NEW YORK TIMES CO
Form 10-K
March 01, 2007

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM 10-K**

**Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended *December 31, 2006*

Commission file number 1-5837

**THE NEW YORK TIMES COMPANY**

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| ***New York*** | ***13-1102020*** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| ***229 West 43rd Street, New York, N.Y.*** | ***10036*** |
| (Address of principal executive offices) | (Zip code) |

Registrant's telephone number, including area code: ***(212) 556-1234***

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---|---|
| *Class A Common Stock of $.10 par value* | *New York Stock Exchange* |

Securities registered pursuant to Section 12(g) of the Act: *Not Applicable*

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes. No.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes. No.

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 and (2) has been subject to such filing requirements for the past 90 days. Yes. No.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes. No.

The aggregate worldwide market value of Class A Common Stock held by non-affiliates, based on the closing price on June 23, 2006, the last business day of the registrant's most recently completed second quarter, as reported on the New York Stock Exchange, was approximately $3.2 billion. As of such date, non-affiliates held 84,494 shares of Class B Common Stock. There is no active market for such stock.

The number of outstanding shares of each class of the registrant's common stock as of February 23, 2007, was as follows: 143,092,644 shares of Class A Common Stock and 832,572 shares of Class B Common Stock.

| ***Document incorporated by reference*** | ***Part*** |
|---|---|
| Proxy Statement for the 2007 Annual Meeting of Stockholders | III |

INDEX TO THE NEW YORK TIMES COMPANY 2006 ANNUAL REPORT ON FORM 10-K

EXPLANATORY NOTE

In this Annual Report on Form 10-K, we are restating the Consolidated Balance Sheet as of December 25, 2005 and the Consolidated Statements of Operations, Consolidated Statements of Cash Flows, and Consolidated Statements of Changes in Stockholders' Equity for the 2005 and 2004 fiscal years and related disclosures. This Annual Report on Form 10-K also reflects the restatement of:

"Selected Financial Data" for our 2002 through 2005 fiscal years in Item 6,

"Management's Discussion and Analysis of Financial Condition and Results of Operations" for our 2005 and 2004 fiscal years in Item 7, and

"Quarterly Information (Unaudited)" for the first three quarters of fiscal 2006 and all of fiscal 2005.

See "Item 7  Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 2 (Restatement of Financial Statements) of the Notes to the Consolidated Financial Statements for more detailed information regarding the restatement and the changes to previously issued financial statements.

The previously issued financial statements are being restated because we have determined that they contain errors in accounting for pension and postretirement liabilities. The reporting errors arose principally from the treatment of pension and benefits plans established pursuant to collective bargaining agreements between The New York Times Company and its subsidiaries, on the one hand, and The New York Times Newspaper Guild, on the other, as multi-employer plans. The plans' participants include employees of The New York Times and a Company subsidiary, as well as employees of the plans' administrator. We have concluded that, under accounting principles generally accepted in the United States of America, the plans should have been accounted for as single-employer plans. The main effect of the change is that we must account for the present value of projected future benefits to be provided under the plans. Previously, we had recorded the expense of our annual contributions to the plans.

The restatement also reflects the effect of other unrecorded adjustments previously determined to be immaterial, mainly related to accounts receivable allowances and accrued expenses.

The impact of the restatement is not material from an income and cash flows statement perspective. For 2005, the impact was a $.04 reduction in diluted earnings per share. However, the impact is material from a balance sheet perspective. The cumulative effect of the restatement resulted in a reduction in stockholders' equity of approximately $65 million as of December 25, 2005.

Previously filed annual reports on Form 10-K and quarterly reports on Form 10-Q affected by the restatement have not been amended and, as such, should not be relied upon. On January 31, 2007, we filed a Current Report on Form 8-K announcing that the Audit Committee of our Board had concluded that our previously issued financial statements should no longer be relied upon.

# PART I

## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the sections titled "Item 1A Risk Factors" and "Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements that relate to future events or our future financial performance. We may also make written and oral forward-looking statements in our Securities and Exchange Commission ("SEC") filings and otherwise. We have tried, where possible, to identify such statements by using words such as "believe," "expect," "intend," "estimate," "anticipate," "will," "project," "plan" and similar expressions in connection with any discussion of future operating or financial performance. Any forward-looking statements are and will be based upon our then-current expectations, estimates and assumptions regarding future events and are applicable only as of the dates of such statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated in any forward-looking statements.You should bear this in mind as you consider forward-looking statements. Factors that, individually or in the aggregate, we think could cause our actual results to differ materially from expected and historical results include those described in "Item 1A-Risk Factors" below as well as other risks and factors identified from time to time in our SEC filings.

## ITEM 1. BUSINESS

## INTRODUCTION

The New York Times Company (the "Company") was incorporated on August 26, 1896, under the laws of the State of New York. The Company is a diversified media company that currently includes newspapers, Internet businesses, television and radio stations, investments in paper mills and other investments. Financial information about our segments can be found in "Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 18 of the Notes to the Consolidated Financial Statements. The Company and its consolidated subsidiaries are referred to collectively in this Annual Report on Form 10-K as "we," "our" and "us."

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports, and the Proxy Statement for our Annual Meeting of Stockholders are made available, free of charge, on our Web site *http://www.nytco.com*, as soon as reasonably practicable after such reports have been filed with or furnished to the SEC.

In 2006, we classified our businesses based on our operating strategies into two segments, the News Media Group and About.com.

The News Media Group consists of the following:

- The New York Times Media Group, which includes The New York Times ("The Times"), NYTimes.com, the International Herald Tribune (the "IHT"), IHT.com, a newspaper distributor in the New York City metropolitan area, news, photo and graphics services, news and features syndication and our two New York City radio stations, WQXR-FM and WQEW-AM (expected to be sold in the first quarter of 2007);

- the New England Media Group, which includes The Boston Globe (the "Globe"), Boston.com, the Worcester Telegram & Gazette, in Worcester, Mass. (the "T&G"), and the T&G's Web site, Telegram.com; and

- the Regional Media Group, which includes 14 daily newspapers in Alabama, California, Florida, Louisiana, North Carolina and South Carolina and related print and digital businesses.

About.com, which we acquired on March 18, 2005, is one of the Web's most comprehensive consumer solutions sources, and provides users with information and advice on thousands of topics.

On January 3, 2007, we entered into an agreement to sell our Broadcast Media Group, consisting of nine network-affiliated television stations, their related Web sites and the digital operating center, to Oak Hill Capital Partners, for $575 million. The transaction is subject to regulatory approvals and is expected to close in the first half of 2007. The Broadcast Media Group previously represented a separate reportable segment of the Company. In accordance with Statement of Financial Accounting Standards ("FAS") No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the Broadcast Media Group's results of operations are presented as discontinued operations and certain assets and liabilities are classified as held for sale for all periods presented (see Note 5 of the Notes to the Consolidated Financial Statements). For purposes of comparability, certain prior year information has been reclassified to conform with the 2006 presentation.

Additionally, we own equity interests in a Canadian newsprint company and a supercalendered paper manufacturing partnership in Maine; New England Sports Ventures, LLC ("NESV"), which owns the Boston Red Sox, Fenway Park and adjacent real estate, approximately 80% of New England Sports Network (the regional cable sports network that televises the Red Sox games) and 50% of Roush Fenway Racing, a leading NASCAR team; and Metro Boston LLC ("Metro Boston"), which publishes a free daily newspaper catering to young professionals and students in the Boston metropolitan area.

In October 2006, we sold our 50% ownership interest in Discovery Times Channel, a digital cable channel, for $100 million.

Revenue from individual customers and revenues, operating profit and identifiable assets of foreign operations are not significant.

Seasonal variations in advertising revenues cause our quarterly results to fluctuate. Second-quarter and fourth-quarter advertising volume is typically higher than first- and third-quarter volume because economic activity tends to be lower during the winter and summer.

NEWS MEDIA GROUP

The News Media Group segment consists of The New York Times Media Group, the New England Media Group and the Regional Media Group.

Advertising Revenue

The majority of the News Media Group's revenue is derived from advertising sold in its newspapers and other publications and on its Web sites, as discussed below. We divide such advertising into three basic categories: national, retail and classified. Advertising revenue also includes preprints, which are advertising supplements. Advertising revenue and print volume information for the News Media Group appears under "Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations."

