

NEW YORK TIMES CO

Form 10-K

February 24, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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 27, 2015

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.)

620 Eighth Avenue, New York, N.Y.

10018

(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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

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 26, 2015, the last business day of the registrant's most recently completed second quarter, as reported on the New York Stock Exchange, was approximately \$2.3 billion. As of such date, non-affiliates held 66,865 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 17, 2016 (exclusive of treasury shares), was as follows: 159,393,875 shares of Class A Common Stock and 816,635 shares of Class B Common Stock.

Documents incorporated by reference

Portions of the Proxy Statement relating to the registrant's 2016 Annual Meeting of Stockholders, to be held on May 4, 2016, are incorporated by reference into Part III of this report.

---

INDEX TO THE NEW YORK TIMES COMPANY 2015 ANNUAL REPORT ON FORM 10-K  
ITEM NO.

|                 |                                                                                  |           |
|-----------------|----------------------------------------------------------------------------------|-----------|
| <b>PART I</b>   | <u>Forward-Looking Statements</u>                                                | <u>1</u>  |
| 1               | <u>Business</u>                                                                  | <u>1</u>  |
|                 | <u>Overview</u>                                                                  | <u>1</u>  |
|                 | <u>Products</u>                                                                  | <u>2</u>  |
|                 | <u>Audience and Circulation</u>                                                  | <u>2</u>  |
|                 | <u>Advertising</u>                                                               | <u>3</u>  |
|                 | <u>Competition</u>                                                               | <u>3</u>  |
|                 | <u>Other Businesses</u>                                                          | <u>4</u>  |
|                 | <u>Joint Venture Investments</u>                                                 | <u>4</u>  |
|                 | <u>Print Production and Distribution</u>                                         | <u>5</u>  |
|                 | <u>Raw Materials</u>                                                             | <u>5</u>  |
|                 | <u>Employees and Labor Relations</u>                                             | <u>5</u>  |
|                 | <u>Available Information</u>                                                     | <u>5</u>  |
| 1A              | <u>Risk Factors</u>                                                              | <u>6</u>  |
| 1B              | <u>Unresolved Staff Comments</u>                                                 | <u>13</u> |
| 2               | <u>Properties</u>                                                                | <u>13</u> |
| 3               | <u>Legal Proceedings</u>                                                         | <u>13</u> |
| 4               | <u>Mine Safety Disclosures</u>                                                   | <u>13</u> |
|                 | <u>Executive Officers of the Registrant</u>                                      | <u>14</u> |
| <b>PART II</b>  | <u>Market for the Registrant's Common Equity, Related Stockholder</u>            | <u>15</u> |
| 5               | <u>Matters and Issuer Purchases of Equity Securities</u>                         | <u>15</u> |
| 6               | <u>Selected Financial Data</u>                                                   | <u>17</u> |
| 7               | <u>Management's Discussion and Analysis of</u>                                   | <u>20</u> |
|                 | <u>Financial Condition and Results of Operations</u>                             | <u>20</u> |
| 7A              | <u>Quantitative and Qualitative Disclosures About Market Risk</u>                | <u>41</u> |
| 8               | <u>Financial Statements and Supplementary Data</u>                               | <u>42</u> |
| 9               | <u>Changes in and Disagreements with Accountants on</u>                          | <u>94</u> |
|                 | <u>Accounting and Financial Disclosure</u>                                       | <u>94</u> |
| 9A              | <u>Controls and Procedures</u>                                                   | <u>94</u> |
| 9B              | <u>Other Information</u>                                                         | <u>94</u> |
| <b>PART III</b> | <u>Directors, Executive Officers and Corporate Governance</u>                    | <u>95</u> |
| 10              | <u>Executive Compensation</u>                                                    | <u>95</u> |
| 11              | <u>Security Ownership of Certain Beneficial Owners and</u>                       | <u>95</u> |
| 12              | <u>Management and Related Stockholder Matters</u>                                | <u>95</u> |
| 13              | <u>Certain Relationships and Related Transactions, and Director Independence</u> | <u>96</u> |
| 14              | <u>Principal Accountant Fees and Services</u>                                    | <u>96</u> |
| <b>PART IV</b>  | <u>Exhibits and Financial Statement Schedules</u>                                | <u>97</u> |
| 15              |                                                                                  |           |

## 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,” “could,” “project” 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 such statements. You should bear this in mind as you consider forward-looking statements. Factors that we think could, individually or in the aggregate, 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

#### OVERVIEW

The New York Times Company (the “Company”) was incorporated on August 26, 1896, under the laws of the State of New York. The Company and its consolidated subsidiaries are referred to collectively in this Annual Report on Form 10-K as “we,” “our” and “us.”

We are a global media organization focused on creating, collecting and distributing high-quality news and information. Our continued commitment to premium content and journalistic excellence makes The New York Times brand a trusted source of news and information for readers and viewers across various platforms. Recognized widely for the quality of our reporting and content, our publications have been awarded many industry and peer accolades, including 117 Pulitzer Prizes and citations, more than any other news organization.

The Company includes newspapers, print and digital products and investments. We have one reportable segment with businesses that include:

- our newspapers, The New York Times (“The Times”) and the International New York Times (“INYT”);
- our websites, including NYTimes.com and international.nytimes.com;
- our mobile applications, including The Times’s core news applications, as well as interest-specific applications such as NYT Cooking, Crossword and others;
- related businesses, such as The Times news services division, digital archive distribution, NYT Live (our live events business) and other products and services under The Times brand.

We generate revenues principally from circulation and advertising. Circulation revenue is derived from the sale of subscriptions to our print, web and mobile products and single-copy sales of our print newspaper. Advertising revenue is derived from the sale of our advertising products and services on our print, web and mobile platforms. Revenue information for the Company appears under “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Revenues, operating profit and identifiable assets of our foreign operations are not significant.

During 2015, the Company continued to focus on our digital offerings, while also making targeted investments in our print products. On July 30, 2015, we reached a milestone of one million paid digital-only subscribers, less than four-and-a-half years after launching our digital pay model. In the fall, we launched a virtual reality mobile application through which we have released a number of virtual reality films on wide-ranging topics. We also created innovative digital advertising solutions for our mobile and other platforms and continued to expand our branded

content studio. In print, we re-launched The New York Times Magazine at the beginning of the year, and launched Men's Style, the first new print section in The Times in a decade.

The Company sold the New England Media Group in 2013 and the Regional Media Group and the About Group in 2012. The results of operations for these businesses have been presented as discontinued operations for all periods presented. See Note 13 of the Notes to the Consolidated Financial Statements for additional information regarding these discontinued operations.

## PRODUCTS

The Company's principal business consists of distributing content generated by our newsroom through our print, web and mobile platforms. In addition, we distribute selected content on third-party platforms. The Times's print edition, a daily (Mon. - Sat.) and Sunday newspaper in the United States, commenced publication in 1851. The NYTimes.com website was launched in 1996. INYT, the international edition of The Times, is tailored and edited for global audiences. First published in 2013, INYT succeeded the International Herald Tribune, a leading daily newspaper that commenced publishing in Paris in 1887.

Our print newspapers are sold in the United States and around the world through individual home-delivery subscriptions, bulk subscriptions (by business, schools and other entities) and single-copy sales. All print home-delivery subscribers receive unlimited digital access.

Since 2011, we have charged consumers for content provided on our core news websites and mobile applications.

Digital subscriptions can be purchased individually or through group corporate or group education subscriptions. Our metered model offers users free access to a set number of articles per month and then charges users for access to content beyond that limit. In addition, existing print and digital subscribers can, for an additional charge, access Times Insider, a suite of exclusive online content and features.

In addition to our core news websites and mobile applications, we have developed desktop and mobile applications that are tailored to a variety of interests, including cooking and our Crossword puzzle.

## AUDIENCE AND CIRCULATION

Our content reaches a broad audience through our print, web and mobile platforms. As of December 27, 2015, we had over two million subscriptions in 195 countries to our print and digital products.

In the United States, The Times had the largest daily and Sunday circulation of all seven-day newspapers for the three-month period ended September 30, 2015, according to data collected by the Alliance for Audited Media ("AAM"), an independent agency that audits circulation of most U.S. newspapers and magazines.

For the fiscal year ended December 27, 2015, The Times's average print circulation (which includes paid and qualified circulation of the newspaper in print) was approximately 603,700 for weekday (Monday to Friday) and 1,127,200 for Sunday. (Under AAM's reporting guidance, qualified circulation represents copies available for individual consumers that are either non-paid or paid by someone other than the individual, such as copies delivered to schools and colleges and copies purchased by businesses for free distribution.)

Internationally, average circulation for INYT (which includes paid circulation of the newspaper in print and electronic replica editions) for the fiscal years ended December 27, 2015, and December 28, 2014, was approximately 214,700 (estimated) and 219,500, respectively. These figures follow the guidance of Office de Justification de la Diffusion, an agency based in Paris and a member of the International Federation of Audit Bureaux of Circulations that audits the circulation of most newspapers and magazines in France. The final 2015 figure will not be available until April 2016. Paid subscribers to digital-only subscription packages, e-readers and replica editions totaled approximately 1,094,000 as of December 27, 2015, an increase of approximately 20% compared with December 28, 2014. This amount includes estimated paid subscribers through our group corporate and group education subscriptions (which collectively represent approximately 7% of total paid digital subscribers) and home-delivery subscribers who also subscribe to Times Insider (which represent approximately 2% of total paid digital subscribers). The number of paid subscribers through group subscriptions is derived using the value of the relevant contract and a discounted basic subscription rate. The actual number of users who have access to our products through group subscriptions is substantially higher.



According to comScore Media Metrix, an online audience measurement service, in 2015, NYTimes.com had a monthly average of approximately 62 million unique visitors in the United States on either desktop/laptop computers or mobile devices. In addition, NYTimes.com had a monthly average of approximately 13 million unique visitors on desktop/laptop computers outside the United States.

#### ADVERTISING

We have a comprehensive portfolio of advertising products and services that we provide across print, web and mobile platforms.

Our advertising revenue is divided into three main categories:

##### Display Advertising

Display advertising is principally from advertisers promoting products, services or brands, such as financial institutions, movie studios, department stores, American and international fashion and technology. In print, column-inch ads are priced according to established rates, with premiums for color and positioning. The Times had the largest market share in 2015 in print advertising revenue among a national newspaper set that consists of USA Today, The Wall Street Journal and The Times, according to MediaRadar, an independent agency that measures advertising sales volume and estimates advertising revenue.

On our web and mobile platforms, display advertising comprises banners, video, rich media and other interactive ads. Display advertising also includes branded content on The Times's platforms. Branded content is longer form marketing content that is distinct from the Times's editorial content. In 2015, display advertising (print and digital) represented approximately 91% of advertising revenues.

##### Classified Advertising

Classified advertising includes line ads sold in the major categories of real estate, help wanted, automotive and other. In print, classified advertisers pay on a per-line basis. On our web and mobile platforms, classified advertisers pay on either a per-listing basis for bundled listing packages, or as an add-on to their print ad. In 2015, classified advertising (print and digital) represented approximately 5% of advertising revenues.

##### Other Advertising

Other advertising primarily includes creative services fees associated with our branded content studio; revenues from preprinted advertising, also known as free-standing inserts; revenues generated from branded bags in which our newspapers are delivered; and advertising revenues from our News Services business. In 2015, other advertising (print and digital) represented approximately 4% of our advertising revenues.

Our business is affected in part by seasonal patterns in advertising, with generally higher advertising volume in the fourth quarter due to holiday advertising.

#### COMPETITION

Our print, web and mobile products compete for advertising and consumers with other media in their respective markets, including paid and free newspapers, broadcast, satellite and cable television, broadcast and satellite radio, magazines, other forms of media and direct marketing. Competition for advertising is generally based upon audience levels and demographics, advertising rates, service, targeting capabilities and advertising results, while competition for consumer revenue and readership is generally based upon platform, format, content, quality, service, timeliness and price.

The Times competes for advertising and circulation primarily with national newspapers such as The Wall Street Journal and USA Today; newspapers of general circulation in New York City and its suburbs; other daily and weekly newspapers and television stations and networks in markets in which The Times is circulated; and some national news and lifestyle magazines. The international print edition competes with international sources of English-language news, including The Wall Street Journal's European and Asian Editions, the Financial Times, Time, Bloomberg Business Week and The Economist.

As our industry continues to experience a shift from print to digital media, our products face competition for audience and advertising from a wide variety of digital alternatives, such as news and other information websites and mobile applications, news aggregation sites, sites that cover niche content, social media platforms, digital advertising networks and exchanges, real-time bidding and other programmatic buying channels and other new forms of media.





In addition, developments in methods of distribution, such as applications for mobile phones, tablets and other devices, also increase competition for users and digital advertising revenues.

Our websites and mobile applications most directly compete for traffic and readership with other news and information websites and mobile applications. NYTimes.com faces competition from sources such as WSJ.com, washingtonpost.com, Google News, Yahoo! News, huffingtonpost.com, MSNBC and CNN.com. Internationally, international.nytimes.com competes against international online sources of English-language news, including bbc.co.uk, guardian.co.uk, ft.com, huffingtonpost.com and reuters.com.

#### OTHER BUSINESSES

We derive revenue from other businesses, which primarily include:

The Times news services division, which transmits articles, graphics and photographs from The Times and other publications to approximately 1,800 newspapers, magazines and websites in over 100 countries and territories worldwide. It also comprises a number of other businesses that primarily include our online retail store, product licensing, book development and rights and permissions;

The Company's NYT Live business, which is a platform for our live journalism and convenes thought leaders from business, academia and government at conferences and events to discuss topics ranging from education to sustainability to the luxury business; and

Digital archive distribution, which licenses electronic archive databases to resellers of that information in the business, professional and library markets.

#### JOINT VENTURE INVESTMENTS

We have noncontrolling ownership interests in three entities:

49% interest in Donahue Malbaie Inc., a Canadian newsprint company ("Malbaie");

40% interest in Madison Paper Industries, a partnership operating a mill that produces supercalendered paper, a polished paper that is higher-value grade than newsprint ("Madison"); and

30% interest in Women in the World, LLC, a live-event conference business.

Ownership of Malbaie is shared with the Resolute FP Canada Inc. ("Resolute Canada"), which owns the other 51%. Resolute Canada is a subsidiary of Resolute Forest Products Inc., a Delaware corporation ("Resolute"), which is a large global manufacturer of paper, market pulp and wood products. Malbaie manufactures newsprint on the paper machine it owns within Resolute's paper mill in Clermont, Quebec, and is wholly dependent upon Resolute for its pulp, which it purchases from this paper mill. In 2015, Malbaie produced approximately 218,000 metric tons of newsprint, of which approximately 10% was sold to us.

Our Company and UPM-Kymmene Corporation, a Finnish paper manufacturing company, are partners through subsidiary companies in Madison. The Company's percentage ownership is through an 80%-owned consolidated subsidiary. UPM-Kymmene owns 60% of Madison, including a 10% interest through a 20% noncontrolling interest in the consolidated subsidiary of the Company. Madison purchases the majority of its wood from local suppliers, mostly under long-term contracts. We purchased supercalendered paper from Madison for The New York Times Magazine until February 2015, when we changed to a different type of paper. In 2015, Madison produced approximately 184,000 short tons (167,000 metric tons) of supercalendered paper, of which less than 1% 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 and 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.

These investments are accounted for under the equity method and reported in “Investments in joint ventures” in our Consolidated Balance Sheets as of December 27, 2015. For additional information on these investments, see “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 5 of the Notes to the Consolidated Financial Statements.

#### PRINT PRODUCTION AND DISTRIBUTION

The Times is currently printed at our production and distribution facility in College Point, N.Y., as well as under contract at 27 remote print sites across the United States. The Times is delivered to newsstands and retail outlets in the New York metropolitan area through a combination of third-party wholesalers and our own drivers. In other markets in the United States and Canada, The Times is delivered through agreements with other newspapers and third-party delivery agents.

INYT is printed under contract at 38 sites throughout the world and is sold in 131 countries and territories. INYT is distributed through agreements with other newspapers and third-party delivery agents.

#### RAW MATERIALS

The primary raw materials we use are newsprint and coated paper, which we purchase from a number of North American and European producers. A significant portion of our newsprint is purchased from Resolute.

In 2015 and 2014, we used the following types and quantities of paper:

| (In metric tons)                     | 2015    | 2014    |
|--------------------------------------|---------|---------|
| Newsprint                            | 104,000 | 114,000 |
| Coated Paper                         | 19,000  | 10,000  |
| Supercalendered Paper <sup>(1)</sup> | 1,000   | 7,000   |

<sup>(1)</sup> The Times used supercalendered paper for The New York Times Magazine but discontinued such use in February 2015.

#### EMPLOYEES AND LABOR RELATIONS

We had 3,560 full-time equivalent employees as of December 27, 2015.

As of December 27, 2015, approximately half of our full-time equivalent employees were represented by unions. The following is a list of collective bargaining agreements covering various categories of the Company’s employees and their corresponding expiration dates.

| Employee Category     | Expiration Date |
|-----------------------|-----------------|
| Mailers               | March 30, 2016  |
| NewsGuild of New York | March 30, 2016  |
| Typographers          | March 30, 2016  |
| Machinists            | March 30, 2018  |
| Drivers               | March 30, 2020  |
| Paperhandlers         | March 30, 2021  |
| Pressmen              | March 30, 2021  |
| Stereotypers          | March 30, 2021  |

Approximately 120 of our full-time equivalent employees are located in France, and the terms and conditions of employment of those employees are established by a combination of French national labor law, industry-wide collective agreements and Company-specific agreements.

#### AVAILABLE INFORMATION

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 website at <http://www.nytc.com>, as soon as reasonably practicable after such reports have been filed with or furnished to the SEC.

## 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 or uncertainties not presently known or currently deemed immaterial, that may adversely affect us in the future.

We face significant competition in all aspects of our business.

We operate in a highly competitive environment. We compete for advertising and circulation revenue with both traditional and new content providers. This competition has intensified as a result of the continued development of new digital media technologies and new media providers offering online news and other content, and new competitors could quickly emerge. Some of our current and potential competitors may have greater resources or better competitive positions in certain areas than we do, which may allow them to respond more effectively than us to new technologies and changes in market conditions.

Our ability to compete effectively depends on many factors both within and beyond our control, including among others:

- our ability to continue to deliver high-quality journalism and content that is interesting and relevant to our audience;
- our ability to develop, maintain and monetize new and existing print and digital products;
- the pricing of our products;
- the popularity, usefulness, ease of use, performance, and reliability of our digital products;
- the engagement of our readers with our print and digital products;
- our ability to attract, retain, and motivate talented journalists and other employees and executives;
- our ability to manage and grow our operations in a cost-effective manner; and
- our reputation and brand strength relative to those of our competitors.

