding, compared with \$16,430, or 15 cents per share, in the first six months of 2001.

Capital spending for 2002 is expected to be approximately \$65,000. Capital expenditures in the first six months of 2002 were \$16,885. 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 June 30, 2002, investments totaling \$24,250 (\$10,000 of which was invested in the first six 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.

#### *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, 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**

No disclosure required.

## **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

The Annual Meeting of the Company's shareholders was held on May 8, 2002. All nominees standing for election as directors were elected. The following chart indicates the number of votes cast with respect to each nominee for director:

<u>Nominee</u>	<u>For</u>	<u>Withheld Authority</u>
John W. Bassett, Jr.	254,455,620	1,676,202
Robert W. Decherd	254,073,995	2,057,827
Laurence E. Hirsch	254,512,259	1,619,563
J. McDonald Williams	254,424,130	1,707,692

In addition to those directors elected at the Annual Meeting, the following directors continue in office: Henry P. Becton, Jr., Louis E. Caldera, Judith L. Craven, M.D., M.P.H., Roger A. Enrico, Stephen Hamblett, Dealey D. Herndon, Arturo Madrid, Ph.D., William T. Solomon and Lloyd D. Ward.

No other matters were submitted to a vote of security holders at the Annual Meeting.

#### 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)
- 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)

<u>Exhibit Number</u>	<u>Description</u>
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:
(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"))
(2)	* (a) \$200 million 6-7/8% Senior Note due 2002 (Exhibit 4.6(2)(a) to the 2 <sup>nd</sup> Quarter 1997 Form 10-Q)
	* (b) \$50 million 6-7/8% Senior Note due 2002 (Exhibit 4.6(2)(b) to the 2 <sup>nd</sup> Quarter 1997 Form 10-Q)
(3)	* (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)
(4)	* \$200 million 7-3/4% Senior Debenture due 2027 (Exhibit 4.6(4) to the 2 <sup>nd</sup> Quarter 1997 Form 10-Q)
(5)	* 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)
(6)	* (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"))

**Exhibit  
Number Description**

- \* (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)
- (7) \* 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)
- (8) \* \$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"))
- (9) \* 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)
  - \* (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)
- ~(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)

**Exhibit  
Number**    **Description**

- ~(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)

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.

During the quarter covered by this report, there were no reports on Form 8-K filed.

**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.**

August 9, 2002

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