Below is a percentage breakdown of 2006 advertising revenue by division:

| | | | Classified | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **National** | **Retail and Preprint** | **Help Wanted** | **Real Estate** | **Auto** | **Other** | **Total Classified** | **Other Advertising Revenue** | **Total** |
| The New York Times Media Group | 64[1] | 14 | 5 | 10 | 3 | 2 | 20 | 2 | 100 |
| New England Media Group | 26 | 31 | 11 | 13 | 9 | 5 | 38 | 5 | 100 |
| Regional Media Group | 3 | 48 | 13 | 15 | 10 | 5 | 43 | 6 | 100 |
| ***Total News Media Group*** | **45** | **24** | **8** | **12** | **5** | **3** | **28** | **3** | **100** |

[1] Includes all advertising revenue of the IHT.

The New York Times Media Group

*The New York Times*

The Times, a standard-size daily (Monday through Saturday) and Sunday newspaper, commenced publication in 1851.

*Circulation*

The Times is circulated in each of the 50 states, the District of Columbia and worldwide. Approximately 48% of the weekday (Monday through Friday) circulation is sold in the 31 counties that make up the greater New York City area, which includes New York City, Westchester, Long Island, and parts of upstate New York, Connecticut, New Jersey and Pennsylvania; 52% is sold elsewhere. On Sundays, approximately 44% of the circulation is sold in the greater New York City area and 56% elsewhere. According to reports filed with the Audit Bureau of Circulations ("ABC"), an independent agency that audits the circulation of most U.S. newspapers and magazines, for the six-month period ended September 30, 2006, The Times had the largest daily and Sunday circulation of all seven-day newspapers in the United States.

The Times's average net paid weekday and Sunday circulation for the years ended December 31, 2006, and December 25, 2005, are shown below:

| (Thousands of copies) | **Weekday (Mon. - Fri.)** | **Sunday** |
|---|---|---|
| 2006 | 1,103.6 | 1,637.7 |
| 2005 | 1,135.8 | 1,684.7 |
| Change | (32.2) | (47.0) |

The decreases in weekday and Sunday copies sold in 2006 compared with 2005 were due to declines in single copy sales.

Approximately 62% of the weekday and 69% of the Sunday circulation was sold through home delivery in 2006; the remainder was sold primarily on newsstands.

According to Nielsen//NetRatings, an Internet traffic measurement service, The Times reaches 17.3 million unduplicated readers in the United States every month via the weekday and Sunday newspaper, and NYTimes.com.

*Advertising*

According to data compiled by TNS Media Intelligence, an independent agency that measures advertising sales volume and estimates advertising revenue, The Times had a 49.6% market share in 2006 in advertising revenue among a national newspaper set that includes USA Today, The Wall Street Journal and The New York Times. Based on recent data provided by TNS Media Intelligence and The Times's internal analysis, The Times believes that it ranks first by a substantial margin in advertising revenue in the general weekday and Sunday newspaper field in the New York City metropolitan area.

*Production and Distribution*

The Times is printed at its production and distribution facilities in Edison, N.J., and College Point, N.Y., as well as under contract at 19 remote print sites across the United States and one in Toronto, Canada.

On July 18, 2006, we announced plans to consolidate our New York metro area printing into our newer facility in College Point, N.Y., and close our older Edison, N.J., facility. The plant consolidation is expected to be completed in the second quarter of 2008.

Our subsidiary, City & Suburban Delivery Systems, Inc. ("City & Suburban"), operates a wholesale newspaper distribution business that distributes The Times and other newspapers and periodicals in New York City, Long Island (N.Y.), New Jersey and the counties of Westchester (N.Y.) and Fairfield (Conn.). In other markets in the United States and Canada, The Times is delivered through various newspapers and third-party delivery agents.

*NYTimes.com*

The Times's Web site, NYTimes.com, reaches wide audiences across the New York metropolitan region, the nation and around the world. According to Nielsen//NetRatings, average monthly unique users in the United States visiting NYTimes.com reached 12.4 million in 2006 compared with 11.0 million in 2005. According to NYTimes.com internal metrics, in 2006, NYTimes.com had 14.8 million average monthly unique users worldwide.

NYTimes.com derives its revenue primarily from the sale of advertising. Advertising is sold to both national and local customers and includes online display advertising (banners, half-page units, rich media), classified advertising (help-wanted, real estate, automobiles) and contextual advertising (links supplied by Google). In 2005, The Times introduced TimesSelect, a product offering subscribers exclusive online access to columnists of The Times and the IHT and to The Times's extensive archives, previews of various sections, and tools for tracking and storing news and information. TimesSelect is priced annually at $49.95 or monthly at $7.95, but is available to home-delivery subscribers at no additional fee. TimesSelect currently has approximately 627,000 subscribers, with about 66% receiving TimesSelect as a benefit of their home-delivery subscriptions and about 34% receiving it from online-only subscriptions.

On August 28, 2006, we acquired Baseline StudioSystems ("Baseline"), a leading online database and research service for information on the film and television industries. Baseline is part of NYTimes.com.

*International Herald Tribune*

The IHT, a daily (Monday through Saturday) newspaper, commenced publishing in Paris in 1887, is printed at 34 sites throughout the world and is sold in more than 185 countries. The IHT's average circulation for the years ended December 31, 2006, and December 25, 2005, were 242,000 (estimated) and 242,184. These figures follow the guidance of Diffusion Controle, an agency based in Paris and a member of the International Federation of Audit Bureaux of Circulations that audits the circulation of most of France's newspapers and magazines. The final 2006 figure will not be available until April 2007. In 2006, 60% of the circulation was sold in Europe, the Middle East and Africa, 38% was sold in the Asia Pacific region and 2% was sold in the Americas.

*Radio*

Our two radio stations, WQXR-FM and WQEW-AM, serve the New York City metropolitan area. In addition, the recently launched New York Times Radio News, a new department of WQXR producing newscasts heard on the station, is working with NYTimes.com and The Times's News Services Division to expand the distribution of Times-branded news and information on a variety of audio platforms, through The Times's own resources and in collaboration with strategic partners.

WQXR, The Times's classical music station, receives revenues through advertising sales, often in conjunction with The Times's selling effort. WQEW receives revenues under a time brokerage agreement with Radio Disney New York, LLC (ABC, Inc.'s successor in interest), that provides substantially all of WQEW's programming. On January 25, 2007, Radio Disney New York, LLC entered into an agreement to acquire WQEW for $40 million. The sale is currently expected to close in the first quarter of 2007 and is subject to Federal Communications Commission ("FCC") approval.

The radio stations are operated under licenses from the FCC and are subject to FCC regulation. Radio license renewals are typically granted for terms of eight years. The license renewal applications for the radio stations were timely filed on January 31, 2006, four months before the scheduled expiration date of the licenses. The WQEW application was granted for an eight-year term expiring June 1, 2014. We anticipate that the WQXR application, which is currently pending, will be renewed for a term expiring June 1, 2014.

*Other Businesses*

The New York Times Media Group's other businesses include The New York Times Index, which produces and licenses The New York Times Index, a print publication, Digital Archive Distribution, which licenses electronic archive databases to resellers of that information in the business, professional and library markets, and The New York Times News Services Division. The New York Times News Services Division is made up of Syndication Sales, which transmits articles, graphics and photographs from The Times, the Globe and other publications to over 1,000 newspapers and magazines in the United States and in more than 80 countries worldwide, and markets other supplemental news services and feature material, graphics and photographs from The Times and other leading news sources to newspapers and magazines around the world; and Business Development, which comprises Photo Archives, Book Development, Rights & Permissions, licensing and a small publication unit.

New England Media Group

The Globe, Boston.com, the T&G, and Telegram.com constitute our New England Media Group. The Globe is a daily (Monday through Saturday) and Sunday newspaper, which commenced publication in 1872. The T&G is a daily (Monday through Saturday) newspaper, which began publishing in 1866. Its Sunday companion, the Sunday Telegram, began in 1884.

*Circulation*

The Globe is distributed throughout New England, although its circulation is concentrated in the Boston metropolitan area. According to ABC, for the six-month period ended September 30, 2006, the Globe ranked first in New England for both daily and Sunday circulation volume.

The Globe's average net paid weekday and Sunday circulation for the years ended December 31, 2006, and December 25, 2005, are shown below:

| (Thousands of copies) | **Weekday (Mon. - Fri.)** | **Sunday** |
|---|---|---|
| 2006 | 389.2 | 588.2 |
| 2005 | 413.3 | 646.4 |
| Change | (24.1) | (58.2) |

The decreases in weekday and Sunday copies sold in 2006 compared with 2005 were due in part to a directed effort to reduce the Globe's other paid circulation (primarily third-party bulk sponsored copies but also hotel copies), as well as continuing adverse effects of telemarketing legislation.