Our success depends on our ability to respond and adapt to changes in technology and consumer behavior.

Technology in the media industry continues to evolve rapidly. Advances in technology have led to an increasing number of methods for the delivery and consumption of news and other content. These developments are driving changes in consumer behavior as consumers seek more control over how they consume content.

Changes in technology and consumer behavior pose a number of challenges that could adversely affect our revenues and competitive position. For example, among others:

- we may be unable to develop products for mobile devices or other digital platforms that consumers find engaging, that work with a variety of operating systems and networks and that achieve a high level of market acceptance;
- there may be changes in user sentiment about the quality or usefulness of our existing products or concerns related to privacy, security or other factors;
- news aggregation websites and customized news feeds may reduce our traffic levels by creating a disincentive for users to visit our websites or use our digital products;
- failure to successfully manage changes in search engine optimization and social media traffic to increase our digital presence and visibility may reduce our traffic levels;
- we may be unable to maintain or update our technology infrastructure in a way that meets market and consumer demands;
- the distribution of our content on delivery platforms of third parties may lead to limitations on monetization of our products, the loss of control over distribution of our content and loss of a direct relationship with our audience; and

we may experience challenges in creating display advertising on mobile devices that does not disrupt the user experience.

Responding to these changes may require significant investment. We may be limited in our ability to invest funds and resources in digital products, services or opportunities, and we may incur expense in building, maintaining and evolving our technology infrastructure.

Unless we are able to use new and existing technologies to distinguish our products and services from those of our competitors and develop in a timely manner compelling new products and services that engage users across platforms, our business, financial condition and prospects may be adversely affected.

Our advertising revenues are affected by numerous factors, including economic conditions, market dynamics, audience fragmentation and evolving digital advertising technologies.

We derive substantial revenues from the sale of advertising in our products. Advertising spending is sensitive to overall economic conditions, and our advertising revenues could be adversely affected if advertisers respond to weak and uneven economic conditions by reducing their budgets or shifting spending patterns or priorities, or if they are forced to consolidate or cease operations.

In determining whether to buy advertising, our advertisers will consider the demand for our products, demographics of our reader base, advertising rates, results observed by advertisers, and alternative advertising options. The increasing number of digital media options available, including through social networking tools and news aggregation websites, has expanded consumer choice significantly, resulting in audience fragmentation and increased competition for advertising.

Print advertising revenue represented approximately 69% of our total 2015 advertising revenues. However, the advertising industry continues to experience a shift toward digital advertising, which is less expensive and can offer more directly measurable returns than traditional print media. Because rates for digital advertising are generally lower than for traditional print advertising, our digital advertising revenue may not replace in full print advertising revenue lost as a result of the shift. In addition, margins on certain of our digital advertising revenues tend to be lower than on our print advertising revenues. Growing consumer reliance on mobile devices adds additional pressure, as advertising rates are generally lower on mobile devices than on personal computers.

The digital advertising market continues to undergo significant changes. Digital advertising networks and exchanges, real-time bidding and other programmatic buying channels that allow advertisers to buy audiences at scale have led to audience fragmentation and caused downward pricing pressure. The wide range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have exacerbated this pressure. The character of our digital advertising business is also changing, as demand for newer advertising formats like branded content, mobile and video advertising increases. Some of these newer formats may generate lower margins than traditional desktop display advertising. If we are unable to effectively grow advertising revenues from these newer formats through the development of advertising products that are compelling to both marketers and consumers, our results of operations could be adversely affected.

In addition, technologies have been developed, and will likely continue to be developed, that enable consumers to circumvent digital advertising on websites and mobile devices. Advertisements blocked by these technologies are treated as not delivered and any revenue we would otherwise receive from the advertiser for that advertisement is lost. Increased adoption of these technologies could adversely affect our advertising revenues, particularly if we are unable to develop effective solutions to mitigate their impact.

Competition from a variety of digital media and services, many of which charge lower rates than us, and the significant increase in inventory of digital advertising space have affected and will likely continue to affect our ability to attract and retain advertisers and to maintain or increase our advertising rates. In addition, evolving standards for the delivery of digital advertising, such as the industry-wide standard on viewability, could also negatively affect our digital advertising revenues.

The inability of the Company to retain and grow our subscriber base could adversely affect our results of operations and business.

Revenue from subscriptions to our print and digital products makes up a majority of our total revenue. Subscription revenue is sensitive to discretionary spending available to subscribers in the markets we serve, as well as economic conditions. To the extent poor economic conditions lead consumers to reduce spending on discretionary activities, our ability to retain current and obtain new subscribers could be hindered, thereby reducing our subscription revenue.

In recent years, we have experienced declining print subscriptions. This is primarily due to increased competition from digital media formats (which are often free to users), higher subscription rates and a growing preference among certain consumers to receive all or a portion of their news from sources other than a print newspaper. If we are unable to offset continued revenue declines resulting from falling print subscriptions with revenue from home-delivery price increases, our print circulation revenue will be adversely affected.

Digital-only subscriptions for content provided on our websites and other digital platforms generate substantial revenue for us. Our future growth depends upon our ability to retain and grow our digital subscription base and audience. To do so will require us to evolve our digital subscription model, address changing consumer demands and develop and improve our digital products while continuing to deliver high-quality journalism and content that is interesting and relevant to our audience. There is no assurance that we will be able to successfully maintain and increase our digital audience or that we will be able to do so without taking steps such as reducing pricing or incurring subscription acquisition costs that would affect our margin or profitability.

Failure to execute cost-control measures successfully could adversely affect our profitability.

Over the last several years, we have taken steps to reduce operating costs across the Company, and we plan to continue our cost management efforts. However, if we do not achieve expected savings or our operating costs increase as a result of investments in strategic initiatives, our total operating costs would be greater than anticipated. In addition, if we do not manage cost-reduction efforts properly, such efforts may affect the quality of our products and therefore our ability to generate future revenues. And to the extent our cost-reduction efforts result in reductions in staff and employee compensation and benefits, this could adversely affect our ability to attract and retain key employees.

Significant portions of our expenses are fixed costs that neither increase nor decrease proportionately with revenues. In addition, our ability to make short-term adjustments to manage our costs or to make changes to our business strategy may be limited by certain of our collective bargaining agreements. If we are not able to implement further cost-control efforts or reduce our fixed costs sufficiently in response to a decline in our revenues, our results of operations will be adversely affected.

The underfunded status of our pension plans may adversely affect our operations, financial condition and liquidity.

We sponsor several single-employer defined benefit pension plans. Although we have frozen participation and benefits under all but two of these qualified pension plans, our results of operations will be affected by the amount of income or expense we record for, and the contributions we are required to make to, these plans.

We are required to make contributions to our plans to comply with minimum funding requirements imposed by laws governing those plans. As of December 27, 2015, our qualified defined benefit pension plans were underfunded by approximately \$273 million. Our obligation to make additional contributions to our plans, and the timing of any such contributions, depends on a number of factors, many of which are beyond our control. These include: legislative changes; assumptions about mortality; and economic conditions, including a low interest rate environment or sustained volatility and disruption in the stock and bond markets, which impact discount rates and returns on plan assets.

As a result of these required contributions, we may have less cash available for working capital and other corporate uses, which may have an adverse impact on our results of operations, financial condition and liquidity.

Our participation in multiemployer pension plans may subject us to liabilities that could materially adversely affect our results of operations, financial condition and cash flows.

We participate in, and make periodic contributions to, various multiemployer pension plans that cover many of our current and former union employees. Our required contributions to these plans could increase because of a

P. 8 – THE NEW YORK TIMES COMPANY

---

shrinking contribution base as a result of the insolvency or withdrawal of other companies that currently contribute to these plans, the inability or failure of withdrawing companies to pay their withdrawal liability, low interest rates, lower than expected returns on pension fund assets or other funding deficiencies. Our withdrawal liability for any multiemployer pension plan will depend on the nature and timing of any triggering event and the extent of that plan's funding of vested benefits.

If a multiemployer pension plan in which we participate has significant underfunded liabilities, such underfunding will increase the size of our potential withdrawal liability. In addition, under the Pension Protection Act of 2006, special funding rules apply to multiemployer pension plans that are classified as "endangered," "seriously endangered," or "critical" status. If plans in which we participate are in critical status, benefit reductions may apply and/or we could be required to make additional contributions.

We have recorded significant withdrawal liabilities with respect to multiemployer pension plans in which we formerly participated, primarily in connection with the sales of the New England and the Regional Media Groups. In addition, we have recorded withdrawal liabilities for actual and estimated partial withdrawals from several plans in which we continue to participate. Until demand letters from some of the multiemployer plans' trustees are received, the exact amount of the withdrawal liability will not be fully known and, as such, a difference from the recorded estimate could have an adverse effect on our results of operations, financial condition and cash flows. In addition, in the event a mass withdrawal is deemed to have occurred at any of these plans, we may be required to make additional withdrawal liability payments under applicable law.

If, in the future, we elect to withdraw from these plans or if we trigger a partial withdrawal due to declines in contribution base units or a partial cessation of our obligation to contribute, additional liabilities would need to be recorded that could have an adverse effect on our business, results of operations, financial condition or cash flows. Security breaches and other network and information systems disruptions could affect our ability to conduct our business effectively.

Our online systems store and process confidential subscriber, employee and other sensitive personal data, and therefore maintaining our network security is of critical importance. We use third-party technology and systems for a variety of operations, including encryption and authentication technology, employee email, domain name registration, content delivery to customers, back-office support and other functions. Our systems, and those of third parties upon which our business relies, may be vulnerable to interruption or damage that can result from natural disasters, fires, power outages, acts of terrorism or other similar events, or from deliberate attacks such as computer hacking, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing.

We have implemented controls and taken other preventative measures designed to strengthen our systems against attacks, including measures designed to reduce the impact of a security breach at our third-party vendors. Although the costs of the controls and other measures we have taken to date have not had a material effect on our financial condition, results of operations or liquidity, there can be no assurance as to the costs of additional controls and measures that we may conclude are necessary in the future.

There can also be no assurance that the actions, measures and controls we have implemented will be effective against future attacks or be sufficient to prevent a future security breach or other disruption to our network or information systems, or those of our third-party providers. Such an event could result in a disruption of our services or improper disclosure of personal data or confidential information, which could harm our reputation, require us to expend resources to remedy such a security breach or defend against further attacks, divert management's attention and resources or subject us to liability under laws that protect personal data, resulting in increased operating costs or loss of revenue.

Our international operations expose us to economic and other risks inherent in foreign operations.

We are focused on expanding the international scope of our business, and face the inherent risks associated with doing business abroad, including:

- effectively managing and staffing foreign operations, including complying with local laws and regulations in each different jurisdiction;
- navigating local customs and practices;

THE NEW YORK TIMES COMPANY – P. 9

---



government policies and regulations that restrict the digital flow of information;  
protecting and enforcing our intellectual property rights under varying legal regimes;  
complying with international laws and regulations, including those governing consumer privacy and the collection, use, retention, sharing and security of consumer data;  
economic uncertainty, volatility in local markets and political or social instability;  
restrictions on foreign ownership, foreign investment or repatriation of funds;  
higher-than-anticipated costs of entry; and  
currency exchange rate fluctuations.

Adverse developments in any of these areas could have an adverse impact on our business, financial condition and results of operations. We may, for example, incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. In addition, we have limited experience in developing and marketing our digital products in international regions and could be at a disadvantage compared with local and multinational competitors.

A significant number of our employees are unionized, and our business and results of operations could be adversely affected if labor agreements were to further restrict our ability to maximize the efficiency of our operations.

Approximately half of our full-time equivalent 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. Our results could be adversely affected if future labor negotiations or contracts were to further restrict our ability to maximize the efficiency of our operations. If we are unable to negotiate labor contracts on reasonable terms, or if we were to experience labor unrest or other business interruptions in connection with labor negotiations or otherwise, our ability to produce and deliver our products could be impaired. In addition, our ability to make adjustments to control compensation and benefits costs, change our strategy or otherwise adapt to changing business needs may be limited by the terms and duration of our collective bargaining agreements.

Our brand and reputation are key assets of the Company, and negative perceptions or publicity could adversely affect our business, financial condition and results of operations.

The New York Times brand is a key asset of the Company, and our continued success depends on our ability to preserve, grow and leverage the value of our brand. We believe that we have a powerful and trusted brand with an excellent reputation for high-quality journalism and content. This reputation could be damaged by incidents that erode consumer trust. Our reputation could also be damaged by failures of third-party vendors we rely on in many contexts. To the extent consumers perceive the quality of our products to be less reliable or our reputation is damaged, our revenues and profitability could be adversely affected.

Our business may suffer if we cannot protect our intellectual property.

Our business depends on our intellectual property, including our valuable brands, content, services and internally developed technology. We believe our proprietary trademarks and other intellectual property rights are important to our continued success and our competitive position. Unauthorized parties may attempt to copy or otherwise unlawfully obtain and use our content, services, technology and other intellectual property, and we cannot be certain that the steps we have taken to protect our proprietary rights will prevent any misappropriation or confusion among consumers and merchants, or unauthorized use of these rights.

Advancements in technology have made the unauthorized duplication and wide dissemination of content easier, making the enforcement of intellectual property rights more challenging. In addition, as our business and the risk of misappropriation of our intellectual property rights have become more global in scope, we may not be able to protect our proprietary rights in a cost-effective manner in a multitude of jurisdictions with varying laws.

If we are unable to procure, protect and enforce our intellectual property rights, including maintaining and monetizing our intellectual property rights to our content, we may not realize the full value of these assets, and our business and profitability may suffer. In addition, if we must litigate in the United States or elsewhere to enforce our intellectual property rights or determine the validity and scope of the proprietary rights of others, such litigation may be costly and divert the attention of our management. In addition, if we must take actions, including litigation, in the



United States or elsewhere to enforce our intellectual property rights or determine the validity and scope of the proprietary rights of others, such actions may be costly and divert the attention of our management.

Legislative and regulatory developments, including with respect to privacy, could adversely affect our business.

Our business is subject to government regulation in the jurisdictions in which we operate, and our websites, which are available worldwide, may be subject to laws regulating the Internet even in jurisdictions where we do not do business. We may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply.

Revenues from our digital products could be adversely affected, directly or indirectly, in particular by existing or future laws and regulations relating to online privacy and the collection and use of consumer data in digital media. In addition, any failure, or perceived failure, by us to comply with our posted privacy policies or with any data-related requirements could result in claims against us by governmental entities or others, or could require us to change our practices, which could adversely affect our business.

We have been, and may be in the future, subject to claims of intellectual property infringement that could adversely affect our business.

We periodically receive claims from third parties alleging infringement, misappropriation or other violations of their intellectual property rights. These third parties often include patent holding companies seeking to monetize patents they have purchased or otherwise obtained through asserting claims of infringement or misuse. Even if we believe that these claims of intellectual property infringement are without merit, defending against the claims can be time-consuming, be expensive to litigate or settle, and cause diversion of management attention.

These intellectual property infringement claims, if successful, may require us to enter into royalty or licensing agreements on unfavorable terms, use more costly alternative technology or otherwise incur substantial monetary liability. Additionally, these claims may require us to significantly alter certain of our operations. The occurrence of any of these events as a result of these claims could result in substantially increased costs or otherwise adversely affect our business.

Acquisitions, divestitures, investments and other transactions could adversely affect our costs, revenues, profitability and financial position.

In order to position our business to take advantage of growth opportunities, we engage in discussions, evaluate opportunities and enter into agreements for possible acquisitions, divestitures, investments and other transactions. We may also consider the acquisition of, or investment in, specific properties, businesses or technologies that fall outside our traditional lines of business and diversify our portfolio, including those that may operate in new and developing industries, if we deem such properties sufficiently attractive.

Acquisitions involve significant risks, including difficulties in integrating acquired operations, diversion 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 management and internal control effectiveness at the acquired entities and other unanticipated problems and liabilities. Competition for certain types of acquisitions, particularly digital 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, which would adversely affect our business, results of operations and financial condition.

We have made investments in companies, and we may make similar investments in the future. Investments in these businesses subject us to the operating and financial risks of these businesses and to the risk that we do not have sole control over the operations of these businesses. For example, our investments in Malbaie and Madison subject us to risks related to paper mill operations, including existing pricing pressure caused by the declining demand for paper, and competitive pressures caused by currency volatility. The significant decline in the value of the Canadian dollar relative to the U.S. dollar has placed Madison, which is based in Maine, at a competitive disadvantage to supercalendered paper mills that operate in Canada and sell to the United States.

Our investments are generally illiquid and the absence of a market may inhibit our ability to dispose of them. In addition, if the book value of an investment were to exceed its fair value, we would be required to recognize an impairment charge related to the investment.



A significant increase in the price of newsprint, or significant disruptions in our newsprint supply chain, would have an adverse effect on our operating results.

The cost of raw materials, of which newsprint is the major component, represented approximately 6% of our total operating costs in 2015. The price of newsprint has historically been volatile and, while it has decreased over the last several years, may increase as a result of various factors, including a reduction in the number of suppliers due to restructurings, bankruptcies and consolidations; declining newsprint supply as a result of paper mill closures and conversions to other grades of paper; and other factors that adversely impact supplier profitability, including increases in operating expenses caused by raw material and energy costs, and currency volatility.

In addition, we rely on our suppliers for deliveries of newsprint. The availability of our newsprint supply may be affected by various factors, including labor unrest, transportation issues and other disruptions that may affect deliveries of newsprint.

If newsprint prices increase significantly or we experience significant disruptions in the availability of our newsprint supply in the future, our operating results will be adversely affected.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our debt agreements contain various covenants that limit our flexibility in operating our businesses, including our ability to engage in specified types of transactions. Subject to certain exceptions, these covenants restrict our ability and the ability of our subsidiaries to, among other things:

- incur or guarantee additional debt or issue certain preferred equity;
- pay dividends on or make distributions to holders of our common stock or make other restricted payments;
- create or incur liens on certain assets to secure debt;
- make certain investments, acquisitions or dispositions;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with affiliates.

Our credit ratings, as well as general macroeconomic conditions, may affect our liquidity by increasing borrowing costs and limiting our financing options.

Our long-term debt is currently rated below investment grade by Standard & Poor's and Moody's Investors Service. If our credit ratings remain below investment grade or are lowered further, borrowing costs for future long-term debt or short-term borrowing facilities may increase and our financing options, including our access to the unsecured borrowing market, would be limited. We may also be subject to additional restrictive covenants that would reduce our flexibility.

In addition, macroeconomic conditions, such as continued or increased volatility or disruption in the credit markets, could adversely affect our ability to refinance existing debt or obtain additional financing to support operations or to fund new acquisitions or other capital-intensive initiatives.

