Times Co. posts 4.3 million dollar quarterly net loss

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The New York Times Co. reported a quarterly net loss on Tuesday as an increase in digital advertising revenue was not enough to offset declines in print advertising and circulation revenue.

The Times Co. which owns The Boston Globe and International Herald Tribune in addition to the flagship New York Times, posted a third-quarter net loss of 4.3 million dollars compared with a 35.7 million dollar net loss a year ago.

Total revenue fell 2.7 percent to 554.3 million dollars in the quarter as advertising revenue declined one percent and circulation revenue dropped 4.8 percent, the Times Co. said in a statement.

Digital advertising revenue rose 14.6 percent to 78.3 million dollars, partially offsetting a 5.8 decline in print advertising revenue. Online advertising revenue now accounts for 27 percent of Times. Co.'s total ad revenue, it said.

The third-quarter results included one-time charges of 16.1 million dollars related to the sale of a Boston Globe printing plant in Massachusetts and Globe pension obligations.

"Our third-quarter results demonstrate our ability to manage our business amidst both uneven economic conditions and a period of intense transition for our industry," Times Co. president and chief executive Janet Robinson said.

"Although we experienced marketplace volatility, it is clear that advertisers are responding to the opportunities to associate their brands with our high-quality journalism," she said.

"We have remained vigilant in managing our expenses, and we were able to keep our third-quarter operating costs virtually flat with the third quarter last year despite higher compensation costs and newsprint prices," she added.

The Times Co. said it expected print advertising revenue to "improve modestly" during the current quarter and for digital advertising revenue to grow approximately 10 percent.

Circulation revenue was expected to drop another four to five percent during the fourth quarter.

Like other US newspapers, The New York Times has been struggling with a steep decline in print advertising revenue, falling circulation and the migration of readers to free news online.

Earlier this month, the Times Co. said it plans to pay back a 250-million-dollar loan from Mexican billionaire Carlos Slim three years ahead of its due date.

In addition to obtaining a loan from Slim, the Times Co. last year also entered into a sale-leaseback agreement for part of its Manhattan headquarters in a move aimed at raising cash to pay down its debt.

The New York Times last week launched a new application for Apple's iPad and plans to begin charging readers for full access to its website, NYTimes.com, early next year.

Robinson said the Times had made "significant progress toward the upcoming launch of the pay model for NYTimes.com -- building the systems and infrastructure to support the commerce, customer service and product requirements of our cross-platform strategy."

She also said readers referred to NYTimes.com from third-party sites such as blogs, social media and search engines will have access to the Times content "without triggering the gate, which will preserve NYTimes.com's significant reach and advertising inventory."

Times Co. shares were down one percent at 7.96 dollars in early afternoon trading on Wall Street.