Approximately 76% of the Globe's weekday circulation and 71% of its Sunday circulation was sold through home delivery in 2006; the remainder was sold primarily on newsstands.

According to a 2005/2006 Gallup Poll, in the United States, the Globe reaches 3.3 million unduplicated readers every month via the weekday and Sunday newspaper, and Boston.com.

The T&G, the Sunday Telegram and several Company-owned non-daily newspapers some published under the name of Coulter Press circulate throughout Worcester County and northeastern Connecticut. The T&G's average net paid weekday and Sunday circulation, for the years ended December 31, 2006, and December 25, 2005, are shown below:

| (Thousands of copies) | **Weekday (Mon. - Fri.)** | **Sunday** |
|---|---|---|
| 2006 | 91.3 | 105.6 |
| 2005 | 99.2 | 115.1 |

*Advertising*

Based on information supplied by major daily newspapers published in New England and assembled by the New England Newspaper Association, Inc. for the year ended December 31, 2006, the Globe ranked first and the T&G ranked sixth in advertising inches among all daily newspapers in New England.

*Production and Distribution*

All editions of the Globe are printed and prepared for delivery at its main Boston plant or its Billerica, Mass. satellite plant. Virtually all of the Globe's home-delivered circulation was delivered in 2006 by a third-party service provider.

*Boston.com*

The Globe's Web site, Boston.com, reaches wide audiences in the New England region, the nation and around the world. In the United States, according to Nielsen//NetRatings, average unique users visiting Boston.com reached 4.0 million per month in 2006 compared with 3.5 million per month in 2005.

Boston.com primarily derives its revenue from the sale of advertising. Advertising is sold to both national and local customers and includes Web site display advertising, classified advertising and contextual advertising.

Regional Media Group

The Regional Media Group includes 14 daily newspapers, of which 12 publish on Sunday, one paid weekly newspaper, related print and digital businesses, free weekly newspapers, and the North Bay Business Journal, a weekly publication targeting business leaders in California's Sonoma, Napa and Marin counties.

The average weekday and Sunday circulation for the year ended December 31, 2006, for each of the daily newspapers are shown below:

| | **Circulation** | | | **Circulation** | |
|---|---|---|---|---|---|
| **Daily Newspapers** | **Daily** | **Sunday** | **Daily Newspapers** | **Daily** | **Sunday** |
| The Gadsden Times (Ala.) | 20,700 | 21,600 | The Ledger (Lakeland, Fla.) | 69,800 | 85,200 |
| The Tuscaloosa News (Ala.) | 33,600 | 35,100 | The Courier (Houma, La.) | 18,600 | 20,000 |
| TimesDaily (Florence, Ala.) | 29,900 | 31,800 | Daily Comet (Thibodaux, La.) | 10,700 | N/A |
| The Press Democrat (Santa Rosa, Calif.) | 83,600 | 84,300 | The Dispatch (Lexington, N.C.) | 11,000 | N/A |
| Sarasota Herald-Tribune (Fla.) | 108,000 | 123,900 | Times-News (Hendersonville, N.C.) | 18,500 | 18,700 |
| Star-Banner (Ocala, Fla.) | 49,100 | 51,900 | Wilmington Star-News (N.C.) | 51,500 | 57,700 |
| The Gainesville Sun (Fla.) | 47,600 | 52,300 | Herald-Journal (Spartanburg, S.C.) | 46,200 | 53,600 |

The Petaluma Argus-Courier, in Petaluma, Calif., our only paid subscription weekly newspaper, had an average weekly circulation for the year ended December 31, 2006, of 7,400. The North Bay Business Journal, a weekly business-to-business publication, had an average weekly circulation for the year ended December 31, 2006, of 4,972.

ABOUT.COM

About.com is one of the Web's most comprehensive consumer solutions sources, providing users with information and advice on thousands of topics. One of the top 15 most visited Web sites in 2006, About.com has 32.2 million average monthly unique visitors in the United States (per Nielsen//NetRatings) and 47.5 million average monthly unique visitors worldwide (per About internal metrics). Over 500 topical advisors or "Guides" write about more than 57,000 topics and have generated over 1.5 million pieces of original content. About.com does not charge a subscription fee for access to its Web site. It generates revenues through display advertising relevant to the adjacent content, cost-per-click advertising (sponsored links for which About.com is paid when a user clicks on the ad) and e-commerce (including sales lead generation).

On September 14, 2006, we acquired Calorie-Count.com ("Calorie-Count"), a site that offers weight loss tools and nutritional information. Calorie-Count is part of About.com.

How About.com Generates Revenues

BROADCAST MEDIA GROUP

On January 3, 2007, we entered into an agreement to sell our Broadcast Media Group, consisting of nine network-affiliated television stations, their related Web sites and the digital operating center, to Oak Hill Capital Partners for $575 million. The transaction is subject to regulatory approvals and is expected to close in the first half of 2007. Our television stations are operated under licenses from the FCC and are subject to FCC regulations. In 2006, the television stations within the Broadcast Media Group were as shown below:

| **Station** | **License Expiration Date** | **Market's Nielsen Ranking**[1] | **Network Affiliation** | **Band** |
|---|---|---|---|---|
| WTKR-TV (Norfolk, Va.) | October 1, 2012 | 42 | CBS | VHF |
| WREG-TV (Memphis, Tenn.) | August 1, 2013 | 44 | CBS | VHF |
| KFOR-TV (Oklahoma City, Okla.) | June 1, 2014 | 45 | NBC | VHF |
| KAUT-TV (Oklahoma City, Okla.) | June 1, 2006[3] | 45 | My Network TV | UHF |
| WNEP-TV (Scranton, Penn.) | August 1, 2007 | 53 | ABC | UHF[2] |
| WHO-TV (Des Moines, Iowa) | February 1, 2014 | 73 | NBC | VHF |
| WHNT-TV (Huntsville, Ala.) | April 1, 2005[3] | 84 | CBS | UHF[2] |
| WQAD-TV (Moline, Ill.) | December 1, 2013 | 96 | ABC | VHF |
| KFSM-TV (Ft. Smith, Ark.) | June 1, 2013 | 102 | CBS | VHF |

(1) According to Nielsen Media Research's 2006/2007 Designated Market Area Market Rankings from fall 2006. Nielsen Media Research is a research company that measures audiences for television stations.

(2) All other stations in this market are also in the UHF band.

(3) Application for renewal of license pending.

The television stations generally have three principal sources of revenue: local advertising (sold to advertisers in the immediate geographic areas of the stations), national spot advertising (sold to national clients by individual stations rather than networks), and compensation paid by the networks for carrying commercial network programs. Network compensation has declined at all stations over the past several years and will eventually be eliminated.

## FOREST PRODUCTS INVESTMENTS AND OTHER JOINT VENTURES

We have ownership interests in one newsprint mill and one mill producing supercalendered paper, a high finish paper used in some magazines and preprinted inserts, which is a higher-value grade than newsprint (the "Forest Products Investments"), as well as in NESV and Metro Boston. These investments are accounted for under the equity method and reported in "Investments in Joint Ventures" in our Consolidated Balance Sheets. For additional information on our investments, see Note 7 of the Notes to the Consolidated Financial Statements.

### Forest Products Investments

We have a 49% equity interest in a Canadian newsprint company, Donohue Malbaie Inc. ("Malbaie"). The other 51% is owned by Abitibi-Consolidated ("Abitibi"), a global manufacturer of paper. Malbaie purchases pulp from Abitibi and manufactures newsprint from this raw material on the paper machine it owns within the Abitibi paper mill at Clermont, Quebec. Malbaie is wholly dependent upon Abitibi for its pulp. In 2006, Malbaie produced 215,000 metric tons of newsprint, of which approximately 47% was sold to us, with the balance sold to Abitibi for resale.

We have a 40% equity interest in a partnership operating a supercalendered paper mill in Madison, Maine, Madison Paper Industries ("Madison"). Madison purchases the majority of its wood from local suppliers, mostly under long-term contracts. In 2006, Madison produced 193,000 metric tons, of which approximately 9% was sold to us.