Our Class B Common 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 holders of Class B Common Stock, 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 of Directors 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 approximately 90% 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, the 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. Adverse results from litigation or governmental investigations can impact our business practices and operating results. From time to time, we are party to litigation and regulatory, environmental and other proceedings with governmental authorities and administrative agencies. See Note 18 of the Notes to the Consolidated Financial Statements regarding certain matters. Adverse outcomes in lawsuits or investigations could result in significant monetary damages or injunctive relief that could adversely affect our results of operations or financial condition as well as our ability to conduct our business as it is presently being conducted. In addition, regardless of merit or outcome, such proceedings can have an adverse impact on the Company as a result of legal costs, diversion of management and other personnel, and other factors.

#### ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

#### ITEM 2. PROPERTIES

Our principal executive offices are located in our New York headquarters building in the Times Square area. The building was completed in 2007 and consists of approximately 1.54 million gross square feet, of which approximately 828,000 gross square feet of space have been allocated to us. We owned a leasehold condominium interest representing approximately 58% of the New York headquarters building until March 2009, when we entered into an agreement to sell and simultaneously lease back 21 floors, or approximately 750,000 rentable square feet, currently occupied by us (the "Condo Interest"). The sale price for the Condo Interest was \$225.0 million. We have an option exercisable in 2019 to repurchase the Condo Interest for \$250.0 million. The lease term is 15 years, and we have three renewal options that could extend the term for an additional 20 years. We continue to own a leasehold condominium interest in seven floors in our New York headquarters building, totaling approximately 216,000 rentable square feet that were not included in the sale-leaseback transaction, all of which are currently leased to third parties.

In addition, we have a printing and distribution facility with 570,000 gross square feet located in College Point, N.Y., on a 31-acre site owned by the City of New York for which we have a ground lease. We have an option to purchase the property at any time before the lease ends in 2019 for \$6.9 million. We also currently own other properties with an aggregate of approximately 2,200 gross square feet and lease other properties with an aggregate of approximately 247,900 rentable square feet in various locations.

#### ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal actions incidental to our business that are now pending against us. These actions are generally for amounts greatly in excess of the payments, if any, that may be required to be made. See Note 18 of the Notes to the Consolidated Financial Statements for a description of certain matters, which is incorporated herein by reference. Although the Company cannot predict the outcome of these matters, it is possible that an unfavorable outcome in one or more matters could be material to the Company's consolidated results of operations or cash flows for an individual reporting period. However, based on currently available information, management does not believe that the ultimate resolution of these matters, individually or in the aggregate, is likely to have a material effect on the Company's financial position.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## EXECUTIVE OFFICERS OF THE REGISTRANT

| Name                   | Age | Employed By Registrant Since | Recent Position(s) Held as of February 24, 2016                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------|-----|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Arthur Sulzberger, Jr. | 64  | 1978                         | Chairman (since 1997) and Publisher of The Times (since 1992); Chief Executive Officer (2011 to 2012); President and Chief Executive Officer (since 2012);                                                                                                                                                                                                                                                                               |
| Mark Thompson          | 58  | 2012                         | Director-General, British Broadcasting Corporation (“BBC”) (2004 to 2012); Chief Executive, Channel 4 Television Corporation (2002 to 2004); and various positions of increasing responsibility at the BBC (1979 to 2001)                                                                                                                                                                                                                |
| Michael Golden         | 66  | 1984                         | Vice Chairman (since 1997); President and Chief Operating Officer, Regional Media Group (2009 to 2012); Publisher of the International Herald Tribune (2003 to 2008); Senior Vice President (1997 to 2004)                                                                                                                                                                                                                               |
| James M. Follo         | 56  | 2007                         | Executive Vice President (since 2013) and Chief Financial Officer (since 2007); Senior Vice President (2007 to 2013); Chief Financial and Administrative Officer, Martha Stewart Living Omnimedia, Inc. (2001 to 2006)                                                                                                                                                                                                                   |
| R. Anthony Benten      | 52  | 1989                         | Senior Vice President, Finance (since 2008) and Corporate Controller (since 2007); Vice President (2003 to 2008); Treasurer (2001 to 2007)                                                                                                                                                                                                                                                                                               |
| Meredith Kopit Levien  | 44  | 2013                         | Executive Vice President and Chief Revenue Officer (since 2015); Executive Vice President, Advertising (2013 to 2015); Chief Revenue Officer, Forbes Media LLC (2011 to 2013); Senior Vice President and Group Publisher, Forbes Magazine Group (2010 to 2011); Vice President and Publisher, ForbesLife and ForbesWoman.com (2008 to 2010); and various positions of increasing responsibility at Atlantic Media Company (2001 to 2008) |
| Kenneth A. Richieri    | 64  | 1983                         | Executive Vice President (since 2013) and General Counsel (since 2006); Senior Vice President (2007 to 2013); Secretary (2008 to 2011); Vice President (2002 to 2007); Deputy General Counsel (2001 to 2005); Vice President and General Counsel, New York Times Digital (1999 to 2003)                                                                                                                                                  |

## PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES  
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 17, 2016, was as follows: Class A Common Stock: 6,348; Class B Common Stock: 26.

We have paid quarterly dividends of \$0.04 per share on the Class A and Class B Common Stock since late 2013. We currently expect to continue to pay comparable cash dividends in the future, although changes in our dividend program may be considered by our Board of Directors in light of our earnings, capital requirements, financial condition and other factors considered relevant. In addition, our Board of Directors will consider restrictions in any existing indebtedness, such as the terms of our 6.625% senior unsecured notes due 2016, which restrict our ability to pay dividends. See also "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Third-Party Financing."

The following table sets forth, for the periods indicated, the high and low closing sales prices for the Class A Common Stock as reported on the New York Stock Exchange.

| Quarters       | 2015    |         | 2014    |         |
|----------------|---------|---------|---------|---------|
|                | High    | Low     | High    | Low     |
| First Quarter  | \$14.45 | \$12.02 | \$16.81 | \$13.75 |
| Second Quarter | 14.46   | 12.81   | 17.26   | 14.64   |
| Third Quarter  | 13.75   | 11.62   | 15.61   | 11.46   |
| Fourth Quarter | 14.25   | 11.56   | 13.61   | 11.22   |

ISSUER PURCHASES OF EQUITY SECURITIES<sup>(1)</sup>

| Period                                | Total number of shares of Class A Common Stock purchased<br>(a) | Average price paid per share of Class A Common Stock<br>(b) | Total number of shares of Class A Common Stock purchased as part of publicly announced plans or programs<br>(c) | Maximum number (or approximate dollar value) of shares of Class A Common Stock that may yet be purchased under the plans or programs<br>(d) |
|---------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| September 28, 2015 - November 1, 2015 | 1,337,353                                                       | \$12.48                                                     | 1,337,353                                                                                                       | \$38,510,000                                                                                                                                |
| November 2, 2015 - November 29, 2015  | 157,231                                                         | \$13.57                                                     | 157,231                                                                                                         | \$36,376,000                                                                                                                                |
| November 30, 2015 - December 27, 2015 | 379,010                                                         | \$13.48                                                     | 379,010                                                                                                         | \$31,268,000                                                                                                                                |
| Total for the fourth quarter of 2015  | 1,873,594                                                       | \$12.77                                                     | 1,873,594                                                                                                       | \$31,268,000                                                                                                                                |

(1) On January 13, 2015, the Board of Directors terminated an existing authorization to repurchase shares of the Company's Class A common Stock and approved a new repurchase authorization of \$101.1 million, equal to the cash proceeds received by the Company from an exercise of warrants. As of February 17, 2016, repurchases under this authorization totaled \$84.9 million (excluding commissions) and \$16.2 million remained under this authorization. All purchases were made pursuant to our publicly announced share repurchase program. Our Board of Directors has authorized us to purchase shares from time to time, subject to market conditions and other factors.



There is no expiration date with respect to this authorization.

THE NEW YORK TIMES COMPANY – P. 15

---

## PERFORMANCE PRESENTATION

The following graph shows the annual cumulative total stockholder return for the five fiscal years ended December 27, 2015, on an assumed investment of \$100 on December 26, 2010, in the Company, the Standard & Poor's S&P 400 MidCap Stock Index and the Standard & Poor's S&P 1500 Publishing and Printing Index. Stockholder return is measured by dividing (a) the sum of (i) the cumulative amount of dividends declared for the measurement period, assuming 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 the S&P 400 Midcap Index, S&P 1500 Publishing & Printing Index and The New York Times Company's Class A Common Stock

P. 16 – THE NEW YORK TIMES COMPANY

---

## ITEM 6. SELECTED FINANCIAL DATA

The Selected Financial Data should be read in conjunction with “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements and the related Notes in Item 8. The results of operations for the New England Media Group, which was sold in 2013, as well as for the Regional Media Group and the About Group, which were sold in 2012, have been presented as discontinued operations for all periods presented (see Note 13 of the Notes to the Consolidated Financial Statements). The pages following the table show certain items included in Selected Financial Data. All per share amounts on those pages are on a diluted basis. Fiscal year 2012 comprised 53 weeks and all other fiscal years presented in the table below comprised 52 weeks.

| (In thousands)                                                                   | As of and for the Years Ended      |                                    |                                    |                                    |                                    |
|----------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                                                                  | December 27,<br>2015<br>(52 Weeks) | December 28,<br>2014<br>(52 Weeks) | December 29,<br>2013<br>(52 Weeks) | December 30,<br>2012<br>(53 Weeks) | December 25,<br>2011<br>(52 Weeks) |
| Statement of Operations Data                                                     |                                    |                                    |                                    |                                    |                                    |
| Revenues                                                                         | \$1,579,215                        | \$1,588,528                        | \$1,577,230                        | \$1,595,341                        | \$1,554,574                        |
| Operating costs                                                                  | 1,393,246                          | 1,484,505                          | 1,411,744                          | 1,441,410                          | 1,411,652                          |
| Early termination charge                                                         | —                                  | 2,550                              | —                                  | —                                  | —                                  |
| Pension settlement expense                                                       | 40,329                             | 9,525                              | 3,228                              | 47,657                             | —                                  |
| Multiemployer pension plan withdrawal expense                                    | 9,055                              | —                                  | 6,171                              | —                                  | 4,228                              |
| Other expenses                                                                   | —                                  | —                                  | —                                  | 2,620                              | 4,500                              |
| Impairment of assets                                                             | —                                  | —                                  | —                                  | —                                  | 7,458                              |
| Operating profit                                                                 | 136,585                            | 91,948                             | 156,087                            | 103,654                            | 126,736                            |
| Gain on sale of investments                                                      | —                                  | —                                  | —                                  | 220,275                            | 71,171                             |
| Impairment of investments                                                        | —                                  | —                                  | —                                  | 5,500                              | —                                  |
| Loss from joint ventures                                                         | (783)                              | (8,368)                            | (3,215)                            | 2,936                              | (270)                              |
| Premium on debt redemption                                                       | —                                  | —                                  | —                                  | —                                  | 46,381                             |
| Interest expense, net                                                            | 39,050                             | 53,730                             | 58,073                             | 62,808                             | 85,243                             |
| Income from continuing operations before income taxes                            | 96,752                             | 29,850                             | 94,799                             | 258,557                            | 66,013                             |
| Income from continuing operations, net of income taxes                           | 62,842                             | 33,391                             | 56,907                             | 163,940                            | 44,596                             |
| (Loss)/income from discontinued operations, net of income taxes                  | —                                  | (1,086)                            | 7,949                              | (27,927)                           | (82,799)                           |
| Net income/(loss) attributable to The New York Times Company common stockholders | 63,246                             | 33,307                             | 65,105                             | 135,847                            | (37,648)                           |
| Balance Sheet Data                                                               |                                    |                                    |                                    |                                    |                                    |
| Cash, cash equivalents and marketable securities                                 | \$904,551                          | \$981,170                          | \$1,023,780                        | \$959,754                          | \$279,997                          |
| Property, plant and equipment, net                                               | 632,439                            | 665,758                            | 713,356                            | 773,469                            | 837,595                            |
| Total assets                                                                     | 2,417,690                          | 2,566,474                          | 2,572,552                          | 2,807,470                          | 2,887,367                          |
| Total debt and capital lease obligations                                         | 431,228                            | 650,120                            | 684,163                            | 696,875                            | 773,120                            |
| Total New York Times Company stockholders’ equity                                | 826,751                            | 726,328                            | 842,910                            | 662,325                            | 533,678                            |



| (In thousands, except ratios, per share and employee data)                                        | As of and for the Years Ended |                   |                   |                   |                   |
|---------------------------------------------------------------------------------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                                   | December 27, 2015             | December 28, 2014 | December 29, 2013 | December 30, 2012 | December 25, 2011 |
|                                                                                                   | (52 Weeks)                    | (52 Weeks)        | (52 Weeks)        | (53 Weeks)        | (52 Weeks)        |
| Per Share of Common Stock                                                                         |                               |                   |                   |                   |                   |
| Basic earnings/(loss) per share attributable to The New York Times Company common stockholders:   |                               |                   |                   |                   |                   |
| Income from continuing operations                                                                 | \$0.38                        | \$0.23            | \$0.38            | \$1.11            | \$0.31            |
| (Loss)/income from discontinued operations, net of income taxes                                   | —                             | (0.01)            | 0.05              | (0.19)            | (0.57)            |
| Net income/(loss)                                                                                 | \$0.38                        | \$0.22            | \$0.43            | \$0.92            | \$(0.26)          |
| Diluted earnings/(loss) per share attributable to The New York Times Company common stockholders: |                               |                   |                   |                   |                   |
| Income from continuing operations                                                                 | \$0.38                        | \$0.21            | \$0.36            | \$1.07            | \$0.30            |
| (Loss)/income from discontinued operations, net of income taxes                                   | —                             | (0.01)            | 0.05              | (0.18)            | (0.55)            |
| Net income/(loss)                                                                                 | \$0.38                        | \$0.20            | \$0.41            | \$0.89            | \$(0.25)          |
| Dividends declared per share                                                                      | \$0.16                        | \$0.16            | \$0.08            | \$—               | \$—               |
| New York Times Company stockholders' equity per share                                             | \$4.97                        | \$4.50            | \$5.34            | \$4.34            | \$3.51            |
| Average basic shares outstanding                                                                  | 164,390                       | 150,673           | 149,755           | 148,147           | 147,190           |
| Average diluted shares outstanding                                                                | 166,423                       | 161,323           | 157,774           | 152,693           | 152,007           |
| Key Ratios                                                                                        |                               |                   |                   |                   |                   |
| Operating profit to revenues                                                                      | 9                             | % 6               | % 10              | % 6               | % 8               |
| Return on average common stockholders' equity                                                     | 8                             | % 4               | % 9               | % 23              | % (6)             |
| Return on average total assets                                                                    | 3                             | % 1               | % 2               | % 5               | % (1)             |
| Total debt and capital lease obligations to total capitalization                                  | 34                            | % 47              | % 45              | % 51              | % 59              |
| Current assets to current liabilities                                                             | 1.53                          | 1.91              | 3.36              | 3.30              | 2.67              |
| Ratio of earnings to fixed charges                                                                | 2.90                          | 1.67              | 2.58              | 4.94              | 1.76              |
| Full-Time Equivalent Employees                                                                    | 3,560                         | 3,588             | 3,529             | 5,363             | 7,273             |

The items below are included in the Selected Financial Data.

#### 2015

The items below had a net unfavorable effect on our results from continuing operations of \$54.1 million, or \$.32 per share:

- a \$40.3 million pre-tax pension settlement charge (\$24.0 million after tax, or \$.14 per share) in connection with lump-sum payments made under an immediate pension benefits offer to certain former employees.
- \$34.4 million of pre-tax expenses (\$20.5 million after tax, or \$.12 per share) for non-operating retirement costs.
- \$9.1 million of pre-tax charges (\$5.4 million after tax, or \$.03 per share) for partial withdrawal obligations under multiemployer pension plans.

▪ \$7.0 million pre-tax charge (\$4.2 million after tax, or \$.03 per share) for severance costs.

2014

The items below had a net unfavorable effect on our results from continuing operations of \$35.1 million, or \$.22 per share:

\$36.7 million of pre-tax expenses (\$21.7 million after tax, or \$.13 per share) for non-operating retirement costs.

▪ \$36.1 million pre-tax charge (\$21.4 million after tax, or \$.13 per share) for severance costs.

P. 18 – THE NEW YORK TIMES COMPANY

---

- a \$21.1 million income tax benefit (\$.13 per share) primarily due to reductions in the Company's reserve for uncertain tax positions.

- a \$9.5 million pre-tax pension settlement charge (\$5.7 million after tax, or \$.04 per share) in connection with lump-sum payments made under an immediate pension benefits offer to certain former employees.

- a \$9.2 million pre-tax charge (\$5.9 million after tax or \$.04 per share) for an impairment related to the Company's investment in a joint venture.

- a \$2.6 million pre-tax charge (\$1.5 million after tax, or \$.01 per share) for the early termination of a distribution agreement.

2013

The items below had a net unfavorable effect on our results from continuing operations of \$25.2 million, or \$.16 per share:

- \$20.8 million of pre-tax expenses (\$12.3 million after tax, or \$.08 per share) for non-operating retirement costs.

- a \$12.4 million pre-tax charge (\$7.3 million after tax, or \$.05 per share) for severance costs.

- a \$6.2 million pre-tax charge (\$3.7 million after tax, or \$.02 per share) for a partial withdrawal obligation under multiemployer pension plans.

- a \$3.2 million pre-tax pension settlement charge (\$1.9 million after tax, or \$.01 per share) in connection with lump-sum payments under an immediate pension benefit offer to certain former employees.

2012 (53-week fiscal year)

The items below had a net favorable effect on our results from continuing operations of \$69.2 million, or \$.45 per share:

- a \$220.3 million pre-tax gain (\$134.7 million after tax, or \$.87 per share) on the sales of our remaining ownership interest in Indeed.com and our remaining units in Fenway Sports Group.

- a \$47.7 million pre-tax pension settlement charge (\$27.7 million after tax, or \$.18 per share) in connection with lump-sum payments made under an immediate pension benefit offer to certain former employees.

- \$44.5 million of pre-tax expenses (\$25.9 million after tax, or \$.17 per share) for non-operating retirement costs.

- a \$12.3 million pre-tax charge (\$7.2 million after tax, or \$.04 per share) for severance costs.

- a \$5.5 million pre-tax, non-cash charge (\$3.2 million after tax, or \$.02 per share) for the impairment of certain investments, primarily related to our investment in Ongo Inc.

- a \$2.6 million pre-tax charge (\$1.5 million after tax, or \$.01 per share) in connection with a legal settlement.

