

# As US papers struggle, AP net profit falls 65%

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The Associated Press on Thursday reported a 65-percent drop in net profit last year as the struggles of the US newspaper industry also took a bite out of the bottom line of the US news agency.

The AP, a cooperative which is owned by 1,500 daily US newspapers, said [net profit](#) declined to 8.8 million dollars in 2009 from 25.1 million dollars the previous year.

The New York-based [news agency](#) said revenue fell to 676.1 million dollars from 747.7 million dollars a year earlier -- the first annual revenue decline since 1993, when revenue fell six percent.

Releasing its 2009 results at its annual meeting in New York, the AP, a not-for-profit-corporation, said it would have posted a net loss last year without the 13.2 million dollars reaped from the sale of its German-language news service.

Declining [print advertising](#) revenue, falling circulation and the migration of readers to free news on the Web have led to closures, cutbacks and [layoffs](#) at newspaper newsrooms around the United States and pressure on the AP to cut its rates.

The AP said it reduced fees for US newspapers by 30 million dollars last year and plans a 45-million-dollar cut for newspapers and broadcasters this year. It said newspapers and broadcasters account for 40 percent of revenue.

The AP reported at last year's annual meeting that some 180 newspapers had threatened to leave the news service with many complaints centered on cost.

The AP itself cut its global payroll expenses by 10 percent last year through voluntary retirement, attrition and layoffs.

Addressing the annual meeting, AP president and chief executive Tom Curley said the digital era is opening up new opportunities for the AP, its members and consumers.

"Tomorrow's experience will burst beyond the Web and enable us as news providers to deliver a much broader range of products and services across a much wider array of devices," he said.

Curley said an AP project called the News Registry that tags and tracks digital [news content](#) has attracted 200 member newspapers and should have 600 by the time it formally launches on July 14.

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