Malbaie and Madison are subject to comprehensive environmental protection laws, regulations and orders of provincial, federal, state and local authorities of Canada or the United States (the "Environmental Laws"). The Environmental Laws impose effluent and emission limitations and require Malbaie and Madison to obtain, and operate in compliance with the conditions of, permits and other governmental authorizations ("Governmental Authorizations"). Malbaie and Madison follow policies and operate monitoring programs designed to ensure compliance with applicable Environmental Laws and Governmental Authorizations and to minimize exposure to environmental liabilities. Various regulatory authorities periodically review the status of the operations of Malbaie and Madison. Based on the foregoing, we believe that Malbaie and Madison are in substantial compliance with such Environmental Laws and Governmental Authorizations.

### Other Joint Ventures

We own an interest of approximately 17% in NESV, which owns the Boston Red Sox, Fenway Park and adjacent real estate, approximately 80% of New England Sports Network, a regional cable sports network, and 50% of Roush Fenway Racing, a leading NASCAR team.

We own a 49% interest in Metro Boston, which publishes a free daily newspaper catering to young professionals and students in the Greater Boston area.

In October 2006, we sold our 50% ownership interest in Discovery Times Channel, a digital cable channel, for $100 million.

## RAW MATERIALS

The primary raw materials we use are newsprint and supercalendered paper. We purchase newsprint from a number of North American producers. A significant portion of such newsprint is purchased from Abitibi, North America's largest producer of newsprint.

In 2006 and 2005, we used the following types and quantities of paper (all amounts in metric tons):

| | Newsprint | | Coated, Supercalendered and Other Paper | |
|---|---|---|---|---|
| | 2006 | 2005 | 2006 | 2005 |
| The New York Times Media Group[1,2] | 257,000 | 288,000 | 32,600 | 30,100 |
| New England Media Group[1,2] | 97,000 | 112,000 | 4,300 | 4,900 |
| Regional Media Group[1] | 80,000 | 84,000 | | |
| Total | 434,000 | 484,000 | 36,900 | 35,000 |

(1) During 2005 we converted substantially all of our newspapers from 48.8 gram newsprint to 45 gram newsprint.

(2) The Times and the Globe use coated, supercalendered or other paper for The New York Times Magazine and the Globe's Sunday Magazine.

The paper used by The New York Times Media Group, the New England Media Group and the Regional Media Group was purchased from unrelated suppliers and related suppliers in which we hold equity interests (see "Forest Products Investments").

As part of our efforts to reduce our newsprint consumption, we plan to reduce the size of all editions of The Times, with the printed page decreasing from 13.5 by 22 inches to 12 by 22 inches. The reduction is expected to be completed in the third quarter of 2007.

COMPETITION

Our media properties and investments compete for advertising and consumers with other media in their respective markets, including paid and free newspapers, Web sites, broadcast, satellite and cable television, broadcast and satellite radio, magazines, direct marketing and the Yellow Pages.

The Times competes for advertising and circulation with newspapers of general circulation in New York City and its suburbs, national publications such as The Wall Street Journal and USA Today, other daily and weekly newspapers and television stations in markets in which it circulates, and some national magazines.

The IHT's key competitors include all international sources of English language news, including The Wall Street Journal's European and Asian Editions, the Financial Times, Time, Newsweek International and The Economist, satellite news channels CNN, CNNi, Sky News and BBC, and various Web sites.

The Globe competes primarily for advertising and circulation with other newspapers and television stations in Boston, its neighboring suburbs and the greater New England region, including, among others, The Boston Herald (daily and Sunday).

Our other newspapers compete for advertising and circulation with a variety of newspapers and other media in their markets.

NYTimes.com and Boston.com primarily compete with other advertising-supported news and information Web sites, such as Yahoo! News and CNN.com, and classified advertising portals.

WQXR-FM competes for listeners and advertising in the New York metropolitan area primarily with two all-news commercial radio stations and with WNYC-FM, a non-commercial station, which features both news and classical music. It competes for advertising revenues with many adult-audience commercial radio stations and other media in New York City and surrounding suburbs.

About.com competes with large-scale portals, such as AOL, MSN, and Yahoo!. About.com also competes with smaller targeted Web sites whose content overlaps with that of its individual channels, such as WebMD, CNET, Wikipedia and iVillage.

NESV competes in the Boston (and through its interest in Roush Fenway Racing, in the national) consumer entertainment market primarily with other professional sports teams and other forms of live, film and broadcast entertainment.

EMPLOYEES

As of December 31, 2006, we had approximately 11,585 full-time equivalent employees.

| | Employees |
|---|---|
| The New York Times Media Group | 4,610 |
| New England Media Group | 2,700 |
| Regional Media Group | 2,910 |
| Broadcast Media Group[1] | 875 |
| About.com | 125 |
| Corporate/Shared Services | 365 |
| Total Company | 11,585 |

[1] On January 3, 2007, we entered into an agreement to sell our Broadcast Media Group.

Labor Relations

Approximately 2,700 full-time equivalent employees of The Times and City & Suburban are represented by 14 unions with 15 labor agreements. Approximately 1,900 full-time equivalent employees of the Globe are represented by 10 unions with 12 labor agreements. Collective bargaining agreements, covering the following categories of employees, with the expiration dates noted below, are either in effect or have expired, and negotiations for new contracts are ongoing. We cannot predict the timing or the outcome of the various negotiations described below.

| | Employee Category | Expiration Date |
|---|---|---|
| The Times | Mailers | March 30, 2006 (expired) |
| | Stereotypers | March 30, 2007 |
| | Plumbers | March 30, 2008 |
| | New Jersey operating engineers | May 31, 2008 |
| | New York operating engineers | May 31, 2008 |
| | Machinists | March 30, 2009 |
| | Electricians | March 30, 2009 |
| | Carpenters | March 30, 2009 |
| | New York Newspaper Guild | March 30, 2011 |
| | Paperhandlers | March 30, 2014 |
| | Typographers | March 30, 2016 |
| | Pressmen | March 30, 2017 |
| | Drivers | March 30, 2020 |
| City & Suburban | Building maintenance employees | May 31, 2009 |
| | Drivers | March 30, 2020 |
| The Globe | Paperhandlers, machinists and garage mechanics | December 31, 2004 (expired) |
| | Boston Mailers Union | December 31, 2005 (expired) |
| | Technical services group and electricians | December 31, 2005 (expired) |
| | Engravers | December 31, 2005 (expired) |
| | Warehouse employees | December 31, 2007 |
| | Drivers | December 31, 2008 |
| | Boston Newspaper Guild (representing non-production employees) | December 31, 2008 |
| | Typographers | December 31, 2010 |
| | Pressmen | December 31, 2010 |

The IHT has approximately 323 employees worldwide, including approximately 207 located in France, whose terms and conditions of employment are established by a combination of French National Labor Law, industry-wide collective agreements and company-specific agreements.

NYTimes.com and WQXR-FM also have unions representing some of their employees.

Approximately one-third of the 630 employees of the T&G are represented by four unions. Labor agreements with three production unions expired or expire on August 31, 2006, October 8, 2007 and November 30, 2016. The labor agreements with the Providence Newspaper Guild, representing newsroom and circulation employees, expire on August 31, 2007.

Of the 362 full-time employees at The Press Democrat, 130 are represented by three unions. The labor agreement with the Pressmen expires in December 2008. The labor agreement with the Newspaper Guild expires in December 2011 and the labor agreement with the Teamsters, which represents certain employees in the circulation department, expires in April 2007. There is no longer a labor agreement with the Typographical Union as the last bargaining unit member retired in 2006.

ITEM 1A. RISK FACTORS

You should carefully consider the risk factors described below, as well as the other information included in this Annual Report on Form 10-K. Our business, financial condition or results of operations could be materially adversely affected by any or all of these risks or by other risks that we currently cannot identify.

***All of our businesses face substantial competition for advertisers.***

Most of our revenues are from advertising. We face formidable competition for advertising revenue in our various markets from free and paid newspapers, magazines, Web sites, television and radio, other forms of media, direct marketing and the Yellow Pages. Competition from these media and services affects our ability to attract and retain advertisers and consumers and to maintain or increase our advertising rates.

This competition has intensified as a result of digital media technologies. Distribution of news, entertainment and other information over the Internet, as well as through cellular phones and other devices, continues to increase in popularity. These technological developments are increasing the number of media choices available to advertisers and audiences. As media audiences fragment, we expect advertisers to allocate a portion of their advertising budgets to nontraditional media, such as Web sites and search engines, which can offer more measurable returns than traditional print media through pay-for-performance and keyword-targeted advertising.