2011

The items below had a net unfavorable effect on our results from continuing operations of \$27.9 million, or \$.19 per share:

- a \$71.2 million pre-tax gain (\$41.4 million after tax, or \$.27 per share) from the sales of 390 of our units in Fenway Sports Group and a portion of our interest in Indeed.com.

- a \$46.4 million pre-tax charge (\$27.6 million after tax, or \$.18 per share) in connection with the prepayment of all \$250.0 million aggregate principal amount of our 14.053% senior unsecured notes.

- \$43.6 million of pre-tax expenses (\$25.8 million after tax, or \$.17 per share) for non-operating retirement costs.

- a \$10.0 million pre-tax charge (\$5.9 million after tax, or \$.04 per share) for severance costs.

- a \$7.5 million pre-tax charge (\$4.7 million after tax, or \$.03 per share) for the impairment of assets related to certain assets held for sale, primarily of Baseline, Inc.

- a \$4.5 million pre-tax charge (\$2.6 million after tax, or \$.02 per share) for a retirement and consulting agreement in connection with the retirement of our former chief executive officer.

- a \$4.2 million pre-tax charge (\$2.7 million after tax, or \$.02 per share) for a pension withdrawal obligation under a multiemployer pension plan at The Boston Globe.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of our consolidated financial condition as of December 27, 2015, and results of operations for the three years ended December 27, 2015. This item should be read in conjunction with our Consolidated Financial Statements and the related Notes included in this Annual Report.

### EXECUTIVE OVERVIEW

We are a global media organization that includes newspapers, print and digital products and investments. We have one reportable segment with businesses that include our newspapers, websites, mobile applications and related businesses. We generate revenues principally from circulation and advertising. Other revenues consist primarily of revenues from news services/syndication, digital archives, rental income, our NYT Live business, e-commerce and the Crossword product.

In the accompanying analysis of financial information, we present certain information derived from consolidated financial information but not presented in our financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). We are presenting in this report supplemental non-GAAP financial performance measures that exclude depreciation, amortization, severance, non-operating retirement costs and certain identified special items, as applicable. These non-GAAP financial measures should not be considered in isolation from or as a substitute for the related GAAP measures, and should be read in conjunction with financial information presented on a GAAP basis. For further information and reconciliations of these non-GAAP measures to the most directly comparable GAAP items, respectively, diluted (loss)/earnings per share, operating profit and operating costs, see "— Results of Operations — Non-GAAP Financial Measures."

### 2015 Financial Highlights

In 2015, diluted earnings per share from continuing operations were \$0.38, compared with \$0.21 for 2014. Diluted earnings per share from continuing operations excluding severance, non-operating retirement costs and special items discussed below (or "adjusted diluted earnings per share," a non-GAAP measure) were \$0.71 for 2015, compared with \$0.43 for 2014.

Operating profit in 2015 was \$136.6 million, compared with \$91.9 million for 2014. The increase was primarily driven by lower costs, including decreased severance expense and depreciation and amortization, partially offset by an increased pension settlement charge. Operating profit before depreciation, amortization, severance, non-operating retirement costs and special items discussed below (or "adjusted operating profit," a non-GAAP measure) for 2015 was \$289.0 million, compared with \$256.3 million for 2014.

Total revenues decreased slightly in 2015 to \$1.58 billion, compared with \$1.59 billion in 2014. This was driven by declines in advertising revenues, partially offset by growth in circulation and other revenues.

Compared with 2014, circulation revenues increased 1.0% in 2015, as digital subscription growth and a print home-delivery price increase at The Times offset a decline in the number of print copies sold. Circulation revenues from our digital-only subscription packages increased 13.8% in 2015, compared with 2014. Paid subscribers to digital-only subscription packages totaled approximately 1,094,000 as of December 27, 2015, a 20% increase compared with year-end 2014.

Advertising revenues remained under pressure during 2015. Total advertising revenues decreased 3.6% in 2015 compared with 2014, reflecting an 8.0% decrease in print advertising revenues and an 8.2% increase in digital advertising revenues.

Compared with 2014, other revenues increased 6.3% in 2015, driven primarily by increased revenues from digital archives, our Crossword product and rental income.

Operating costs in 2015 decreased 6.1% to \$1.39 billion, compared with \$1.48 billion in 2014. The decrease was primarily due to efficiencies in print production as well as declines in severance, depreciation and amortization and raw materials costs. Operating costs before depreciation, amortization, severance and non-operating retirement costs



discussed below (or “adjusted operating costs,” a non-GAAP measure) decreased 3.2% to \$1.29 billion in 2015, compared with \$1.33 billion in 2014.

Loss from joint ventures decreased to \$0.8 million in 2015 from \$8.4 million in 2014. The improvement reflected a 2014 impairment charge related to our investment in Madison and increased income in 2015 from our investment in Malbaie, partially offset by losses from our investment in Madison, which continued to face significant competitive pressures.

Non-operating retirement costs decreased to \$34.4 million in 2015 from \$36.7 million in 2014, driven primarily by lower pension interest cost and lower retiree medical costs.

#### Business Environment

We believe that a number of factors and industry trends have had, and will continue to have, an adverse effect on our business and prospects. These include the following:

##### Competition in our industry

We operate in a highly competitive environment. Our print and digital products compete for advertising and circulation revenue with both traditional and new content providers. This competition has only intensified as a result of new digital media technologies and new media providers offering news and other online content. Competition among companies offering online content is intense; new competitors can quickly emerge. Some of our current and potential competitors may have greater resources or better competitive positions than we do.

Our ability to compete effectively depends on, among other things, our ability to continue delivering high-quality journalism and content that is interesting and relevant to our audience; our ability to develop, maintain and monetize new and existing print and digital products; the popularity, ease of use and performance of our products compared to those of our competitors; our ability to attract, retain and motivate talented journalists and other employees to develop products that users find engaging; and our ability to manage and grow our business in a cost-effective manner.

##### Continuing shift to digital from print

Circulation revenue is a significant source of revenue for us and an increasingly important driver as the overall composition of our revenues has shifted in response to transformations in our industry. The largest portion of our circulation revenue is currently from traditional print products, where we have experienced declining print circulation volume in recent years. This is due to, among other factors, increased competition from digital media formats (which are often free to users), higher print subscription and single-copy rates and a growing preference among some consumers to receive their news from sources other than a print newspaper.

The distribution of news and other content is increasingly through mobile devices, reshaping consumer behavior and expectations for consumption of news and other information. Our ability to retain and continue to build on our digital subscription base and audience for our digital products depends on, among other things, continued market acceptance of our pricing and overall digital subscription model, consumer behavior, available alternatives from current and new competitors and our ability to continue delivering high-quality journalism and content that is interesting and relevant to users.

##### Advertising market dynamics

We derive substantial revenues from the sale of advertising in our products. In determining whether to buy advertising, our advertisers will consider the demand for our products, demographics of our reader base, advertising rates, results observed by advertisers, and alternative advertising options.

The advertising industry continues to experience a shift towards digital advertising, which is less expensive and can offer more directly measurable returns than traditional print media. Because rates for digital advertising are generally lower than for traditional print advertising, our digital advertising revenue may not replace in full print advertising revenue lost as a result of the shift. In addition, margins on certain of our digital advertising revenues tend to be lower than on our print advertising revenues. Growing consumer reliance on mobile devices adds additional pressure, as advertising rates are generally lower on mobile devices than on personal computers.

The digital advertising market continues to undergo significant changes. Digital advertising networks and exchanges, real-time bidding and other programmatic buying channels that allow advertisers to buy audiences at



scale have led to audience fragmentation and caused downward pricing pressure. The wide range of advertising choices across digital products and platforms and the large inventory of available digital advertising space has exacerbated this pressure.

The character of our digital advertising business is also changing, as demand for newer advertising formats like branded content, mobile and video advertising increases. Some of these newer formats may generate lower margins than traditional desktop display advertising. If we are unable to effectively grow advertising revenues from these newer formats through the development of advertising products that are compelling to both marketers and consumers, our results of operations could be adversely affected.

In addition, technologies have been and will continue to be developed that enable consumers to block digital advertising on websites and mobile devices. Advertisements blocked by these technologies are treated as not delivered and any revenue we would otherwise receive from the advertiser for that advertisement is lost.

Competition from a variety of digital media and services, many of which charge lower rates than us, and the significant increase in inventory of digital advertising space have affected, and will likely continue to affect, our ability to attract and retain advertisers and to maintain or increase our advertising rates. In addition, evolving standards for the delivery of digital advertising, such as the industry-wide standard on viewability, could also negatively affect our digital advertising revenues.

#### Economic conditions

Global, national and local economic conditions affect various aspects of our business. The level of advertising sales in any period may be affected by advertisers' decisions to increase or decrease their advertising expenditures in response to anticipated consumer demand and general economic conditions. Changes in spending patterns and priorities, including shifts in marketing strategies and budget cuts of key advertisers, in response to economic conditions, have depressed and may continue to depress our advertising revenues.

In addition, subscription revenue is sensitive to discretionary spending available to subscribers in the markets we serve, and to the extent poor economic conditions lead consumers to reduce spending on discretionary activities, our ability to retain current and obtain new subscribers could be hindered.

#### Fixed costs

A significant portion of our costs are fixed, and therefore we are limited in our ability to reduce these costs in the short term. Employee-related costs and raw materials together accounted for approximately 50% of our total operating costs in 2015. Changes in employee-related costs and the price and availability of newsprint can materially affect our operating results.

For a discussion of these and other factors that could affect our business, results of operations and financial condition, see "Forward-Looking Statements" and "Item 1A — Risk Factors."

#### Our Strategy

We are operating during a period of transformation for our industry and amidst uncertain economic conditions. We anticipate that the challenges we currently face will continue, and we believe that the following elements are key to our efforts to address them.

##### Strengthening The New York Times brand through innovation

Our priority is to maintain the high-quality and robust news-gathering operation that sets our Company apart, while at the same time positioning our organization for growth. We continue to focus on innovations in our digital products, particularly our mobile platforms, that enhance our journalism. During 2015, we made significant improvements to The Times's core news mobile applications, and in the fall launched a virtual reality mobile application through which we have released virtual reality films on wide-ranging topics. We plan to continue our focus on digital innovation and expand our capabilities on our mobile, video and other platforms.

We are also committed to the continued success of our print products. Despite the ongoing industry shift to digital from print, our print products have been and will continue to be a significant source of revenue for us and we have made a number of investments in them. During 2015, for example, we re-launched The New York Times Magazine and launched Men's Style, the first new print section in The Times in a decade.



As we continue to look for ways to innovate our products, we remain committed to creating quality content and a quality user experience, regardless of the distribution model or platform.

#### Deepening our engagement with readers

We are focused on deepening the engagement of our current readers and expanding our reach to new readers around the world, which we believe will drive revenue growth. Our paid digital-only subscription model has created a meaningful revenue stream that has partially offset declines in our print advertising and circulation revenues. In July, we reached a milestone of one million paid digital-only subscribers, less than four-and-a-half years after launching our digital pay model. We believe the continued growth in our digital-only subscriber base in 2015 underscores the willingness of our readers to pay for the high-quality journalism across multiple platforms, and we will continue to look for ways to strengthen the relationship we have with these subscribers.

We will also continue to focus on developing new audiences, including by expanding our global reach and working to engage younger readers. In February 2016, for example, we announced the launch of The New York Times en Español, a mobile-optimized website covering news and issues of interest to a Spanish-speaking audience. We will also continue to experiment with reaching new readers on third-party platforms, while remaining committed to building engagement with readers on our own platforms.

#### Creating compelling digital advertising solutions

We are focused on continuing to grow our digital advertising revenue by developing innovative and compelling advertising offerings that integrate with and add value to the user experience. We believe we have a very powerful and trusted brand that, because of the quality of our journalism, attracts educated, affluent and influential audiences, and we continue to focus on leveraging our brand in developing and refining these offerings. In 2015, for example, we created innovative digital advertising solutions for our mobile and other platforms, and our virtual reality mobile application provided advertisers new ways of reaching our audience. We have also continued to expand our branded content studio, which has become a fast-growing part of our advertising business since we launched it in early 2014.

#### Managing our cost structure

We continue to focus on managing our cost structure to ensure that we are operating our businesses efficiently, while maintaining our commitment to investing in high-quality content and achieving our strategic goals. In 2015, we succeeded in reducing operating costs through, among other things, efficiencies in our print distribution. In 2016, we plan to make investments across our business to grow our digital revenue, while at the same time maintaining our focus on cost management.

#### Strengthening our liquidity

We have continued to strengthen our liquidity position and we remain focused on further de-leveraging and de-risking our balance sheet. In March 2015, we repaid, at maturity, the remaining principal amount of our 5.0% senior notes. As of December 27, 2015, our cash, cash equivalents and marketable securities exceeded total debt and capital lease obligations by approximately \$473 million. We believe our cash balance and cash provided by operations, in combination with other sources of cash, will be sufficient to meet our financing needs over the next 12 months.

#### Managing our retirement-related costs

We remain focused on managing the underfunded status of our pension plans and adjusting the size of our pension obligations relative to the size of our Company. Our qualified pension plans were underfunded (meaning the present value of future obligations exceeded the fair value of plan assets) as of December 27, 2015, by approximately \$273 million, compared with approximately \$264 million as of December 28, 2014. We made contributions of approximately \$7 million to certain qualified pension plans in 2015, compared with approximately \$15 million in 2014. We expect contributions in 2016 to total approximately \$8 million to satisfy minimum funding requirements. We have taken steps over the last few years to address our pension obligations, including freezing accruals under most of our qualified defined benefit pension plans, which cover both our non-union employees and those covered by collective bargaining agreements. We have also made immediate pension benefits offers in the form of lump-sum payments to certain former employees and we will continue to look for ways to reduce the size of our pension obligations.



While we have made significant progress in our liability-driven investment strategy to reduce the funding volatility of our qualified pension plans, the size of our pension plan obligations relative to the size of our current operations will continue to have a significant impact on our reported financial results. We expect to continue to experience volatility in our retirement-related costs, including pension, multiemployer pension and retiree medical costs. For 2016, we expect pension and retiree medical costs to be lower due to a change in discount rate estimates described further in “— Pension and Other Postretirement Benefits.”

P. 24 – THE NEW YORK TIMES COMPANY

---

## RESULTS OF OPERATIONS

## Overview

Fiscal years 2015, 2014, and 2013 each comprise 52 weeks. The following table presents our consolidated financial results:

| (In thousands)                                                            | Years Ended          |                      |                      | % Change            |                     |
|---------------------------------------------------------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
|                                                                           | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 | 2015<br>vs.<br>2014 | 2014<br>vs.<br>2013 |
| Revenues                                                                  |                      |                      |                      |                     |                     |
| Circulation                                                               | \$845,504            | \$836,822            | \$824,277            | 1.0                 | 1.5                 |
| Advertising                                                               | 638,709              | 662,315              | 666,687              | (3.6 )              | (0.7 )              |
| Other                                                                     | 95,002               | 89,391               | 86,266               | 6.3                 | 3.6                 |
| Total revenues                                                            | 1,579,215            | 1,588,528            | 1,577,230            | (0.6 )              | 0.7                 |
| Operating costs                                                           |                      |                      |                      |                     |                     |
| Production costs:                                                         |                      |                      |                      |                     |                     |
| Raw materials                                                             | 77,176               | 88,958               | 92,886               | (13.2 )             | (4.2 )              |
| Wages and benefits                                                        | 354,516              | 357,573              | 332,085              | (0.9 )              | 7.7                 |
| Other                                                                     | 186,120              | 197,464              | 201,942              | (5.7 )              | (2.2 )              |
| Total production costs                                                    | 617,812              | 643,995              | 626,913              | (4.1 )              | 2.7                 |
| Selling, general and administrative costs                                 | 713,837              | 761,055              | 706,354              | (6.2 )              | 7.7                 |
| Depreciation and amortization                                             | 61,597               | 79,455               | 78,477               | (22.5 )             | 1.2                 |
| Total operating costs                                                     | 1,393,246            | 1,484,505            | 1,411,744            | (6.1 )              | 5.2                 |
| Early termination charge                                                  | —                    | 2,550                | —                    | (100.0 )            | 100.0               |
| Pension settlement charge                                                 | 40,329               | 9,525                | 3,228                | *                   | *                   |
| Multiemployer pension plan withdrawal expense                             | 9,055                | —                    | 6,171                | 100.0               | (100.0 )            |
| Operating profit                                                          | 136,585              | 91,948               | 156,087              | 48.5                | (41.1 )             |
| Loss from joint ventures                                                  | (783 )               | (8,368 )             | (3,215 )             | (90.6 )             | *                   |
| Interest expense, net                                                     | 39,050               | 53,730               | 58,073               | (27.3 )             | (7.5 )              |
| Income from continuing operations before income taxes                     | 96,752               | 29,850               | 94,799               | *                   | (68.5 )             |
| Income tax expense/(benefit)                                              | 33,910               | (3,541 )             | 37,892               | *                   | *                   |
| Income from continuing operations                                         | 62,842               | 33,391               | 56,907               | 88.2                | (41.3 )             |
| Discontinued operations:                                                  |                      |                      |                      |                     |                     |
| Loss from discontinued operations, net of income taxes                    | —                    | —                    | (20,413 )            | —                   | (100.0 )            |
| (Loss)/gain on sale, net of income taxes                                  | —                    | (1,086 )             | 28,362               | (100.0 )            | *                   |
| (Loss)/income from discontinued operations, net of income taxes           | —                    | (1,086 )             | 7,949                | (100.0 )            | *                   |
| Net income                                                                | 62,842               | 32,305               | 64,856               | 94.5                | (50.2 )             |
| Net loss attributable to the noncontrolling interest                      | 404                  | 1,002                | 249                  | (59.7 )             | *                   |
| Net income attributable to The New York Times Company common stockholders | \$63,246             | \$33,307             | \$65,105             | 89.9                | (48.8 )             |

\* Represents an increase or decrease in excess of 100%.



## Revenues

Circulation, advertising and other revenues were as follows:

| (In thousands) | Years Ended       |                   |                   | % Change      |               |
|----------------|-------------------|-------------------|-------------------|---------------|---------------|
|                | December 27, 2015 | December 28, 2014 | December 29, 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
|                |                   |                   |                   |               |               |
| Circulation    | \$845,504         | \$ 836,822        | \$ 824,277        | 1.0           | 1.5           |
| Advertising    | 638,709           | 662,315           | 666,687           | (3.6 )        | (0.7 )        |
| Other          | 95,002            | 89,391            | 86,266            | 6.3           | 3.6           |
| Total          | \$1,579,215       | \$ 1,588,528      | \$ 1,577,230      | (0.6 )        | 0.7           |

## Circulation Revenues

Total circulation revenues consist of revenues from our print and digital products, including our digital-only subscription packages, e-readers and replica editions. These revenues are based on the number of copies of the printed newspaper sold (through home-delivery subscriptions and single-copy and bulk sales) and digital-only subscriptions and the rates charged to the respective customers.

