NY Times making more from readers than advertising

NEW YORK, US: The New York Times Co. said on Thursday that money from readers and subscribers overtook advertising revenues for the first time ever in 2012, as the media group reported a boost in profits.

The company, which is attempting to navigate a shift from print to digital, said its fourth quarter profit more than tripled to US$176.9m, though most of that came from a US$164m gain on the sale of its stake in the online jobs website Indeed.com.

Still, the company beat most forecasts with a profit amounting to 32 cents a share excluding special items, and revenues increasing 5.2% to US$575m in the period.

For the full year, the group posted a profit of US$133m, compared with a loss of US$39.7m in 2011.

Mark Thompson, the former BBC chief who became president and chief executive at the Times last November, said progress was being made, noting that the number of digital subscribers grew 13% in the quarter to 668,000.

"2012 showed both the opportunities and challenges we face as a company," he said in a statement. "We saw continued strong growth in digital subscriptions as well as increased revenue from our large print circulation base.

"For the first time in our history, annual circulation revenues surpassed those from advertising. Our pay model continued to prove itself."

The company said paid subscribers to The New York Times and the International Herald Tribune rose 13% to 640,000 as of the end of the fourth quarter.

Advertising revenues surpassed

Its Boston Globe unit had 28,000 paid subscribers, up 8% over the third quarter of 2012.

For 2012, the company's circulation revenues rose to US$954m, outstripping the US$898m from advertising.

Thompson said the figures showed "the demonstrated willingness of users here and around the world to pay for the high quality journalism for which The New York Times and the company's other titles are renowned."

However, in contrast, "the advertising environment remained challenging in the fourth quarter," he added.

The company ended the year with US$955m in cash and short-term investments.

The Times began charging in March 2011 for full access to NYTimes.com and it launched a subscription-only website for the Boston Globe later that year.

The group said circulation revenues are projected to increase in the mid-single digits in the first quarter of 2013 because of digital subscription initiatives and from a rise in the newspaper's price in 2013's first quarter.

Source: AFP, via I-Net Bridge

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