In recent years, Web sites that feature help wanted, real estate and/or automobile advertising have become competitors of our newspapers and Web sites for classified advertising, contributing to significant declines in print advertising. We may experience greater competition from specialized Web sites in other areas, such as travel and entertainment advertising.

We are aggressively developing online offerings, both through internal growth and acquisitions. However, while the amount of advertising on our own Web sites has continued to increase, we will experience a decline in advertising revenues if we are unable to attract advertising to our Web sites in volumes sufficient to offset declines in print advertising, for which rates are generally higher than for internet advertising.

***Our Internet advertising revenues depend in part on our ability to generate traffic.***

Our ability to attract advertisers to our Web sites depends partly on our ability to generate traffic to our Web sites and the rate at which users click through on advertisements. Advertising revenues from our Web sites may be negatively affected by fluctuations or decreases in our traffic levels.

About.com, our online consumer information provider, relies on search engines for a substantial amount of its traffic. We believe approximately 90% of About.com's traffic is generated through search engines, while an estimated 1% of its users enter through its home page. Our other Web sites also rely on search engines for traffic, although to a lesser degree than About.com. Search engines (including Google, the primary search engine directing traffic to About.com and our other sites) may, at any time, decide to change the algorithms responsible for directing search queries to the Web pages that are most likely to contain the information being sought by Internet users. Such changes could lead to a significant decrease in traffic and, in turn, Internet advertising revenues.

***Decreases, or slow growth, in circulation adversely affect our circulation and advertising revenues.***

Advertising and circulation revenues are affected by circulation and readership levels. Our newspaper properties, and the newspaper industry as a whole, are experiencing difficulty maintaining and increasing print circulation and related revenues. This is due to, among other factors, increased competition from new media formats and sources other than traditional newspapers (often free to users), and shifting preferences among some consumers to receive all or a portion of their news other than from a newspaper. These factors could affect our ability to institute circulation price increases for our print products.

A prolonged decline in circulation copies would have a material effect on the rate and volume of advertising revenues (as rates reflect circulation and readership, among other factors). To maintain our circulation base, we may incur additional costs, and we may not be able to recover these costs through circulation and advertising revenues. Recently, we have sought to reduce our other-paid circulation and to focus promotional spending on individually paid circulation, which is generally more valued by advertisers. If we stop or slow those promotional efforts or if they are unsuccessful, we may see further declines.

***Difficult economic conditions in the United States, the regions in which we operate or in specific economic sectors could adversely affect the profitability of our businesses.***

National and local economic conditions, particularly in the New York City and Boston metropolitan regions, affect the levels of our retail, national and classified advertising revenue. Future negative economic conditions in these and other markets would adversely affect our level of advertising revenues.

Our advertising revenues are affected by economic and competitive changes in significant advertising categories. These revenues may be adversely affected if key advertisers change their advertising practices, as a result of shifts in spending patterns or priorities, structural changes, such as consolidations, or the cessation of operations. Help wanted and automotive classified advertising revenues, which are important categories at all of our newspaper properties, have declined as less expensive or free online alternatives have proliferated. We have also experienced depressed levels of advertising in studio entertainment, which in 2006 represented approximately 12% of The New York Times Media Group's advertising revenues, as the focus of studio marketing budgets has shifted to broadcast and online media.

***The success of our business depends substantially on our reputation as a provider of quality journalism and content.***

We believe that our products have excellent reputations for quality journalism and content. These reputations are based in part on consumer perceptions and could be damaged by incidents that erode consumer trust. To the extent consumers perceive the quality of our content to be less reliable, our ability to attract readers and advertisers may be hindered.

The proliferation of nontraditional media, largely available at no cost, challenges the traditional media model, in which quality journalism has primarily been supported by print advertising revenues. If consumers fail to differentiate our content from other content providers, on the Internet or otherwise, we may experience a decline in revenues.

***Seasonal variations cause our quarterly advertising revenues to fluctuate.***

Advertising spending, which principally drives our revenue, is generally higher in the second and fourth quarters and lower in the first and third fiscal quarters as consumer activity slows during those periods. If a short-term negative impact on our business were to occur during a time of high seasonal demand, there could be a disproportionate effect on the operating results of that business for the year.

***Our potential inability to execute cost-control measures successfully could result in total costs and expenses that are greater than expected.***

We have taken steps to lower our expenses by reducing staff and employee benefits and implementing general cost-control measures, and we expect to continue cost-control efforts. If we do not achieve expected savings as a result or if our operating costs increase as a result of our growth strategy, our total costs and expenses may be greater than anticipated. Although we believe that appropriate steps have been and are being taken to implement cost-control efforts, if not managed properly, such efforts may affect the quality of our products and our ability to generate future revenue. In addition, reductions in staff and employee benefits could adversely affect our ability to attract and retain key employees.

***The price of newsprint has historically been volatile, and a significant increase would have an adverse effect on our operating results.***

The cost of raw materials, of which newsprint is the major component, represented 11% of our total costs in 2006. The price of newsprint has historically been volatile and, in recent years, increased as a result of various factors, including:

- consolidation in the North American newsprint industry, which has reduced the number of suppliers;
- declining newsprint supply as a result of paper mill closures and conversions to other grades of paper; and
- a strengthening Canadian dollar, which has adversely affected Canadian suppliers, whose costs are incurred in Canadian dollars but whose newsprint sales are priced in U.S. dollars.

In 2007, we expect newsprint prices to decline modestly as a result of increased supply. However, our operating results would be adversely affected if newsprint prices increased significantly in the future.

***A significant portion of our employees are unionized, and our results could be adversely affected if labor negotiations were to restrict our ability to maximize the efficiency of our operations.***

More than 40% of our full-time work force is unionized. As a result, we are required to negotiate the wages, salaries, benefits, staffing levels and other terms with many of our employees collectively. Although we have in place long-term contracts for a substantial portion of our unionized work force, our results could be adversely affected if future labor negotiations were to restrict our ability to maximize the efficiency of our operations. If we were to experience labor unrest, our ability to produce and deliver our most significant products could be impaired. In addition, our ability to make short-term adjustments to control compensation and benefits costs is limited by the terms of our collective bargaining agreements.

***We continue to develop new products and services for evolving markets. There can be no assurance of the success of these efforts due to a number of factors, some of which are beyond our control.***

There are substantial uncertainties associated with our efforts to develop new products and services for evolving markets, and substantial investments may be required. These efforts are to a large extent dependent on our ability to acquire, develop, adopt, and exploit new and existing technologies to distinguish our products and services from those of our competitors. The success of these ventures will be determined by our efforts, and in some cases by those of our partners, fellow investors and licensees. Initial timetables for the introduction and development of new products or services may not be achieved, and price and profitability targets may not prove feasible. External factors, such as the development of competitive alternatives, rapid technological change, regulatory changes and shifting market preferences, may cause new markets to move in unanticipated directions.

***We may not be able to protect intellectual property rights upon which our business relies, and if we lose intellectual property protection, we may lose valuable assets.***

We own valuable brands and content, which we attempt to protect through a combination of copyright, trade secret, patent and trademark law and contractual restrictions, such as confidentiality agreements. We believe our proprietary trademarks and other intellectual property rights are important to our continued success and our competitive position.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our services, technology and other intellectual property, and we cannot be certain that the steps we have taken will prevent any misappropriation or confusion among consumers and merchants, or unauthorized use of these rights. If we are unable to procure, protect and enforce our intellectual property rights, then we may not realize the full value of these assets, and our business may suffer.

***We may buy or sell different properties as a result of our evaluation of our portfolio of businesses. Such acquisitions or divestitures would affect our costs, revenues, profitability and financial position.***

From time to time, we evaluate the various components of our portfolio of businesses and may, as a result, buy or sell different properties. These acquisitions or divestitures affect our costs, revenues, profitability and financial position. We may also consider the acquisition of specific properties or businesses that fall outside our traditional lines of business if we deem such properties sufficiently attractive.

Each year, we evaluate the various components of our portfolio in connection with annual impairment testing, and we may record a non-cash charge if the financial statement carrying value of an asset is in excess of its estimated fair value. Fair value could be adversely affected by changing market conditions within our industry. In 2006, we recorded a non-cash charge of $814.4 million ($735.9 million after tax, or $5.09 per share) due to the impairment of goodwill and other intangible assets of the New England Media Group.