Circulation revenues increased in 2015 compared with 2014 primarily due to growth in our digital-only subscription base and the January 2015 print home-delivery price increase at The Times, offset by a reduction in the number of print copies sold. Revenues from our digital-only subscription packages, e-readers and replica editions were \$192.7 million in 2015 compared with \$169.3 million in 2014, an increase of 13.8%.

Circulation revenues increased in 2014 compared with 2013 primarily due to growth in our digital-only subscription base and the January 2014 print home-delivery price increase at The Times, offset by a reduction in the number of print copies sold. Revenues from our digital-only subscription packages, e-readers and replica editions were \$169.3 million in 2014 compared with \$149.1 million in 2013, an increase of 13.5%.

## Advertising Revenues

Advertising revenues are derived from the sale of our advertising products and services on our print, web and mobile platforms. These revenues are primarily determined by the volume, rate and mix of advertisements. Display advertising revenue is principally from advertisers promoting products, services or brands in print in the form of column-inch ads, and on our web and mobile platforms in the form of banners, video, rich media and other interactive ads. Classified advertising revenue includes line-ads sold in the major categories of real estate, help wanted, automotive and other. Other advertising revenue primarily includes creative services fees associated with our branded content studio; revenue from preprinted advertising, also known as free-standing inserts; revenue generated from branded bags in which our newspapers are delivered; and advertising revenues from our news services business.

Advertising revenues (print and digital) by category were as follows:

| (In thousands) | Years Ended       |                   |                   | % Change      |               |
|----------------|-------------------|-------------------|-------------------|---------------|---------------|
|                | December 27, 2015 | December 28, 2014 | December 29, 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
|                |                   |                   |                   |               |               |
| Display        | \$579,153         | \$ 606,838        | \$ 609,920        | (4.6 )        | (0.5 )        |
| Classified     | 34,544            | 36,689            | 37,453            | (5.8 )        | (2.0 )        |
| Other          | 25,012            | 18,788            | 19,314            | 33.1          | (2.7 )        |
| Total          | \$638,709         | \$ 662,315        | \$ 666,687        | (3.6 )        | (0.7 )        |

Below is a percentage breakdown of 2015, 2014 and 2013 advertising revenues (print and digital):

|      | Display | Classified | Other | Total |   |
|------|---------|------------|-------|-------|---|
| 2015 | 91      | % 5        | % 4   | % 100 | % |
| 2014 | 91      | % 6        | % 3   | % 100 | % |
| 2013 | 91      | % 6        | % 3   | % 100 | % |

In 2015, total advertising revenues decreased primarily due to lower print advertising revenues. Print advertising revenues, which represented 69% of total advertising revenues in 2015, declined 8.0% in 2015 compared with 2014, mainly due to a decline in display advertising, primarily in the financial services, entertainment and corporate categories. The decline was partially offset by an increase in the luxury goods, real estate and technology categories. Digital advertising revenues, which represented 31% of total advertising revenues in 2015, increased 8.2% in 2015 compared with 2014 due to an increase in display advertising, primarily in the automotive and entertainment categories. Display advertising benefited strongly from the continued growth of branded content as well as increased revenue from our mobile and video platforms and our programmatic buying channels. These increases were partially offset by a decline in traditional desktop display advertising.

Classified advertising revenues decreased 5.8% in 2015 compared with 2014 due to a decrease in the real estate and help wanted categories.

Other advertising revenues increased 33.1% in 2015 compared to 2014 due to an increase in creative services fees from branded content advertising launches during 2015.

In 2014, total advertising revenues decreased primarily due to lower print advertising revenues. Print advertising revenues, which represented 73% of total advertising revenues in 2014, declined 4.7% in 2014 compared with 2013, mainly due to weakness in display advertising. This weakness resulted from reductions primarily in the technology, entertainment and corporate categories. The decline was partially offset by an increase in the financial services, advocacy and international fashion categories.

Digital advertising revenues, which represented 27% of total advertising revenues in 2014, increased 11.9% in 2014 compared with 2013 due to an increase in display advertising, partially offset by a decrease in classified advertising revenues. The increase in display advertising primarily resulted from the introduction of branded content and from increases in the technology, telecommunications and media categories, partially offset by declines mainly in the financial services and entertainment categories.

Classified advertising revenues decreased 2.0% in 2014 compared with 2013 primarily due to a decrease in the real estate category.

Other advertising revenues decreased 2.7% in 2014 compared to 2013 due to a decrease in revenues from our news services business.

#### Other Revenues

Other revenues consist primarily of revenues from news services/syndication, digital archives, rental income, our NYT Live business, e-commerce and the Crossword product.

Other revenues increased 6.3% in 2015 compared with 2014 due to higher revenues from digital archives, our Crossword product and rental income.

Other revenues increased 3.6% in 2014 compared with 2013 due to higher revenues from our e-commerce business and digital archives.

## Operating Costs

Operating costs were as follows:

| (In thousands)                            | Years Ended          |                      |                      | % Change         |                  |
|-------------------------------------------|----------------------|----------------------|----------------------|------------------|------------------|
|                                           | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 | 2015 vs.<br>2014 | 2014 vs.<br>2013 |
| Production costs:                         |                      |                      |                      |                  |                  |
| Raw materials                             | \$77,176             | \$88,958             | \$92,886             | (13.2 )          | (4.2 )           |
| Wages and benefits                        | 354,516              | 357,573              | 332,085              | (0.9 )           | 7.7              |
| Other                                     | 186,120              | 197,464              | 201,942              | (5.7 )           | (2.2 )           |
| Total production costs                    | 617,812              | 643,995              | 626,913              | (4.1 )           | 2.7              |
| Selling, general and administrative costs | 713,837              | 761,055              | 706,354              | (6.2 )           | 7.7              |
| Depreciation and amortization             | 61,597               | 79,455               | 78,477               | (22.5 )          | 1.2              |
| Total operating costs                     | \$1,393,246          | \$1,484,505          | \$1,411,744          | (6.1 )           | 5.2              |

The components of operating costs as a percentage of total operating costs were as follows:

| Components of operating costs as a percentage of total operating costs | Years Ended          |                      |                      |   |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|---|
|                                                                        | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |   |
| Wages and benefits                                                     | 44                   | %44                  | %40                  | % |
| Raw materials                                                          | 6                    | %6                   | %7                   | % |
| Other operating costs                                                  | 46                   | %45                  | %47                  | % |
| Depreciation and amortization                                          | 4                    | %5                   | %6                   | % |
| Total                                                                  | 100                  | %100                 | %100                 | % |

The components of operating costs as a percentage of total revenues were as follows:

| Components of operating costs as a percentage of total revenues | Years Ended          |                      |                      |   |
|-----------------------------------------------------------------|----------------------|----------------------|----------------------|---|
|                                                                 | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |   |
| Wages and benefits                                              | 39                   | %41                  | %36                  | % |
| Raw materials                                                   | 5                    | %5                   | %6                   | % |
| Other operating costs                                           | 40                   | %42                  | %43                  | % |
| Depreciation and amortization                                   | 4                    | %5                   | %5                   | % |
| Total                                                           | 88                   | %93                  | %90                  | % |

## Production Costs

Production costs include items such as labor costs, raw materials and machinery and equipment expenses related to production activity, including costs related to producing branded content and merchandise for sale.

Production costs decreased in 2015 compared with 2014 primarily due to lower raw materials expense (approximately \$12 million), mainly newsprint, and outside printing costs (approximately \$8 million). Newsprint expense declined 20.3% in 2015 compared with 2014, with 7.4% from lower consumption and 12.9% from lower pricing.

Production costs increased in 2014 compared with 2013 primarily due to higher wages and benefits (approximately \$25 million), offset in part by lower raw materials expense (approximately \$4 million), mainly newsprint. Newsprint expense declined 5.5% in 2014 compared with 2013, with 4.1% from lower consumption and 1.4% from lower pricing. Wages and benefits increased mainly due to hiring related to growth initiatives.

### Selling, General and Administrative Costs

Selling, general and administrative costs include costs associated with the selling and marketing of products as well as administrative expenses.

Selling, general and administrative costs decreased in 2015 compared with 2014 primarily due to a decrease in severance costs (approximately \$29 million) and lower distribution costs (approximately \$17 million), partially offset by an increase in compensation expense (approximately \$6 million). Severance costs decreased as a result of workforce reductions in 2014 that did not repeat in 2015. Lower distribution costs were mainly due to increased utilization of lower cost vendors, transportation efficiencies and fewer print copies delivered. Compensation expense increased primarily as a result of increased hiring to support growth initiatives.

Selling, general and administrative costs increased in 2014 compared with 2013 primarily due to an increase in severance costs associated with workforce reductions as well as higher compensation and benefits (approximately \$58 million) and promotion costs (approximately \$7 million), offset by lower distribution costs (approximately \$14 million). Benefits expense was higher mainly due to higher retirement costs. Promotion costs were higher mainly due to the launch of new digital products and print circulation marketing. Lower distribution costs were mainly due to fewer print copies delivered and transportation efficiencies.

### Other Items

See Note 7 of the Notes to the Consolidated Financial Statements for more information regarding other items.

### NON-OPERATING ITEMS

#### Investments in Joint Ventures

See Note 5 of the Notes to the Consolidated Financial Statements for information regarding our joint venture investments.

#### Interest Expense, Net

See Note 6 of the Notes to the Consolidated Financial Statements for information regarding interest expense.

#### Income Taxes

See Note 12 of the Notes to the Consolidated Financial Statements for information regarding income taxes.

#### Discontinued Operations

See Note 13 of the Notes to the Consolidated Financial Statements for information regarding discontinued operations.

### Non-GAAP Financial Measures

We have included in this report certain supplemental financial information derived from consolidated financial information but not presented in our financial statements prepared in accordance with GAAP. Specifically, we have referred to the following non-GAAP financial measures in this report:

- diluted earnings per share from continuing operations excluding severance, non-operating retirement costs and the impact of special items (or adjusted diluted earnings per share from continuing operations);
- operating profit before depreciation, amortization, severance, non-operating retirement costs and special items (or adjusted operating profit); and
- operating costs before depreciation, amortization, severance and non-operating retirement costs (or adjusted operating costs).

The special items in 2015 consisted of a \$40.3 million pension settlement charge in the first quarter in connection with a lump-sum payment offer to certain former employees and \$9.1 million in charges for partial withdrawal obligations under multiemployer pension plans.

The special items in 2014 consisted of a reduction in the reserve for uncertain tax positions of \$21.1 million, a \$9.5 million pension settlement charge in the second quarter in connection with a lump-sum payment offer to certain former employees, a \$9.2 million non-cash impairment charge in the fourth quarter related to the Company's

investment in a joint venture and a \$2.6 million charge in the first quarter for the early termination of a distribution agreement.

The special items in 2013 consisted of a \$6.2 million charge in the third quarter for a partial withdrawal obligation under multiemployer pension plans and a \$3.2 million settlement charge in the fourth quarter in connection with the Company's immediate pension benefit offer to certain former employees.

We have included these non-GAAP financial measures because management reviews them on a regular basis and uses them to evaluate and manage the performance of our operations. We believe that, for the reasons outlined below, these non-GAAP financial measures provide useful information to investors as a supplement to reported diluted earnings/(loss) per share from continuing operations, operating profit/(loss) and operating costs. However, these measures should be evaluated only in conjunction with the comparable GAAP financial measures and should not be viewed as alternative or superior measures of GAAP results.

Adjusted diluted earnings per share provides useful information in evaluating our period-to-period performance because it eliminates items that we do not consider to be indicative of earnings from ongoing operating activities.

Adjusted operating profit is useful in evaluating the ongoing performance of our businesses as it excludes the significant non-cash impact of depreciation and amortization as well as items not indicative of ongoing operating activities. Total operating costs include depreciation, amortization, severance and non-operating retirement costs.

Adjusted operating costs, which exclude these items, provide investors with helpful supplemental information on our underlying operating costs that is used by management in its financial and operational decision-making.

Non-operating retirement costs include:

- interest cost, expected return on plan assets and amortization of actuarial gain and loss components of pension expense;

- interest cost and amortization of actuarial gain and loss components of retiree medical expense; and

- expenses associated with multiemployer pension plan withdrawal obligations.

These non-operating retirement costs are primarily tied to financial market performance and changes in market interest rates and investment performance. Non-operating retirement costs do not include service costs and amortization of prior service costs for pension and retiree medical benefits, which we believe reflect the ongoing service-related costs of providing pension and retiree medical benefits to our employees. Non-operating retirement costs also do not include special items. We consider non-operating retirement costs to be outside the performance of our ongoing core business operations and believe that presenting operating results excluding non-operating retirement costs, in addition to our GAAP operating results, provides increased transparency and a better understanding of the underlying trends in our operating business performance.

Reconciliations of non-GAAP financial measures from, respectively, diluted earnings per share from continuing operations, operating profit and operating costs, the most directly comparable GAAP items, as well as details on the components of non-operating retirement costs, are set out in the tables below.

## Reconciliation of diluted earnings per share from continuing operations excluding severance, non-operating retirement costs and special items (or adjusted diluted earnings per share from continuing operations)

| (In thousands)                                                                | Years Ended          |                      |                      | % Change         |                     |
|-------------------------------------------------------------------------------|----------------------|----------------------|----------------------|------------------|---------------------|
|                                                                               | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 | 2015 vs.<br>2014 | 2014<br>vs.<br>2013 |
| Diluted earnings per share from continuing operations                         | \$0.38               | \$0.21               | \$0.36               | 81.0             | (41.7 )             |
| Add:                                                                          |                      |                      |                      |                  |                     |
| Severance                                                                     | 0.03                 | 0.13                 | 0.05                 |                  |                     |
| Non-operating retirement costs                                                | 0.12                 | 0.13                 | 0.08                 |                  |                     |
| Special items:                                                                |                      |                      |                      |                  |                     |
| Early termination charge                                                      | —                    | 0.01                 | —                    |                  |                     |
| Reduction in uncertain tax positions                                          | —                    | (0.13 )              | —                    |                  |                     |
| Pension settlement charge                                                     | 0.14                 | 0.04                 | 0.01                 |                  |                     |
| Multiemployer pension plan withdrawal expense                                 | 0.03                 | —                    | 0.02                 |                  |                     |
| Impairment charge                                                             | —                    | 0.04                 | —                    |                  |                     |
| Adjusted diluted earnings per share from continuing operations <sup>(1)</sup> | \$0.71               | \$0.43               | \$0.52               | 65.1             | (17.3 )             |

<sup>(1)</sup> Amounts may not add due to rounding.

## Reconciliation of operating profit before depreciation &amp; amortization, severance, non-operating retirement costs and special items (or adjusted operating profit)

| (In thousands)                                | Years Ended          |                      |                      | % Change         |                     |
|-----------------------------------------------|----------------------|----------------------|----------------------|------------------|---------------------|
|                                               | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 | 2015 vs.<br>2014 | 2014<br>vs.<br>2013 |
| Operating profit                              | \$136,585            | \$91,948             | \$156,087            | 48.5             | (41.1 )             |
| Add:                                          |                      |                      |                      |                  |                     |
| Depreciation & amortization                   | 61,597               | 79,455               | 78,477               |                  |                     |
| Severance                                     | 7,035                | 36,082               | 12,382               |                  |                     |
| Non-operating retirement costs                | 34,383               | 36,697               | 20,791               |                  |                     |
| Special items:                                |                      |                      |                      |                  |                     |
| Early termination charge                      | —                    | 2,550                | —                    |                  |                     |
| Pension settlement charge                     | 40,329               | 9,525                | 3,228                |                  |                     |
| Multiemployer pension plan withdrawal expense | 9,055                | —                    | 6,171                |                  |                     |
| Adjusted operating profit                     | \$288,984            | \$256,257            | \$277,136            | 12.8             | (7.5 )              |

## Reconciliation of operating costs before depreciation &amp; amortization, severance and non-operating retirement costs (or adjusted operating costs)

| (In thousands)              | Years Ended          |                      |                      | % Change            |                  |
|-----------------------------|----------------------|----------------------|----------------------|---------------------|------------------|
|                             | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 | 2015<br>vs.<br>2014 | 2014 vs.<br>2013 |
| Operating costs             | \$1,393,246          | \$1,484,505          | \$1,411,744          | (6.1 )              | 5.2              |
| Less:                       |                      |                      |                      |                     |                  |
| Depreciation & amortization | 61,597               | 79,455               | 78,477               |                     |                  |
| Severance                   | 7,035                | 36,082               | 12,382               |                     |                  |

Edgar Filing: NEW YORK TIMES CO - Form 10-K

|                                |             |             |             |      |       |
|--------------------------------|-------------|-------------|-------------|------|-------|
| Non-operating retirement costs | 34,383      | 36,697      | 20,791      |      |       |
| Adjusted operating costs       | \$1,290,231 | \$1,332,271 | \$1,300,094 | (3.2 | ) 2.5 |

THE NEW YORK TIMES COMPANY – P. 31

---

Components of non-operating retirement costs <sup>(1)</sup>

| (In thousands)                                                             | Years Ended          |                      |                      | % Change<br>2015<br>vs.<br>2014 | 2014 vs.<br>2013 |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|---------------------------------|------------------|
|                                                                            | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |                                 |                  |
| Pension:                                                                   |                      |                      |                      |                                 |                  |
| Interest cost                                                              | \$84,596             | \$94,897             | \$87,817             |                                 |                  |
| Expected return on plan assets                                             | (115,261 )           | (113,839 )           | (124,250 )           |                                 |                  |
| Amortization and other costs                                               | 41,523               | 31,338               | 39,331               |                                 |                  |
| Non-operating pension costs                                                | 10,858               | 12,396               | 2,898                | (12.4 )%                        | *                |
| Other postretirement benefits:                                             |                      |                      |                      |                                 |                  |
| Interest cost                                                              | 2,794                | 3,722                | 4,101                |                                 |                  |
| Amortization and other costs                                               | 5,197                | 7,299                | 4,440                |                                 |                  |
| Non-operating other postretirement benefits costs                          | 7,991                | 11,021               | 8,541                | (27.5 )                         | 29.0             |
| Expenses associated with multiemployer pension plan withdrawal obligations | 15,534               | 13,280               | 9,352                |                                 |                  |
| Total non-operating retirement costs                                       | \$34,383             | \$36,697             | \$20,791             | (6.3 )                          | 76.5             |

<sup>(1)</sup> Components of non-operating retirement costs do not include special items

\* Represents an increase in excess of 100%



## LIQUIDITY AND CAPITAL RESOURCES

## Overview

The following table presents information about our financial position.

