

New York Times net profit dips 26 percent

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An issue of The Wall Street Journal is viewed beside The New York Times in 2010. The New York Times Co. on Thursday reported a 26-percent drop in quarterly net profit as an increase in digital advertising revenue failed to make up for what it lost in print ads and circulation.

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The Times Co. said net profit declined 26.2 percent in the fourth quarter to \$67.1 million, or 44 cents per share, compared with \$90.9 million, or 61 cents per share, in the same quarter a year ago.

Revenue fell 2.9 percent to \$661.7 million as advertising revenue declined 3.1 percent and circulation revenue was down 3.6 percent.

Digital advertising revenue rose 11.1 percent in the quarter to \$113.2 million while print advertising revenue decreased 7.2 percent.

For the full year, the Times Co. posted a net profit of \$107.7 million compared with \$19.9 million the previous year. Total revenue slipped 1.9 percent to \$2.39 billion.

The company had nearly \$600 million in debt at the end of 2010.

Times Co. president and chief executive Janet Robinson, in a conference call with financial analysts, did not provide any further details on the company's plan to begin charging for full access to The New York Times website.

"We intend to introduce our pay model for NYTimes.com soon and will release more details in the near future," Robinson said.

She said NYTimes.com had received 45 million unique visitors in December including 32 million from the United States alone.

She said the currently free New York Times application for Apple's iPad had been downloaded 1.5 million times.

The advertising marketplace was "volatile" during the fourth quarter, Robinson said.

"Although digital advertising remained strong and grew 11 percent, it could not fully offset the seven percent decline in print advertising revenue," she said.

Robinson said digital advertising revenue accounted for 26 percent of the Times Co.'s total advertising revenue in the fourth quarter up from 23 percent a year ago.

Besides its flagship newspaper, The New York Times, the Times Co. also owns the International Herald Tribune, The Boston Globe and a dozen other dailies.

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

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