Acquisitions involve risks, including difficulties in integrating acquired operations, diversions of management resources, debt incurred in financing these acquisitions (including the related possible reduction in our credit ratings and increase in our cost of borrowing), differing levels of internal control effectiveness at the acquired entities and other unanticipated problems and liabilities. Competition for certain types of acquisitions, particularly Internet properties, is significant. Even if successfully negotiated, closed and integrated, certain acquisitions or investments may prove not to advance our business strategy and may fall short of expected return on investment targets.

Divestitures also have inherent risks, including possible delays in closing transactions (including potential difficulties in obtaining regulatory approvals), the risk of lower-than-expected sales proceeds for the divested businesses, and potential post-closing claims for indemnification.

From time to time, we make non-controlling minority investments in private entities. We may have limited voting rights and an inability to influence the direction of such entities. Therefore, the success of these ventures may be dependent upon the efforts of our partners, fellow investors and licensees. These investments are generally illiquid, and the absence of a market restricts our ability to dispose of them. If the value of the companies in which we invest declines, we may be required to take a charge to earnings.

***Changes in our credit ratings may affect our borrowing costs.***

Our short- and long-term debt is rated investment grade by the major rating agencies. These investment-grade credit ratings afford us lower borrowing rates in both the commercial paper markets and in connection with senior debt offerings. To maintain our investment-grade ratings, the credit rating agencies require us to meet certain financial performance ratios. Increased debt levels and/or decreased earnings could result in downgrades in our credit ratings, which, in turn, could impede access to the debt markets, reduce the total amount of commercial paper we could issue, raise our commercial paper borrowing costs and/or raise our long-term debt borrowing rates. Our ability to use debt to fund major new acquisitions or capital intensive internal initiatives will be limited to the extent we seek to maintain investment-grade credit ratings for our debt.

***Sustained increases in costs of providing pension and employee health and welfare benefits may reduce our profitability.***

Employee compensation and benefits, including pension expense, account for slightly more than 40% of our total operating expenses. As a result, our profitability is substantially affected by costs of pension benefits and other employee benefits. We have funded, qualified non-contributory defined benefit retirement plans that cover substantially all employees, and non-contributory unfunded supplemental executive retirement plans that supplement the coverage available to certain executives. Two significant elements in determining pension income or pension expense are the expected return on plan assets and the discount rate used in projecting benefit obligations. Large declines in the stock market and lower rates of return could increase our expense and cause additional cash contributions to the pension plans. In addition, a lower discount rate driven by lower interest rates would increase our pension expense.

***Our Class B stock is principally held by descendants of Adolph S. Ochs, through a family trust, and this control could create conflicts of interest or inhibit potential changes of control.***

We have two classes of stock: Class A Common Stock and Class B Common Stock. Holders of Class A Common Stock are entitled to elect 30% of the Board of Directors and to vote, with Class B common stockholders, on the reservation of shares for equity grants, certain material acquisitions and the ratification of the selection of our auditors. Holders of Class B Common Stock are entitled to elect the remainder of the Board and to vote on all other matters. Our Class B Common Stock is principally held by descendants of Adolph S. Ochs, who purchased The Times in 1896. A family trust holds 88% of the Class B Common Stock. As a result, the trust has the ability to elect 70% of the Board of Directors and to direct the outcome of any matter that does not require a vote of the Class A Common Stock. Under the terms of the trust agreement, trustees are directed to retain the Class B Common Stock held in trust and to vote such stock against any merger, sale of assets or other transaction pursuant to which control of The Times passes from the trustees, unless they determine that the primary objective of the trust can be achieved better by the implementation of such transaction. Because this concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that may otherwise be beneficial to our businesses, the market price of our Class A Common Stock could be adversely affected.

***Regulatory developments may result in increased costs.***

All of our operations are subject to government regulation in the jurisdictions in which they operate. Due to the wide geographic scope of its operations, the IHT is subject to regulation by political entities throughout the world. In addition, our Web sites are available worldwide and are subject to laws regulating the Internet both within and outside the United States. We may incur increased costs for expenses necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES

The general character, location, terms of occupancy and approximate size of our principal plants and other materially important properties as of December 31, 2006, are listed below.

| General Character of Property | Approximate Area in Square Feet (Owned) | Approximate Area in Square Feet (Leased) |
|---|---|---|
| **News Media Group** | | |
| Printing plants, business and editorial offices, garages and warehouse space located in: | | |
| New York, N.Y. | 825,000[1] | 871,164[1] |
| College Point, N.Y. | | 515,000[2] |
| Edison, N.J. | | 1,300,000[3] |
| Boston, Mass. | 703,217 | 24,474 |
| Billerica, Mass. | 290,000 | |
| Other locations | 1,600,600 | 561,353 |
| **Broadcast Media Group**[4] | | |
| Business offices, studios and transmitters at various locations | 339,823 | 14,545 |
| **About.com** | | 41,260 |
| ***Total*** | **3,758,640** | **3,327,796** |

(1) The 871,164 square feet leased includes 714,000 square feet in our existing New York City headquarters, at 229 West 43rd St., which we sold and leased back on December 27, 2004. The 825,000 square feet owned consists of space we own in our new headquarters, which is currently under construction, and which we plan to occupy in the second quarter of 2007.

(2) We are leasing a 31-acre site in College Point, N.Y., where our printing and distribution plant is located, and have the option to purchase the property at any time prior to the end of the lease in 2019.

(3) The Edison production and distribution facility is occupied pursuant to a long-term lease with renewal and purchase options. We plan to close the Edison facility (see "Item 1 - Business News Media Group The New York Times Media Group Production and Distribution," above).

(4) On January 3, 2007, we entered into an agreement to sell our Broadcast Media Group.

We sold our existing New York City headquarters on December 27, 2004. Pursuant to the terms of the sale agreement, we are leasing back our existing headquarters through the third quarter of 2007. Our new headquarters, which is currently being constructed in the Times Square area and which we expect to occupy in the second quarter of 2007, will contain approximately 1.54 million gross square feet of space, of which 825,000 gross square feet is owned by us. We plan to lease five floors, totaling approximately 155,000 square feet. For additional information on the new headquarters, see Note 19 of the Notes to the Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

There are various legal actions that have arisen in the ordinary course of business and are now pending against us. Such actions are usually for amounts greatly in excess of the payments, if any, that may be required to be made. It is the opinion of management after reviewing such actions with our legal counsel that the ultimate liability that might result from such actions will not have a material adverse effect on our consolidated financial statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

| Name | Age | Employed By Registrant Since | Recent Position(s) Held as of March 1, 2007 |
|---|---|---|---|
| *Corporate Officers* | | | |
| Arthur Sulzberger, Jr. | 55 | 1978 | Chairman (since 1997) and Publisher of The Times (since 1992) |
| Janet L. Robinson | 56 | 1983 | President and Chief Executive Officer (since 2005); Executive Vice President and Chief Operating Officer (2004); Senior Vice President, Newspaper Operations (2001 to 2004); President and General Manager of The Times (1996 to 2004) |
| Michael Golden | 57 | 1984 | Vice Chairman (since 1997); Publisher of the IHT (since 2003); Senior Vice President (1997 to 2004) |
| James M. Follo | 47 | 2007 | Senior Vice President and Chief Financial Officer (since January 8, 2007); Chief Financial and Administrative Officer, Martha Stewart Living Omnimedia, Inc. (2001 to 2006) |
| Martin A. Nisenholtz | 51 | 1995 | Senior Vice President, Digital Operations (since 2005); Chief Executive Officer, New York Times Digital (1999 to 2005) |
| David K. Norton | 51 | 2006 | Senior Vice President, Human Resources (since 2006); Vice President, Human Resources, Starwood Hotels & Resorts, and Executive Vice President, Starwood Hotels & Resorts Worldwide, Inc. (2000 to 2006) |
| R. Anthony Benten | 43 | 1989 | Vice President (since 2003); Corporate Controller (since January 8, 2007); Treasurer (2001 to January 8, 2007); Assistant Treasurer (1997 to 2001) |
| Kenneth A. Richieri | 55 | 1983 | Vice President (since 2002) and General Counsel (since 2006); Deputy General Counsel (2001 to 2005); Vice President and General Counsel, New York Times Digital (1999 to 2003) |

| Name | Age | Employed By Registrant Since | Recent Position(s) Held as of March 1, 2007 |
|---|---|---|---|
| *Operating Unit Executives* | | | |
| P. Steven Ainsley | 54 | 1982 | Publisher of The Globe (since September 12, 2006); President and Chief Operating Officer, Regional Media Group (2003 to September 12, 2006); Senior Vice President, Regional Media Group (1999 to 2002) |
| Scott H. Heekin-Canedy | 55 | 1987[(1)] | President and General Manager of The Times (since 2004); Senior Vice President, Circulation of The Times (1999 to 2004) |
| Mary Jacobus | 50 | 2005 | President and Chief Operating Officer, Regional Media Group (since September 12, 2006); President and General Manager, The Globe (2005 to September 12, 2006); President and Chief Executive Officer, Fort Wayne Newspapers and Publisher, News Sentinel (2002 to 2005) |

(1) Mr. Heekin-Canedy left the Company in 1989 and returned in 1992.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

(a) MARKET INFORMATION

The Class A Common Stock is listed on the New York Stock Exchange. The Class B Common Stock is unlisted and is not actively traded.