## Financial Position Summary

| (In thousands, except ratios)                                    | December 27,<br>2015 | December 28,<br>2014 | % Change<br>2015 vs.<br>2014 |
|------------------------------------------------------------------|----------------------|----------------------|------------------------------|
| Cash and cash equivalents                                        | \$105,776            | \$176,607            | (40.1 )                      |
| Marketable securities                                            | 798,775              | 804,563              | (0.7 )                       |
| Current portion of long-term debt and capital lease obligations  | 188,377              | 223,662              | (15.8 )                      |
| Long-term debt and capital lease obligations                     | 242,851              | 426,458              | (43.1 )                      |
| Total New York Times Company stockholders' equity                | 826,751              | 726,328              | 13.8                         |
| Ratios:                                                          |                      |                      |                              |
| Total debt and capital lease obligations to total capitalization | 34                   | % 47                 | %                            |
| Current assets to current liabilities                            | 1.53                 | 1.91                 |                              |

Our primary sources of cash inflows from operations were revenues from circulation and advertising sales. Circulation and advertising revenues provided about 54% and 40%, respectively, of total revenues in 2015. The remaining cash inflows were primarily from proceeds received from the exercise of warrants described further below and from other revenue sources such as news services/syndication, digital archives, rental income, our NYT Live business, e-commerce and the Crossword product.

Our primary sources of cash outflows were for our repayment of debt, employee compensation and benefits, stock repurchases, interest, dividend and income tax payments. We believe our cash balance and cash provided by operations, in combination with other sources of cash, will be sufficient to meet our financing needs over the next 12 months, including the repayment at maturity of approximately \$189 million aggregate principal amount of our 6.625% senior notes due in December 2016 (the "6.625% Notes").

We have continued to strengthen our liquidity position and our debt profile. As of December 27, 2015, we had cash, cash equivalents and marketable securities of \$904.6 million and total debt and capital lease obligations of \$431.2 million. Accordingly, our cash, cash equivalents and marketable securities exceeded total debt and capital lease obligations by \$473.3 million. Our cash and investment balances declined in 2015 primarily due to the repayment, at maturity, of \$223.7 million remaining under our 5.0% senior notes due in March 2015 (the "5.0% Notes") and share repurchases.

On January 14, 2015, Carlos Slim Helú, a beneficial owner of our Class A Common Stock, exercised warrants to purchase 15.9 million shares of our Class A Common Stock at a price of \$6.3572 per share, and the Company received cash proceeds of approximately \$101.1 million from this exercise. On January 13, 2015, the Board of Directors terminated an existing authorization to repurchase shares of the Company's Class A Common Stock and approved a new repurchase authorization of \$101.1 million, equal to the cash proceeds received by the Company from the warrant exercise. As of December 27, 2015, the Company had repurchased 5,511,233 Class A shares under this authorization for a cost of \$69.8 million (excluding commissions). As of February 17, 2016, repurchases under this authorization totaled \$84.9 million (excluding commissions) and \$16.2 million remained under this authorization. Our Board of Directors has authorized us to purchase shares from time to time, subject to market conditions and other factors. There is no expiration date with respect to this authorization.

We have paid quarterly dividends of \$0.04 per share on the Class A and Class B Common Stock since late 2013. We currently expect to continue to pay comparable cash dividends in the future, although changes in our dividend program will be considered by our Board of Directors in light of our earnings, capital requirements, financial condition and other factors considered relevant. In addition, the Board of Directors will consider restrictions in any existing indebtedness, such as the terms of our 6.625% Notes.

During 2015, we made contributions of approximately \$7 million to certain qualified pension plans in 2015. We expect contributions to total approximately \$8 million to satisfy minimum funding requirements in 2016.



## Capital Resources

## Sources and Uses of Cash

Cash flows provided by/(used in) by category were as follows:

| (In thousands)       | Years Ended       |                   |                   | % Change      |               |
|----------------------|-------------------|-------------------|-------------------|---------------|---------------|
|                      | December 27, 2015 | December 28, 2014 | December 29, 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| Operating activities | \$ 175,326        | \$ 80,491         | \$ 34,855         | *             | *             |
| Investing activities | \$(30,703 )       | \$( 324,717 )     | \$( 353,657 )     | (90.5 )       | (8.2 )        |
| Financing activities | \$(214,211 )      | \$( 61,386 )      | \$( 19,259 )      | *             | *             |

\* Represents an increase or decrease in excess of 100%.

## Operating Activities

Cash from operating activities is generated by cash receipts from circulation, advertising sales and other revenue. Operating cash outflows include payments for employee compensation, pension and other benefits, raw materials, interest and income taxes.

Net cash provided by operating activities increased in 2015 compared with 2014 due to an increase in operating performance, lower pension contributions and lower interest payments. During 2015, we recorded a pension settlement charge of \$40.3 million in connection with a lump-sum payment offer made to certain former employees who participated in certain qualified pension plans. The lump-sum payments were made with cash from the qualified pension plans, not with Company cash.

Net cash provided by operating activities increased in 2014 compared with 2013 due to lower income tax payments and pension-related payments partially offset by a decline in operating performance. We made estimated tax payments of approximately \$11 million in 2014 compared with approximately \$53 million in 2013, with the amount in 2013 mainly driven by the 2012 sales of our ownership interests in Indeed.com and Fenway Sports Group. We made payments to certain pension plans of approximately \$39 million (including a lump-sum payment of \$24 million in connection with a pension settlement) in 2014 compared with approximately \$74 million in 2013.

## Investing Activities

Cash from investing activities generally includes proceeds from marketable securities that have matured and the sale of assets, investments or a business. Cash used in investing activities generally includes purchases of marketable securities, payments for capital projects, restricted cash primarily subject to collateral requirements for obligations under our workers' compensation programs, acquisitions of new businesses and investments.

Net cash used in investing activities in 2015 was primarily due to maturities of marketable securities, offset by purchases of marketable securities and capital expenditures.

Net cash used in investing activities in 2014 was primarily due to purchases of marketable securities, capital expenditures and changes in restricted cash. Additionally during 2014, net cash used in investing activities included the repayment of approximately \$26 million of loans taken against the cash value of our corporate-owned life insurance policies.

Net cash used in investing activities in 2013 was primarily due to purchases of marketable securities and payments for capital expenditures, offset by proceeds from the sales of the New England Media Group and our ownership interest in Metro Boston.

Capital expenditures were \$27.0 million, \$35.4 million and \$16.9 million in 2015, 2014 and 2013, respectively.

## Financing Activities

Cash from financing activities generally includes borrowings under third-party financing arrangements, the issuance of long-term debt and funds from stock option exercises. Cash used in financing activities generally includes the repayment of amounts outstanding under third-party financing arrangements, the payment of dividends and share repurchases.

Net cash used in financing activities in 2015 was primarily related to the repayment, at maturity, of \$223.7 million remaining under our 5.0% Notes, share repurchases of \$69.3 million and dividend payments of \$26.6 million, partially offset by \$101.1 million of proceeds from the exercise of warrants.

Net cash used in financing activities in 2014 was primarily due to repurchases of \$18.4 million of our 6.625% Notes and \$20.4 million of our 5.0% Notes and dividend payments of \$24.9 million offset by proceeds from stock option exercises.

Net cash used in financing activities in 2013 was primarily due to the repurchase of \$17.4 million of our 6.625% Notes and dividend payments, offset by proceeds from stock option exercises.

See “— Third-Party Financing” below and our Consolidated Statements of Cash Flows for additional information on our sources and uses of cash.

#### Restricted Cash

We were required to maintain \$28.7 million and \$30.2 million of restricted cash as of December 27, 2015, and December 28, 2014, respectively, primarily related to certain collateral requirements for obligations under our workers' compensation programs.

#### Third-Party Financing

As of December 27, 2015, our current indebtedness included the 6.625% Notes and the repurchase option related to a sale-leaseback of a portion of our New York headquarters. See Note 6 for information regarding our total debt and capital lease obligations. See Note 8 for information regarding the fair value of our long-term debt.

#### Contractual Obligations

The information provided is based on management's best estimate and assumptions of our contractual obligations as of December 27, 2015. Actual payments in future periods may vary from those reflected in the table.

| (In thousands)                  | Payment due in |           |           |           |             |
|---------------------------------|----------------|-----------|-----------|-----------|-------------|
|                                 | Total          | 2016      | 2017-2018 | 2019-2020 | Later Years |
| Debt <sup>(1)</sup>             | \$537,858      | \$228,481 | \$54,768  | \$254,609 | \$—         |
| Capital leases <sup>(2)</sup>   | 8,901          | 552       | 1,104     | 7,245     | —           |
| Operating leases <sup>(2)</sup> | 36,680         | 11,416    | 15,114    | 5,979     | 4,171       |
| Benefit plans <sup>(3)</sup>    | 373,707        | 44,924    | 89,696    | 77,878    | 161,209     |
| Total                           | \$957,146      | \$285,373 | \$160,682 | \$345,711 | \$165,380   |

(1) Includes estimated interest payments on long-term debt. See Note 6 of the Notes to the Consolidated Financial Statements for additional information related to our debt.

(2) See Note 18 of the Notes to the Consolidated Financial Statements for additional information related to our capital and operating leases.

(3) The Company's general funding policy with respect to qualified pension plans is to contribute amounts at least sufficient to satisfy the minimum amount required by applicable law and regulations. Contributions for our qualified pension plans and future benefit payments for our unfunded pension and other postretirement benefit payments have been estimated over a 10-year period; therefore, the amounts included in the “Later Years” column only include payments for the period of 2021-2025. For our funded qualified pension plans, estimating funding depends on several variables including the performance of the plans' investments, assumptions for discount rates, expected long-term rates of return on assets, rates of compensation increases and other factors. Thus, our actual contributions could vary substantially from these estimates. While benefit payments under these plans are expected to continue beyond 2025, we have included in this table only those benefit payments estimated over the next 10 years. Benefit plans in the table above also include estimated payments for multiemployer pension plan withdrawal liabilities. See Notes 9 and 10 of the Notes to the Consolidated Financial Statements for additional information related to our pension and other postretirement benefits plans.

“Other Liabilities — Other” in our Consolidated Balance Sheets include liabilities related to (1) deferred compensation, primarily related to our deferred executive compensation plan (the “DEC”), (2) uncertain tax positions and (3) various other liabilities. These liabilities are not included in the table above primarily because the future payments are not determinable.

The DEC enables certain eligible executives to elect to defer a portion of their compensation on a pre-tax basis. The deferred amounts are invested at the executives' option in various mutual funds. The fair value of deferred

compensation is based on the mutual fund investments elected by the executives and on quoted prices in active

THE NEW YORK TIMES COMPANY – P. 35

---

markets for identical assets. The DEC has been frozen effective December 31, 2015. See Note 11 of the Notes to the Consolidated Financial Statements for additional information on “Other Liabilities — Other.”

Our liability for uncertain tax positions was approximately \$18 million, including approximately \$4 million of accrued interest and penalties as of December 27, 2015. Until formal resolutions are reached between us and the tax authorities, the timing and amount of a possible audit settlement for uncertain tax benefits is not practicable.

Therefore, we do not include this obligation in the table of contractual obligations. See Note 12 of the Notes to the Consolidated Financial Statements for additional information on “Income Taxes.”

We have a contract with Resolute, a major paper supplier, to purchase newsprint. The contract requires us to purchase annually the lesser of a fixed number of tons or a percentage of our total newsprint requirement at market rate in an arm’s length transaction. Since the quantities of newsprint purchased annually under this contract are based on our total newsprint requirement, the amount of the related payments for these purchases is excluded from the table above.

#### Off-Balance Sheet Arrangements

We did not have any material off-balance sheet arrangements as of December 27, 2015.

#### CRITICAL ACCOUNTING POLICIES

Our Consolidated Financial Statements are prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements for the periods presented.

We continually evaluate the policies and estimates we use to prepare our Consolidated Financial Statements. In general, management’s estimates are based on historical experience, information from third-party professionals and various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results may differ from those estimates made by management.

Our critical accounting policies include our accounting for goodwill, retirement benefits, income taxes and self-insurance liabilities. Specific risks related to our critical accounting policies are discussed below.

#### Goodwill

We evaluate whether there has been an impairment of goodwill on an annual basis or in an interim period if certain circumstances indicate that a possible impairment may exist.

| (In thousands)                         | December 27,<br>2015 | December 28,<br>2014 |   |
|----------------------------------------|----------------------|----------------------|---|
| Goodwill                               | \$ 109,085           | \$ 116,422           |   |
| Total assets                           | \$ 2,417,690         | \$ 2,566,474         |   |
| Percentage of goodwill to total assets | 5                    | % 5                  | % |

The impairment analysis is considered critical because of the significance of goodwill to our Consolidated Balance Sheets.

We test for goodwill impairment at the reporting unit level, which is our operating segment. We first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. The qualitative assessment includes, but is not limited to, the results of our most recent quantitative impairment test, consideration of industry, market and macroeconomic conditions, cost factors, cash flows, changes in key management personnel and our share price. The result of this assessment determines whether it is necessary to perform the goodwill impairment two-step test. For the 2015 annual impairment testing, based on our qualitative assessment, we concluded that it is more likely than not that goodwill is not impaired.

If we determine that it is more likely than not that the fair value of our reporting unit is less than its carrying value, in the first step we compare the fair value of the reporting unit with its carrying amount, including goodwill. Fair value is calculated by a combination of a discounted cash flow model and a market approach model. In calculating fair value for each reporting unit, we generally weigh the results of the discounted cash flow model more heavily than the market approach because the discounted cash flow model is specific to our business and long-term projections. If the fair value exceeds the carrying amount, goodwill is not considered impaired. If the carrying amount

exceeds the fair value, the second step must be performed to measure the amount of the impairment loss, if any. In the second step, we compare the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. An impairment loss would be recognized in an amount equal to the excess of the carrying amount of the goodwill over the implied fair value of the goodwill.

The discounted cash flow analysis requires us to make various judgments, estimates and assumptions, many of which are interdependent, about future revenues, operating margins, growth rates, capital expenditures, working capital and discount rates. The starting point for the assumptions used in our discounted cash flow analysis is the annual long-range financial forecast. The annual planning process that we undertake to prepare the long-range financial forecast takes into consideration a multitude of factors, including historical growth rates and operating performance, related industry trends, macroeconomic conditions, and marketplace data, among others. Assumptions are also made for perpetual growth rates for periods beyond the long-range financial forecast period. Our estimates of fair value are sensitive to changes in all of these variables, certain of which relate to broader macroeconomic conditions outside our control.

The market approach analysis includes applying a multiple, based on comparable market transactions, to certain operating metrics of the reporting unit.

The significant estimates and assumptions used by management in assessing the recoverability of goodwill are estimated future cash flows, discount rates, growth rates, as well as other factors. Any changes in these estimates or assumptions could result in an impairment charge. The estimates, based on reasonable and supportable assumptions and projections, require management's subjective judgment. Depending on the assumptions and estimates used, the estimated results of the impairment tests can vary within a range of outcomes.

In addition to annual testing, management uses certain indicators to evaluate whether the carrying value of our reporting unit may not be recoverable and an interim impairment test may be required. These indicators include: (1) current-period operating or cash flow declines combined with a history of operating or cash flow declines or a projection/forecast that demonstrates continuing declines in the cash flow or the inability to improve our operations to forecasted levels, (2) a significant adverse change in the business climate, whether structural or technological, (3) significant impairments and (4) a decline in our stock price and market capitalization.

Management has applied what it believes to be the most appropriate valuation methodology for its impairment testing. Additionally, management believes that the likelihood of an impairment of goodwill is remote due to the excess market capitalization relative to its net book value. See Note 4 of the Notes to the Consolidated Financial Statements.

#### Retirement Benefits

Our single-employer pension and other postretirement benefit costs and obligations are accounted for using actuarial valuations. We recognize the funded status of these plans – measured as the difference between plan assets, if funded, and the benefit obligation – on the balance sheet and recognize changes in the funded status that arise during the period but are not recognized as components of net periodic pension cost, within other comprehensive income/(loss), net of tax. The assets related to our funded pension plans are measured at fair value.

We also recognize the present value of pension liabilities associated with the withdrawal from multiemployer pension plans.

We consider accounting for retirement plans critical to our operations because management is required to make significant subjective judgments about a number of actuarial assumptions, which include discount rates, health-care cost trend rates, long-term return on plan assets and mortality rates. These assumptions may have an effect on the amount and timing of future contributions. Depending on the assumptions and estimates used, the impact from our pension and other postretirement benefits could vary within a range of outcomes and could have a material effect on our Consolidated Financial Statements.

See “— Pensions and Other Postretirement Benefits” below for more information on our retirement benefits.

#### Income Taxes

We consider accounting for income taxes critical to our operating results because management is required to make significant subjective judgments in developing our provision for income taxes, including the determination of deferred tax assets and liabilities, and any valuation allowances that may be required against deferred tax assets.





Income taxes are recognized for the following: (1) amount of taxes payable for the current year and (2) deferred tax assets and liabilities for the future tax consequence of events that have been recognized differently in the financial statements than for tax purposes. Deferred tax assets and liabilities are established using statutory tax rates and are adjusted for tax rate changes in the period of enactment.

We assess whether our deferred tax assets shall be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. Our process includes collecting positive (e.g., sources of taxable income) and negative (e.g., recent historical losses) evidence and assessing, based on the evidence, whether it is more likely than not that the deferred tax assets will not be realized.

We recognize in our financial statements the impact of a tax position if that tax position is more likely than not of being sustained on audit, based on the technical merits of the tax position. This involves the identification of potential uncertain tax positions, the evaluation of tax law and an assessment of whether a liability for uncertain tax positions is necessary. Different conclusions reached in this assessment can have a material impact on the Consolidated Financial Statements.

We operate within multiple taxing jurisdictions and are subject to audit in these jurisdictions. These audits can involve complex issues, which could require an extended period of time to resolve. Until formal resolutions are reached between us and the tax authorities, the timing and amount of a possible audit settlement for uncertain tax benefits is difficult to predict.

#### Self-Insurance

We self-insure for workers' compensation costs, automobile and general liability claims, up to certain deductible limits, as well as for certain employee medical and disability benefits. The recorded liabilities for self-insured risks are primarily calculated using actuarial methods. The liabilities include amounts for actual claims, claim growth and claims incurred but not yet reported. Actual experience, including claim frequency and severity as well as health-care inflation, could result in different liabilities than the amounts currently recorded. The recorded liabilities for self-insured risks were approximately \$41 million and \$43 million as of December 27, 2015 and December 28, 2014, respectively.

#### PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We sponsor several single-employer defined benefit pension plans, the majority of which have been frozen. We also participate in joint Company and Guild-sponsored plans covering employees who are members of The NewsGuild of New York, including The Newspaper Guild of New York - The New York Times Pension Fund, which was frozen in 2012 and replaced with a new defined benefit pension plan, The Guild-Times Adjustable Pension Plan. Our pension liability also includes our multiemployer pension plan withdrawal obligations. Our liability for postretirement obligations includes our liability to provide health benefits to eligible retired employees.

The table below includes the liability for all of these plans.

| (In thousands)                                                                  | December 27,<br>2015 | December 28,<br>2014 |   |
|---------------------------------------------------------------------------------|----------------------|----------------------|---|
| Pension and other postretirement liabilities (includes current portion)         | \$714,787            | \$728,577            |   |
| Total liabilities                                                               | \$1,589,235          | \$1,838,125          |   |
| Percentage of pension and other postretirement liabilities to total liabilities | 45                   | % 40                 | % |

#### Pension Benefits

Our Company-sponsored defined benefit pension plans include qualified plans (funded) as well as non-qualified plans (unfunded). These plans provide participating employees with retirement benefits in accordance with benefit formulas detailed in each plan. All of our non-qualified plans, which provide enhanced retirement benefits to select employees, are currently frozen, except for a foreign-based pension plan discussed below.

Our joint Company and Guild-sponsored plans are both qualified plans and are included in the table below.

We also have a foreign-based pension plan for certain non-U.S. employees (the "foreign plan"). The information for the foreign plan is combined with the information for U.S. non-qualified plans. The benefit obligation of the foreign plan is immaterial to our total benefit obligation.



The funded status of our qualified and non-qualified pension plans as of December 27, 2015 is as follows:

| (In thousands)                               | December 27, 2015 |                     |             |
|----------------------------------------------|-------------------|---------------------|-------------|
|                                              | Qualified Plans   | Non-Qualified Plans | All Plans   |
| Pension obligation                           | \$1,851,910       | \$247,087           | \$2,098,997 |
| Fair value of plan assets                    | 1,579,356         | —                   | 1,579,356   |
| Pension underfunded/unfunded obligation, net | \$(272,554)       | \$(247,087)         | \$(519,641) |

We made contributions of approximately \$7 million to certain qualified pension plans in 2015. We expect contributions to total approximately \$8 million to satisfy minimum funding requirements in 2016.

Pension expense is calculated using a number of actuarial assumptions, including an expected long-term rate of return on assets (for qualified plans) and a discount rate. Our methodology in selecting these actuarial assumptions is discussed below.

In determining the expected long-term rate of return on assets, we evaluated input from our investment consultants, actuaries and investment management firms, including our review of asset class return expectations, as well as long-term historical asset class returns. Projected returns by such consultants and economists are based on broad equity and bond indices. Our objective is to select an average rate of earnings expected on existing plan assets and expected contributions to the plan during the year. The expected long-term rate of return determined on this basis was 7.00% at the beginning of 2015. Our plan assets had an average rate of return of approximately (3.25)% in 2015 and an average annual return of approximately 5.76% over the three-year period 2013-2015. We regularly review our actual asset allocation and periodically rebalance our investments to meet our investment strategy.

The market-related value of plan assets is multiplied by the expected long-term rate of return on assets to compute the expected return on plan assets, a component of net periodic pension cost. The market-related value of plan assets is a calculated value that recognizes changes in fair value over three years.

Based on the composition of our assets at the end of the year, we estimated our 2016 expected long-term rate of return to be 7.00%, the same expected long-term rate used in 2015. If we had decreased our expected long-term rate of return on our plan assets by 50 basis points to 6.50% in 2015, pension expense would have increased by approximately \$8 million in 2015 for our qualified pension plans. Our funding requirements would not have been materially affected. We determined our discount rate using a Ryan ALM, Inc. Curve (the “Ryan Curve”). The Ryan Curve provides the bonds included in the curve and allows adjustments for certain outliers (e.g., bonds on “watch”). We believe the Ryan Curve allows us to calculate an appropriate discount rate.

To determine our discount rate, we project a cash flow based on annual accrued benefits. For active participants, the benefits under the respective pension plans are projected to the date of termination. The projected plan cash flow is discounted to the measurement date, which is the last day of our fiscal year, using the annual spot rates provided in the Ryan Curve. A single discount rate is then computed so that the present value of the benefit cash flow equals the present value computed using the Ryan Curve rates.

The weighted-average discount rate determined on this basis was 4.60% for our qualified plans and 4.40% for our non-qualified plans as of December 27, 2015.

If we had decreased the expected discount rate by 50 basis points for our qualified plans and our non-qualified plans in 2015, pension expense would have increased by approximately \$2 million as of December 27, 2015 and our pension obligation would have increased by approximately \$128 million.

We will continue to evaluate all of our actuarial assumptions, generally on an annual basis, and will adjust as necessary. Actual pension expense will depend on future investment performance, changes in future discount rates, the level of contributions we make and various other factors.

We also recognize the present value of pension liabilities associated with the withdrawal from multiemployer pension plans. Our multiemployer pension plan withdrawal liability was approximately \$124 million as of December 27, 2015. This liability represents the present value of the obligations related to complete and partial withdrawals that have already occurred as well as an estimate of future partial withdrawals that we considered



probable and reasonably estimable. For those plans that have yet to provide us with a demand letter, the actual liability will not be known until they complete a final assessment of the withdrawal liability and issue a demand to us. Therefore, the estimate of our multiemployer pension plan liability will be adjusted as more information becomes available that allows us to refine our estimates.

See Note 9 of the Notes to the Consolidated Financial Statements for additional information regarding our pension plans.

#### Other Postretirement Benefits

We provide health benefits to retired employees (and their eligible dependents) who meet the definition of an eligible participant and certain age and service requirements, as outlined in the plan document. While we offer pre-age 65 retiree medical coverage to employees who meet certain retiree medical eligibility requirements, we do not provide post-age 65 retiree medical benefits for employees who retired on or after March 1, 2009. We also contribute to a postretirement plan under the provisions of a collective bargaining agreement. We accrue the costs of postretirement benefits during the employees' active years of service and our policy is to pay our portion of insurance premiums and claims from our assets.

The annual postretirement expense was calculated using a number of actuarial assumptions, including a health-care cost trend rate and a discount rate. The health-care cost trend rate was 7.20% as of December 27, 2015. A one-percentage point change in the assumed health-care cost trend rate would result in an increase of \$0.1 million or a decrease of \$0.1 million in our 2015 service and interest costs, respectively, two factors included in the calculation of postretirement expense. A one-percentage point change in the assumed health-care cost trend rate would result in an increase of approximately \$1.8 million or a decrease of approximately \$1.5 million in our accumulated benefit obligation as of December 27, 2015. Our discount rate assumption for postretirement benefits is consistent with that used in the calculation of pension benefits. See "— Pension Benefits" above for information on our discount rate assumption.

See Note 10 of the Notes to the Consolidated Financial Statements for additional information regarding our other postretirement benefits.

#### Change in Discount Rate Methodology

For fiscal year 2016, we are changing the approach used to calculate the service and interest components of net periodic benefit cost for benefit plans to provide a more precise measurement of service and interest costs.

Historically, we calculated these service and interest components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Going forward, we have elected to utilize an approach that discounts the individual expected cash flows using the applicable spot rates derived from the yield curve over the projected cash flow period. The spot rates used to estimate 2016 service and interest costs ranged from 0.84% to 5.18%.

Based on current economic conditions, we estimate that the service cost and interest cost for our benefit plans will be reduced by approximately \$19 million in 2016 assuming no interim re-measurement of our benefit obligations. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively. This change in accounting estimate does not affect the measurement of our total benefit obligations at year end. Accordingly, this change in accounting estimate has no impact on our fiscal year ended 2015 consolidated GAAP results and will have no impact on our non-GAAP financial measures. See Notes 9 and 10 of the Notes to the Consolidated Financial Statements for more information regarding the effect of this change in accounting estimate on our pension benefits and other postretirement benefits, respectively.

#### RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 of the Notes to the Consolidated Financial Statements for information regarding recent accounting pronouncements.

#### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market risk is principally associated with the following:

We do not have interest rate risk related to our debt because, as of December 27, 2015, our portfolio does not include variable-rate debt. However, we will have fair value risk related to our fixed-rate debt if we repurchase or exchange long-term debt prior to maturity.

Newsprint is a commodity subject to supply and demand market conditions. Our equity investment in Malbaie provides a substantial hedge against price volatility. The cost of raw materials, of which newsprint expense is a major component, represented approximately 6% of our total operating costs in both 2015 and 2014. Based on the number of newsprint tons consumed in 2015 and 2014, a \$10 per ton increase in newsprint prices would have resulted in additional newsprint expense of \$1.0 million (pre-tax) in 2015 and \$1.1 million (pre-tax) in 2014, but would also result in improved performance in this joint venture investment.

The discount rate used to measure the benefit obligations for our qualified pension plans is determined by using the Ryan Curve, which provides rates for the bonds included in the curve and allows adjustments for certain outliers (e.g., bonds on “watch”). Broad equity and bond indices are used in the determination of the

- expected long-term rate of return on pension plan assets. Therefore, interest rate fluctuations and volatility of the debt and equity markets can have a significant impact on asset values, the funded status of our pension plans and future anticipated contributions. See “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Pensions and Other Postretirement Benefits.”

A significant portion of our employees are unionized and our results could be adversely affected if future labor negotiations or contracts were to further restrict our ability to maximize the efficiency of our operations. In addition, if we are unable to negotiate labor contracts on reasonable terms, or if we were to experience labor unrest or other business interruptions in connection with labor negotiations or otherwise, our ability to produce and deliver our products could be impaired.

See Notes 5, 6, 9 and 18 of the Notes to the Consolidated Financial Statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

THE NEW YORK TIMES COMPANY 2015 FINANCIAL REPORT

| INDEX                                                                                                                                            | PAGE      |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Management's Responsibility for the Financial Statements                                                                                         | <u>43</u> |
| <u>Management's Report on Internal Control Over Financial Reporting</u>                                                                          | <u>43</u> |
| <u>Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements</u>                                              | <u>44</u> |
| <u>Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting</u>                                      | <u>45</u> |
| <u>Consolidated Balance Sheets as of December 27, 2015 and December 28, 2014</u>                                                                 | <u>46</u> |
| <u>Consolidated Statements of Operations for the years ended December 27, 2015, December 28, 2014 and December 29, 2013</u>                      | <u>48</u> |
| <u>Consolidated Statements of Comprehensive Income/(Loss) for the years ended December 27, 2015, December 28, 2014 and December 29, 2013</u>     | <u>50</u> |
| <u>Consolidated Statements of Changes in Stockholders' Equity for the years ended December 27, 2015, December 28, 2014 and December 29, 2013</u> | <u>51</u> |
| <u>Consolidated Statements of Cash Flows for the years ended December 27, 2015, December 28, 2014 and December 29, 2013</u>                      | <u>52</u> |
| <u>Notes to the Consolidated Financial Statements</u>                                                                                            | <u>54</u> |
| 1. <u>Basis of Presentation</u>                                                                                                                  | <u>54</u> |
| 2. <u>Summary of Significant Accounting Policies</u>                                                                                             | <u>54</u> |
| 3. <u>Marketable Securities</u>                                                                                                                  | <u>59</u> |
| 4. <u>Goodwill</u>                                                                                                                               | <u>59</u> |
| 5. <u>Investments</u>                                                                                                                            | <u>59</u> |
| 6. <u>Debt Obligations</u>                                                                                                                       | <u>61</u> |
| 7. <u>Other</u>                                                                                                                                  | <u>62</u> |
| 8. <u>Fair Value Measurements</u>                                                                                                                | <u>63</u> |
| 9. <u>Pension Benefits</u>                                                                                                                       | <u>65</u> |
| 10. <u>Other Postretirement Benefits</u>                                                                                                         | <u>76</u> |
| 11. <u>Other Liabilities</u>                                                                                                                     | <u>79</u> |
| 12. <u>Income Taxes</u>                                                                                                                          | <u>79</u> |
| 13. <u>Discontinued Operations</u>                                                                                                               | <u>82</u> |
| 14. <u>Earnings/(Loss) Per Share</u>                                                                                                             | <u>84</u> |
| 15. <u>Stock-Based Awards</u>                                                                                                                    | <u>85</u> |
| 16. <u>Stockholders' Equity</u>                                                                                                                  | <u>87</u> |
| 17. <u>Segment Information</u>                                                                                                                   | <u>89</u> |
| 18. <u>Commitments and Contingent Liabilities</u>                                                                                                | <u>89</u> |
| <u>Schedule II – Valuation and Qualifying Accounts for the three years ended December 27, 2015</u>                                               | <u>91</u> |
| <u>Quarterly Information (Unaudited)</u>                                                                                                         | <u>92</u> |

## REPORT OF MANAGEMENT

### Management's Responsibility for the Financial Statements

The Company's consolidated financial statements were prepared by management, who is responsible for their integrity and objectivity. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and, as such, include amounts based on management's best estimates and judgments.

Management is further responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company follows and continuously monitors its policies and procedures for internal control over financial reporting to ensure that this objective is met (see "Management's Report on Internal Control Over Financial Reporting" below).

The consolidated financial statements were audited by Ernst & Young LLP, an independent registered public accounting firm, in 2015, 2014 and 2013. Its audits were conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and its report is shown on Page 44.

The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets regularly with the independent registered public accounting firm, internal auditors and management to discuss specific accounting, financial reporting and internal control matters. Both the independent registered public accounting firm and the internal auditors have full and free access to the Audit Committee. Each year the Audit Committee selects, subject to ratification by stockholders, the firm which is to perform audit and other related work for the Company.

### Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our principal executive officer and principal financial officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 27, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control — Integrated Framework (2013 framework). Based on its assessment, management concluded that the Company's internal control over financial reporting was effective as of December 27, 2015.

The Company's independent registered public accounting firm, Ernst & Young LLP, that audited the consolidated financial statements of the Company included in this Annual Report on Form 10-K, has issued an attestation report on the Company's internal control over financial reporting as of December 27, 2015, which is included on Page 45 in this Annual Report on Form 10-K.



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors and Stockholders of  
The New York Times Company  
New York, New York

We have audited the accompanying consolidated balance sheets of The New York Times Company as of December 27, 2015 and December 28, 2014, and the related consolidated statements of operations, comprehensive income/(loss), changes in stockholders' equity, and cash flows for each of the three fiscal years in the period ended December 27, 2015. Our audits also included the financial statement schedule listed at Item 15(A)(2) of The New York Times Company's 2015 Annual Report on Form 10-K. These financial statements and schedule are the responsibility of The New York Times Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The New York Times Company at December 27, 2015 and December 28, 2014, and the consolidated results of its operations and its cash flows for each of the three fiscal years in the period ended December 27, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), The New York Times Company's internal control over financial reporting as of December 27, 2015, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 24, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP  
New York, New York  
February 24, 2016

P. 44 – THE NEW YORK TIMES COMPANY

---

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Stockholders of  
The New York Times Company  
New York, New York

We have audited The New York Times Company's internal control over financial reporting as of December 27, 2015, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). The New York Times Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on The New York Times Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, The New York Times Company maintained, in all material respects, effective internal control over financial reporting as of December 27, 2015 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The New York Times Company as of December 27, 2015 and December 28, 2014, and the related consolidated statements of operations, comprehensive income/(loss), changes in stockholders' equity, and cash flows for each of the three fiscal years in the period ended December 27, 2015 and our report dated February 24, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP  
New York, New York  
February 24, 2016

## CONSOLIDATED BALANCE SHEETS

| (In thousands, except share and per share data)                                  | December 27,<br>2015 | December 28,<br>2014 |
|----------------------------------------------------------------------------------|----------------------|----------------------|
| Assets                                                                           |                      |                      |
| Current assets                                                                   |                      |                      |
| Cash and cash equivalents                                                        | \$ 105,776           | \$ 176,607           |
| Short-term marketable securities                                                 | 507,639              | 636,743              |
| Accounts receivable (net of allowances of \$13,485 in 2015 and \$12,860 in 2014) | 207,180              | 212,690              |
| Deferred income taxes                                                            | —                    | 63,640               |
| Prepaid expenses                                                                 | 19,430               | 25,635               |
| Other current assets                                                             | 22,507               | 32,780               |
| Total current assets                                                             | 862,532              | 1,148,095            |
| Long-term marketable securities                                                  | 291,136              | 167,820              |
| Investments in joint ventures                                                    | 22,815               | 22,069               |
| Property, plant and equipment:                                                   |                      |                      |
| Equipment                                                                        | 522,197              | 542,265              |
| Buildings, building equipment and improvements                                   | 642,118              | 652,220              |
| Software                                                                         | 203,879              | 208,241              |
| Land                                                                             | 105,710              | 105,710              |
| Assets in progress                                                               | 15,509               | 10,685               |
| Total, at cost                                                                   | 1,489,413            | 1,519,121            |
| Less: accumulated depreciation and amortization                                  | (856,974)            | (853,363)            |
| Property, plant and equipment, net                                               | 632,439              | 665,758              |
| Goodwill                                                                         | 109,085              | 116,422              |
| Deferred income taxes                                                            | 309,142              | 252,587              |
| Miscellaneous assets                                                             | 190,541              | 193,723              |
| Total assets                                                                     | \$ 2,417,690         | \$ 2,566,474         |
| See Notes to the Consolidated Financial Statements.                              |                      |                      |