The number of security holders of record as of February 23, 2007, was as follows: Class A Common Stock: 9,083; Class B Common Stock: 33.

Both classes of our common stock participate equally in our quarterly dividends. In 2006, dividends were paid in the amount of $.165 per share in March and in the amount of $.175 per share in June, September and December. In 2005, dividends were paid in the amount of $.155 per share in March and in the amount of $.165 per share in June, September and December.

The market price range of Class A Common Stock was as follows:

| **Quarters Ended** | **2006** | | **2005** | |
|---|---|---|---|---|
| | **High** | **Low** | **High** | **Low** |
| March | $ 28.90 | $ 25.30 | $ 40.80 | $ 35.56 |
| June | 25.70 | 22.88 | 36.58 | 30.74 |
| September | 24.54 | 21.58 | 34.59 | 30.00 |
| December | 24.87 | 22.29 | 30.17 | 26.36 |
| Year | 28.90 | 21.58 | 40.80 | 26.36 |

EQUITY COMPENSATION PLAN INFORMATION

| **Plan category** | **Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)** | **Weighted average exercise price of outstanding options, warrants and rights (b)** | **Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)** |
|---|---|---|---|
| Equity compensation plans approved by security holders | | | |
| Stock options | 32,192,000[(1)] | $ 40 | 4,075,000[(2)] |
| Employee Stock Purchase Plan | | | 7,992,000[(3)] |
| Stock awards | 750,000[(4)] | | 474,000[(5)] |
| Total | 32,942,000 | | 12,541,000 |
| Equity compensation plans not approved by security holders | None | None | None |

(1) Includes shares of Class A stock to be issued upon exercise of stock options granted under our 1991 Executive Stock Incentive Plan (the "NYT Stock Plan"), our Non-Employee Directors' Stock Option Plan and our 2004 Non-Employee Directors' Stock Incentive Plan (the "2004 Directors' Plan").

(2) Includes shares of Class A stock available for future stock options to be granted under the NYT Stock Plan and the 2004 Directors' Plan. The 2004 Directors' Plan provides for the issuance of up to 500,000 shares of Class A stock in the form of stock options or restricted stock awards. The amount reported for stock options includes the aggregate number of securities remaining (approximately 368,000 as of December 31, 2006) for future issuances under that plan.

(3) Includes shares of Class A stock available for future issuance under our Employee Stock Purchase Plan.

(4) Includes shares of Class A stock to be issued upon conversion of restricted stock units and retirement units under the NYT Stock Plan.

(5) Includes shares of Class A stock available for stock awards under the NYT Stock Plan.

PERFORMANCE PRESENTATION

The following graph shows the annual cumulative total stockholder return for the five years ending December 31, 2006, on an assumed investment of $100 on December 31, 2001, in the Company, the Standard & Poor's S&P 500 Stock Index and an index of peer group communications companies. The peer group returns are weighted by market capitalization at the beginning of each year. The peer group is comprised of the Company and the following other communications companies: Dow Jones & Company, Inc., Gannett Co., Inc., Media General, Inc., The McClatchy Company, Tribune Company and The Washington Post Company. The five-year cumulative total return graph excludes Knight Ridder, Inc. as a result of its acquisition by The McClatchy Company in 2006. Stockholder return is measured by dividing (a) the sum of (i) the cumulative amount of dividends declared for the measurement period, assuming monthly reinvestment of dividends, and (ii) the difference between the issuer's share price at the end and the beginning of the measurement period by (b) the share price at the beginning of the measurement period. As a result, stockholder return includes both dividends and stock appreciation.

**Stock Performance Comparison Between S&P 500, The New York Times Company's Class A Common Stock and Peer Group Common Stock**

UNREGISTERED SALES OF EQUITY SECURITIES

On October 2, 2006, we issued 30 shares of Class A Common Stock to a holder of 30 shares of Class B Common Stock upon the conversion of such Class B shares into Class A shares. The conversion, which was in accordance with our Certificate of Incorporation, did not involve a public offering and was exempt from registration pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended.

(c) ISSUER PURCHASES OF EQUITY SECURITIES[1]

| Period | Total Number of Shares of Class A Common Stock Purchased (a) | Average Price Paid Per Share of Class A Common Stock (b) | Total Number of Shares of Class A Common Stock Purchased as Part of Publicly Announced Plans or Programs (c) | Maximum Number (or Approximate Dollar Value) of Shares of Class A Common Stock that May Yet Be Purchased Under the Plans or Programs (d) |
|---|---|---|---|---|
| September 25, 2006-October 29, 2006 | 427,432 | $ 22.80 | 427,200 | $ 98,450,000 |
| October 30, 2006-November 26, 2006 | 71,405 | $ 23.47 | 71,200 | $ 96,779,000 |
| November 27, 2006-December 31, 2006 | 172,481 | $ 24.25 | 130,300 | $ 93,692,000 |
| Total for the fourth quarter of 2006 | 671,318[2] | $ 23.24 | 628,700 | $ 93,692,000 |

[1] Except as otherwise noted, all purchases were made pursuant to our publicly announced share repurchase program. On April 13, 2004, our Board of Directors (the "Board") authorized repurchases in an amount up to $400 million. As of February 23, 2007, we had authorization from the Board to repurchase an amount of up to approximately $94 million of our Class A Common Stock. The Board has authorized us to purchase shares from time to time as market conditions permit. There is no expiration date with respect to this authorization.

[2] Includes 42,618 shares withheld from employees to satisfy tax withholding obligations upon the vesting of restricted shares/stock units awarded under the NYT Stock Plan. The shares were repurchased by us pursuant to the terms of the plan and not pursuant to our publicly announced share repurchase program.

ITEM 6. SELECTED FINANCIAL DATA

The information presented in the following table of Selected Financial Data has been adjusted to reflect the restatement of our financial results that is described in the Explanatory Note immediately preceding Part I of this Annual Report on Form 10-K. We have not amended our previously filed Annual Reports on Form 10-K for the periods affected by this restatement. The financial information that has been previously filed or otherwise reported for those periods is superseded by the information in this Annual Report, and the financial statements and related financial information contained in such previously filed reports should no longer be relied upon.

See "Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 2 (Restatement of Financial Statements) of the Notes to the Consolidated Financial Statements for more detailed information regarding the restatement.

The Selected Financial Data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and the related Notes. The Broadcast Media Group's results of operations have been presented as discontinued operations, and certain assets and liabilities are classified as held for sale for all periods presented (see Note 5 of the Notes to the Consolidated Financial Statements). The page following the table shows certain items included in Selected Financial Data. All per share amounts on that page are on a diluted basis.

| | **As of and for the Years Ended** | | | | |
|---|---|---|---|---|---|
| (In thousands, except per share and employee data) | **December 31, 2006** | **December 25, 2005 (Restated)[(1)]** | **December 26, 2004 (Restated)[(1)]** | **December 28, 2003 (Restated)[(1)]** | **December 29, 2002 (Restated)[(1)]** |
| ***Statement of Operations Data*** | | | | | |
| Revenues | **$ 3,289,903** | $ 3,231,128 | $ 3,159,412 | $ 3,091,546 | $ 2,938,997 |
| Total expenses | **2,996,081** | 2,911,578 | 2,696,799 | 2,595,215 | 2,446,045 |
| Impairment of intangible assets | **814,433** | | | | |
| Gain on sale of assets | | 122,946 | | | |
| Operating (loss)/profit | **(520,611)** | 442,496 | 462,613 | 496,331 | 492,952 |
| Interest expense, net | **50,651** | 49,168 | 41,760 | 44,757 | 45,435 |
| (Loss)/income from continuing operations before income taxes and minority interest | **(551,922)** | 407,546 | 429,305 | 456,628 | 440,187 |
| (Loss)/income from continuing operations | **(568,171)** | 243,313 | 264,985 | 277,731 | 264,917 |
| Discontinued operations, net of income taxes Broadcast Media Group | **24,728** | 15,687 | 22,646 | 16,916 | 29,265 |
| Cumulative effect of a change in accounting principle, net of income taxes | | (5,527) | | | |
| Net (loss)/income | **(543,443)** | 253,473 | 287,631 | 294,647 | 294,182 |
| ***Balance Sheet Data*** | | | | | |
| | **$ 1,375,365** | $ 1,401,368 | $ 1,308,903 | $ 1,215,265 | $ 1,170,721 |

| | | | | | |
|---|---|---|---|---|---|
| Property, plant and equipment net | | | | | |
| Total assets | **3,855,928** | 4,564,078 | 3,994,555 | 3,854,659 | 3,697,491 |
| Total debt, including commercial paper, capital lease obligations and construction loan | **1,445,928** | 1,396,380 | 1,058,847 | 955,302 | 958,249 |
| Stockholders' equity | **819,842** | 1,450,826 | 1,354,361 | 1,353,585 | 1,229,303 |

| (In thousands, except per share and employee data) | December 31, 2006 | December 25, 2005 (Restated)[1] | December 26, 2004 (Restated)[1] | December 28, 2003 (Restated)[1] | December 29, 2002 (Restated)[1] |
|---|---|---|---|---|---|
| | **As of and for the Years Ended** | | | | |
| ***Per Share of Common Stock*** | | | | | |
| Basic (loss)/earnings per share | | | | | |
| (Loss)/income from continuing operations | **$ (3.93)** | $ 1.67 | $ 1.80 | $ 1.85 | $ 1.75 |
| Discontinued operations, net of income taxes | | | | | |
| Broadcast Media Group | **0.17** | 0.11 | 0.15 | 0.11 | 0.19 |
| Cumulative effect of a change in accounting principle, net of income taxes | | (0.04) | | | |
| Net (loss)/income | **$ (3.76)** | $ 1.74 | $ 1.95 | $ 1.96 | $ 1.94 |
| Diluted (loss)/earnings per share | | | | | |
| (Loss)/income from continuing operations | **$ (3.93)** | $ 1.67 | $ 1.78 | $ 1.82 | $ 1.71 |
| Discontinued operations, net of income taxes | | | | | |
| Broadcast Media Group | **0.17** | 0.11 | 0.15 | 0.11 | 0.19 |
| Cumulative effect of a change in accounting principle, net of income taxes | | (0.04) | | | |
| Net (loss)/income | **$ (3.76)** | $ 1.74 | $ 1.93 | $ 1.93 | $ 1.90 |
| Dividends per share | **$ .69** | $ .65 | $ .61 | $ .57 | $ .53 |
| Stockholders' equity per share | **$ 5.67** | $ 9.95 | $ 9.07 | $ 8.86 | $ 7.94 |
| Average basic shares outstanding | **144,579** | 145,440 | 147,567 | 150,285 | 151,563 |
| Average diluted shares outstanding | **144,579** | 145,877 | 149,357 | 152,840 | 154,805 |
| ***Key Ratios*** | | | | | |
| Operating (loss)/profit to revenues | **16%** | 14% | 15% | 16% | 17% |
| Return on average common stockholders' equity | **48%** | 18% | 21% | 23% | 25% |
| Return on average total | **13%** | 6% | 7% | 8% | 8% |

| | | | | | |
|---|---|---|---|---|---|
| assets | | | | | |
| Total debt to total capitalization | **64%** | 49% | 44% | 41% | 44% |
| Current assets to current liabilities | **.91** | .95 | .84 | 1.23 | 1.22 |
| Ratio of earnings to fixed charges | **(2)** | 6.22 | 8.11 | 8.65 | 8.51 |
| ***Full-Time Equivalent Employees*** | **11,585** | 11,965 | 12,300 | 12,400 | 12,150 |

(1) The Selected Financial Data has been adjusted to reflect the restatement described in Note 2 of the Notes to the Consolidated Financial Statements. The beginning Retained Earnings adjustment for fiscal 2002 was $14.2 million.

(2) Earnings were inadequate to cover fixed charges by $573 million for the year ended December 31, 2006, as a result of a non-cash impairment charge of $814.4 million ($735.9 million after tax).

The items below are included in the Selected Financial Data.

**2006 (53-week fiscal year)**

The items below had an unfavorable effect on our results of $877.3 million or $5.34 per share.

an $814.4 million pre-tax, non cash charge ($735.9 million after tax, or $5.09 per share) for the impairment of goodwill and other intangible assets at the New England Media Group.

a $34.3 million pre-tax charge ($19.6 million after tax, or $.14 per share) for staff reductions.

a $20.8 million pre-tax charge ($11.5 million after tax, or $.08 per share) for accelerated depreciation of certain assets at the Edison, N.J., printing plant, which we are in the process of closing.

a $7.8 million pre-tax loss ($4.3 million after tax, or $.03 per share) from the sale of our 50% ownership interest in Discovery Times Channel.

**2005**

The items below increased net income by $5.2 million or $.04 per share.

a $122.9 million pre-tax gain resulting from the sales of our current headquarters ($63.3 million after tax, or $.43 per share) as well as property in Florida ($5.0 million after tax, or $.03 per share).

a $57.8 million pre-tax charge ($35.3 million after tax, or $.23 per share) for staff reductions.

a $32.2 million pre-tax charge ($21.9 million after tax, or $.15 per share) related to stock-based compensation expense. The expense in 2005 was significantly higher than in prior years due to our adoption of Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("FAS") No. 123 (revised 2004), Share-Based Payment ("FAS 123-R"), in 2005.

a $9.9 million pre-tax charge ($5.5 million after tax, or $.04 per share) for costs associated with the cumulative effect of a change in accounting principle related to the adoption of FASB Interpretation No. ("FIN") 47, Accounting for Conditional Asset Retirement Obligations an interpretation of FASB Statement No. 143. A portion of the charge has been reclassified to conform to the 2006 presentation of the Broadcast Media Group as a discontinued operation.

**2004**

There were no items of the type discussed here in 2004.

**2003**

The item below increased net income by $8.5 million, or $.06 per share.

a $14.1 million pre-tax gain related to a reimbursement of remediation expenses at one of our printing plants.

**2002**

The item below reduced net income by $7.7 million, or $.05 per share.

a $12.6 million pre-tax charge for staff reductions.

IMPACT OF RESTATEMENT

The impact of the restatement and a comparison to the amounts originally reported are detailed in the following tables. The Broadcast Media Group's results of operations have been presented as discontinued operations and certain assets and liabilities are classified as held for sale for all periods presented (see Note 5 of the Notes to the Consolidated Financial Statements). In order to more clearly disclose the impact of the restatement on reported results, the impact of this reclassification is separately shown below in the column labeled "Discontinued Operations."

| | **As of and for the Years Ended** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **December 25, 2005** | | | | **December 26, 2004** | | | |
| (In thousands, except per share data) | **As Reported** | **Discontinued Operations** | **Restatement Adjustments** | **Reclassified and Restated** | **As Reported** | **Discontinued Operations** | **Restatement Adjustments** | **Reclassified and Restated** |
| ***Statement of Operations Data*** | | | | | | | | |
| Revenues | $ 3,372,775 | $ (139,055) | $ (2,592) | $ 3,231,128 | $ 3,303,642 | $ (145,627) | $ 1,397 | $ 3,159,412 |
| Total expenses | 3,014,667 | (111,914) | 8,825 | 2,911,578 | 2,793,689 | (107,244) | 10,354 | 2,696,799 |
| Gain on sale of assets | 122,946 | | | 122,946 | | | | |
| Operating profit | 481,054 | (27,141) | (11,417) | 442,496 | 509,953 | (38,383) | (8,957) | 462,613 |
| Interest expense, net | 49,168 | | | 49,168 | 41,760 | | | 41,760 |
| Income from continuing operations before income taxes and minority interest | 446,104 | (27,141) | (11,417) | 407,546 | 476,645 | (38,383) | (8,957) | 429,305 |
| Income from continuing operations | 265,605 | (16,012) | (6,280) | 243,313 | 292,557 | (22,646) | (4,926) | 264,985 |
| Discontinued operations, | | | | | | | | |