P. 46 – THE NEW YORK TIMES COMPANY

## CONSOLIDATED BALANCE SHEETS — continued

| (In thousands, except share and per share data)                                                                                                          | December 27,<br>2015 | December 28,<br>2014 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Liabilities and stockholders' equity                                                                                                                     |                      |                      |
| Current liabilities                                                                                                                                      |                      |                      |
| Accounts payable                                                                                                                                         | \$96,082             | \$94,401             |
| Accrued payroll and other related liabilities                                                                                                            | 98,256               | 91,755               |
| Unexpired subscriptions                                                                                                                                  | 60,184               | 58,736               |
| Current portion of long-term debt and capital lease obligations                                                                                          | 188,377              | 223,662              |
| Accrued expenses                                                                                                                                         | 98,780               | 124,740              |
| Accrued income taxes                                                                                                                                     | 21,906               | 7,214                |
| Total current liabilities                                                                                                                                | 563,585              | 600,508              |
| Other liabilities                                                                                                                                        |                      |                      |
| Long-term debt and capital lease obligations                                                                                                             | 242,851              | 426,458              |
| Pension benefits obligation                                                                                                                              | 627,697              | 631,756              |
| Postretirement benefits obligation                                                                                                                       | 62,879               | 71,628               |
| Other                                                                                                                                                    | 92,223               | 107,775              |
| Total other liabilities                                                                                                                                  | 1,025,650            | 1,237,617            |
| Stockholders' equity                                                                                                                                     |                      |                      |
| Common stock of \$.10 par value:                                                                                                                         |                      |                      |
| Class A – authorized: 300,000,000 shares; issued: 2015 – 168,263,533; 2014 – 151,701,136 (including treasury shares: 2015 – 7,691,129; 2014 – 2,180,442) | 16,826               | 15,170               |
| Class B – convertible – authorized and issued shares: 2015 – 816,635; 2014 – 816,635 (including treasury shares: 2015 – none; 2014 – none)               | 82                   | 82                   |
| Additional paid-in capital                                                                                                                               | 146,348              | 39,217               |
| Retained earnings                                                                                                                                        | 1,328,744            | 1,291,907            |
| Common stock held in treasury, at cost                                                                                                                   | (156,155)            | (86,253)             |
| Accumulated other comprehensive loss, net of income taxes:                                                                                               |                      |                      |
| Foreign currency translation adjustments                                                                                                                 | 17                   | 5,705                |
| Funded status of benefit plans                                                                                                                           | (509,111)            | (539,500)            |
| Total accumulated other comprehensive loss, net of income taxes                                                                                          | (509,094)            | (533,795)            |
| Total New York Times Company stockholders' equity                                                                                                        | 826,751              | 726,328              |
| Noncontrolling interest                                                                                                                                  | 1,704                | 2,021                |
| Total stockholders' equity                                                                                                                               | 828,455              | 728,349              |
| Total liabilities and stockholders' equity                                                                                                               | \$2,417,690          | \$2,566,474          |
| See Notes to the Consolidated Financial Statements.                                                                                                      |                      |                      |

THE NEW YORK TIMES COMPANY – P. 47

## CONSOLIDATED STATEMENTS OF OPERATIONS

| (In thousands)                                                            | Years Ended          |                      |                      |
|---------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                           | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
| Revenues                                                                  |                      |                      |                      |
| Circulation                                                               | \$845,504            | \$836,822            | \$824,277            |
| Advertising                                                               | 638,709              | 662,315              | 666,687              |
| Other                                                                     | 95,002               | 89,391               | 86,266               |
| Total revenues                                                            | 1,579,215            | 1,588,528            | 1,577,230            |
| Operating costs                                                           |                      |                      |                      |
| Production costs:                                                         |                      |                      |                      |
| Raw materials                                                             | 77,176               | 88,958               | 92,886               |
| Wages and benefits                                                        | 354,516              | 357,573              | 332,085              |
| Other                                                                     | 186,120              | 197,464              | 201,942              |
| Total production costs                                                    | 617,812              | 643,995              | 626,913              |
| Selling, general and administrative costs                                 | 713,837              | 761,055              | 706,354              |
| Depreciation and amortization                                             | 61,597               | 79,455               | 78,477               |
| Total operating costs                                                     | 1,393,246            | 1,484,505            | 1,411,744            |
| Early termination charge                                                  | —                    | 2,550                | —                    |
| Pension settlement charge                                                 | 40,329               | 9,525                | 3,228                |
| Multiemployer pension plan withdrawal expense                             | 9,055                | —                    | 6,171                |
| Operating profit                                                          | 136,585              | 91,948               | 156,087              |
| Loss from joint ventures                                                  | (783)                | (8,368)              | (3,215)              |
| Interest expense, net                                                     | 39,050               | 53,730               | 58,073               |
| Income from continuing operations before income taxes                     | 96,752               | 29,850               | 94,799               |
| Income tax expense/(benefit)                                              | 33,910               | (3,541)              | 37,892               |
| Income from continuing operations                                         | 62,842               | 33,391               | 56,907               |
| Discontinued operations:                                                  |                      |                      |                      |
| Loss from discontinued operations, net of income taxes                    | —                    | —                    | (20,413)             |
| (Loss)/gain on sale, net of income taxes                                  | —                    | (1,086)              | 28,362               |
| (Loss)/income from discontinued operations, net of income taxes           | —                    | (1,086)              | 7,949                |
| Net income                                                                | 62,842               | 32,305               | 64,856               |
| Net loss attributable to the noncontrolling interest                      | 404                  | 1,002                | 249                  |
| Net income attributable to The New York Times Company common stockholders | \$63,246             | \$33,307             | \$65,105             |
| Amounts attributable to The New York Times Company common stockholders:   |                      |                      |                      |
| Income from continuing operations                                         | \$63,246             | \$34,393             | \$57,156             |
| (Loss)/income from discontinued operations, net of income taxes           | —                    | (1,086)              | 7,949                |
| Net income                                                                | \$63,246             | \$33,307             | \$65,105             |

See Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS — continued

|                                                                                            | Years Ended          |                      |                      |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| (In thousands, except per share data)                                                      | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
| Average number of common shares outstanding:                                               |                      |                      |                      |
| Basic                                                                                      | 164,390              | 150,673              | 149,755              |
| Diluted                                                                                    | 166,423              | 161,323              | 157,774              |
| Basic earnings per share attributable to The New York Times Company common stockholders:   |                      |                      |                      |
| Income from continuing operations                                                          | \$0.38               | \$0.23               | \$0.38               |
| (Loss)/income from discontinued operations, net of income taxes                            | —                    | (0.01                | ) 0.05               |
| Net income                                                                                 | \$0.38               | \$0.22               | \$0.43               |
| Diluted earnings per share attributable to The New York Times Company common stockholders: |                      |                      |                      |
| Income from continuing operations                                                          | \$0.38               | \$0.21               | \$0.36               |
| (Loss)/income from discontinued operations, net of income taxes                            | —                    | (0.01                | ) 0.05               |
| Net income                                                                                 | \$0.38               | \$0.20               | \$0.41               |
| Dividends declared per share                                                               | \$0.16               | \$0.16               | \$0.08               |
| See Notes to the Consolidated Financial Statements.                                        |                      |                      |                      |

THE NEW YORK TIMES COMPANY – P. 49

---

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

|                                                                                            | Years Ended          |                      |                      |   |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|---|
| (In thousands)                                                                             | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |   |
| Net income                                                                                 | \$62,842             | \$32,305             | \$64,856             |   |
| Other comprehensive income/(loss), before tax:                                             |                      |                      |                      |   |
| Foreign currency translation adjustments-(loss)/gain                                       | (8,803               | ) (11,006            | ) 2,613              |   |
| Unrealized gain on available-for-sale security                                             | —                    | —                    | 729                  |   |
| Pension and postretirement benefits obligation                                             | 50,579               | (206,889             | ) 180,340            |   |
| Other comprehensive income/(loss), before tax                                              | 41,776               | (217,895             | ) 183,682            |   |
| Income tax (expense)/ benefit                                                              | (16,988              | ) 86,110             | (73,165              | ) |
| Other comprehensive income/(loss), net of tax                                              | 24,788               | (131,785             | ) 110,517            |   |
| Comprehensive income/(loss)                                                                | 87,630               | (99,480              | ) 175,373            |   |
| Comprehensive income/(loss) attributable to the noncontrolling interest                    | 317                  | 1,603                | (313                 | ) |
| Comprehensive income/(loss) attributable to The New York Times Company common stockholders | \$87,947             | \$(97,877            | ) \$175,060          |   |
| See Notes to the Consolidated Financial Statements.                                        |                      |                      |                      |   |

P. 50 – THE NEW YORK TIMES COMPANY

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

| (In thousands,<br>except share and<br>per share data)            | Capital<br>Stock<br>Class A<br>and<br>Class B<br>Common | Additional<br>Paid-in<br>Capital | Retained<br>Earnings | Common<br>Stock<br>Held in<br>Treasury,<br>at Cost | Accumulated<br>Other<br>Comprehensive<br>Loss, Net of<br>Income<br>Taxes | Total<br>New York<br>Times<br>Company<br>Stockholders'<br>Equity | Non-<br>controlling<br>Interest | Total<br>Stock-<br>holders'<br>Equity |
|------------------------------------------------------------------|---------------------------------------------------------|----------------------------------|----------------------|----------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------|---------------------------------------|
| Balance, December 30,<br>2012                                    | \$ 15,109                                               | \$ 25,610                        | \$ 1,230,450         | \$ (96,278 )                                       | \$ (512,566 )                                                            | \$ 662,325                                                       | \$ 3,311                        | \$ 665,636                            |
| Net income/(loss)                                                | —                                                       | —                                | 65,105               | —                                                  | —                                                                        | 65,105                                                           | (249 )                          | 64,856                                |
| Dividends                                                        | —                                                       | —                                | (12,037 )            | —                                                  | —                                                                        | (12,037 )                                                        | —                               | (12,037 )                             |
| Other comprehensive<br>income                                    | —                                                       | —                                | —                    | —                                                  | 109,955                                                                  | 109,955                                                          | 562                             | 110,517                               |
| Issuance of shares:                                              |                                                         |                                  |                      |                                                    |                                                                          |                                                                  |                                 |                                       |
| Stock options – 914,272<br>Class A shares                        | 92                                                      | 4,994                            | —                    | —                                                  | —                                                                        | 5,086                                                            | —                               | 5,086                                 |
| Stock conversions – 324<br>Class B shares to Class A<br>shares   | —                                                       | —                                | —                    | —                                                  | —                                                                        | —                                                                | —                               | —                                     |
| Restricted stock units<br>vested – 104,054 Class A<br>shares     | 10                                                      | (756 )                           | —                    | —                                                  | —                                                                        | (746 )                                                           | —                               | (746 )                                |
| 401(k) Company stock<br>match – 303,066 Class A<br>shares        | —                                                       | (6,571 )                         | —                    | 10,025                                             | —                                                                        | 3,454                                                            | —                               | 3,454                                 |
| Stock-based compensation                                         | —                                                       | 6,813                            | —                    | —                                                  | —                                                                        | 6,813                                                            | —                               | 6,813                                 |
| Income tax benefit related<br>to share-based payments            | —                                                       | 2,955                            | —                    | —                                                  | —                                                                        | 2,955                                                            | —                               | 2,955                                 |
| Balance, December 29,<br>2013                                    | 15,211                                                  | 33,045                           | 1,283,518            | (86,253 )                                          | (402,611 )                                                               | 842,910                                                          | 3,624                           | 846,534                               |
| Net income/(loss)                                                | —                                                       | —                                | 33,307               | —                                                  | —                                                                        | 33,307                                                           | (1,002 )                        | 32,305                                |
| Dividends                                                        | —                                                       | —                                | (24,918 )            | —                                                  | —                                                                        | (24,918 )                                                        | —                               | (24,918 )                             |
| Other comprehensive loss                                         | —                                                       | —                                | —                    | —                                                  | (131,184 )                                                               | (131,184 )                                                       | (601 )                          | (131,785 )                            |
| Issuance of shares:                                              |                                                         |                                  |                      |                                                    |                                                                          |                                                                  |                                 |                                       |
| Stock options – 169,286<br>Class A shares                        | 17                                                      | 1,102                            | —                    | —                                                  | —                                                                        | 1,119                                                            | —                               | 1,119                                 |
| Stock conversions – 1,426<br>Class B shares to Class A<br>shares | —                                                       | —                                | —                    | —                                                  | —                                                                        | —                                                                | —                               | —                                     |
| Restricted stock units<br>vested – 241,607 Class A<br>shares     | 24                                                      | (2,355 )                         | —                    | —                                                  | —                                                                        | (2,331 )                                                         | —                               | (2,331 )                              |
| Stock-based compensation                                         | —                                                       | 9,480                            | —                    | —                                                  | —                                                                        | 9,480                                                            | —                               | 9,480                                 |
| Income tax shortfall<br>related to share-based<br>payments       | —                                                       | (2,055 )                         | —                    | —                                                  | —                                                                        | (2,055 )                                                         | —                               | (2,055 )                              |
| Balance, December 28,<br>2014                                    | 15,252                                                  | 39,217                           | 1,291,907            | (86,253 )                                          | (533,795 )                                                               | 726,328                                                          | 2,021                           | 728,349                               |
| Net income/(loss)                                                | —                                                       | —                                | 63,246               | —                                                  | —                                                                        | 63,246                                                           | (404 )                          | 62,842                                |
| Dividends                                                        | —                                                       | —                                | (26,409 )            | —                                                  | —                                                                        | (26,409 )                                                        | —                               | (26,409 )                             |



Edgar Filing: NEW YORK TIMES CO - Form 10-K

|                                                        |           |            |              |              |              |             |          |            |
|--------------------------------------------------------|-----------|------------|--------------|--------------|--------------|-------------|----------|------------|
| Other comprehensive income                             | —         | —          | —            | —            | 24,701       | 24,701      | 87       | 24,788     |
| Issuance of shares:                                    |           |            |              |              |              |             |          |            |
| Stock options – 341,362 Class A shares                 | 34        | 1,909      | —            | —            | —            | 1,943       | —        | 1,943      |
| Restricted stock units vested – 233,901 Class A shares | 23        | (2,207)    | )—           | —            | —            | (2,184)     | )—       | (2,184)    |
| Performance-based awards – 87,134 Class A shares       | 9         | (1,574)    | )—           | —            | —            | (1,565)     | )—       | (1,565)    |
| Warrants – 15,900,000 Class A shares                   | 1,590     | 99,474     | —            | 19           | —            | 101,083     | —        | 101,083    |
| Share Repurchases – 5,511,233 Class A shares           | —         | —          | —            | (69,921)     | )—           | (69,921)    | )—       | (69,921)   |
| Stock-based compensation                               | —         | 10,431     | —            | —            | —            | 10,431      | —        | 10,431     |
| Income tax shortfall related to share-based payments   | —         | (902)      | )—           | —            | —            | (902)       | )—       | (902)      |
| Balance, December 27, 2015                             | \$ 16,908 | \$ 146,348 | \$ 1,328,744 | \$ (156,155) | \$ (509,094) | )\$ 826,751 | \$ 1,704 | \$ 828,455 |

See Notes to the Consolidated Financial Statements.

THE NEW YORK TIMES COMPANY – P. 51

---

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| (In thousands)                                                                         | Years Ended          |                      |                      |
|----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                                        | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
| Cash flows from operating activities                                                   |                      |                      |                      |
| Net income                                                                             | \$62,842             | \$32,305             | \$64,856             |
| Adjustments to reconcile net income to net cash provided by operating activities:      |                      |                      |                      |
| Impairment of assets                                                                   | —                    | —                    | 34,300               |
| Multiemployer pension plan withdrawal expense                                          | 9,055                | —                    | 14,168               |
| Gain on insurance settlement                                                           | —                    | (1,859)              | )—                   |
| Pension settlement charge                                                              | 40,329               | 9,525                | 3,228                |
| Early termination charge                                                               | —                    | 2,550                | —                    |
| Loss/(gain) on sales of New England Media Group & About Group                          | —                    | —                    | (47,561)             |
| Depreciation and amortization                                                          | 61,597               | 79,455               | 85,477               |
| Stock-based compensation expense                                                       | 10,588               | 8,880                | 8,741                |
| Undistributed loss of joint ventures                                                   | 783                  | 10,980               | 3,619                |
| Deferred income taxes                                                                  | (10,102)             | )(10,621             | )44,102              |
| Long-term retirement benefit obligations                                               | (15,404)             | )(37,334             | )(112,133)           |
| Uncertain tax positions                                                                | 1,627                | 17,310               | 1,387                |
| Other – net                                                                            | 7,745                | 12,141               | 11,541               |
| Changes in operating assets and liabilities:                                           |                      |                      |                      |
| Accounts receivable – net                                                              | 5,510                | (10,166)             | )3,148               |
| Other current assets                                                                   | 22,141               | 507                  | 1,851                |
| Accounts payable and other liabilities                                                 | (22,833)             | )(33,911             | )(83,072)            |
| Unexpired subscriptions                                                                | 1,448                | 729                  | 1,203                |
| Net cash provided by operating activities                                              | 175,326              | 80,491               | 34,855               |
| Cash flows from investing activities                                                   |                      |                      |                      |
| Purchases of marketable securities                                                     | (818,865)            | )(777,945            | )(860,848)           |
| Maturities of marketable securities                                                    | 818,262              | 506,711              | 447,350              |
| Repayment of borrowings against cash surrender value of corporate-owned life insurance | —                    | (26,005)             | )—                   |
| Proceeds from sale of business                                                         | —                    | —                    | 68,585               |
| Proceeds from investments – net of purchases                                           | (5,068)              | )7,331               | 12,004               |
| Capital expenditures                                                                   | (26,965)             | )(35,350             | )(16,942)            |
| Proceeds from insurance settlement                                                     | —                    | 1,638                | —                    |
| Change in restricted cash                                                              | 1,521                | (1,401)              | )(3,806)             |
| Other-net                                                                              | 412                  | 304                  | —                    |
| Net cash (used in)/provided by investing activities                                    | (30,703)             | )(324,717            | )(353,657)           |
| Cash flows from financing activities                                                   |                      |                      |                      |
| Long-term obligations:                                                                 |                      |                      |                      |
| Repayment of debt and capital lease obligations                                        | (223,648)            | )(38,857             | )(19,959)            |
| Dividends paid                                                                         | (26,599)             | )(24,858             | )(6,040)             |
| Capital shares:                                                                        |                      |                      |                      |
| Stock issuances                                                                        | 103,026              | 1,120                | 5,086                |
| Repurchases                                                                            | (69,293)             | )—                   | —                    |
| Windfall tax benefit related to share-based payments                                   | 2,303                | 1,209                | 1,654                |
| Net cash used in financing activities                                                  | (214,211)            | )(61,386             | )(19,259)            |
| Net (decrease)/increase in cash and cash equivalents                                   | (69,588)             | )(305,612            | )(338,061)           |
| Effect of exchange rate changes on cash and cash equivalents                           | (1,243)              | )(526                | )316                 |

Edgar Filing: NEW YORK TIMES CO - Form 10-K

|                                                        |            |            |            |
|--------------------------------------------------------|------------|------------|------------|
| Cash and cash equivalents at the beginning of the year | 176,607    | 482,745    | 820,490    |
| Cash and cash equivalents at the end of the year       | \$ 105,776 | \$ 176,607 | \$ 482,745 |
| See Notes to the Consolidated Financial Statements.    |            |            |            |

P. 52 – THE NEW YORK TIMES COMPANY

---

SUPPLEMENTAL DISCLOSURES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash Flow Information

| (In thousands)                        | Years Ended          |                      |                      |
|---------------------------------------|----------------------|----------------------|----------------------|
|                                       | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
| Cash payments                         |                      |                      |                      |
| Interest, net of capitalized interest | \$41,449             | \$54,252             | \$54,821             |
| Income tax payment/(refunds) – net    | \$21,078             | \$21,325             | \$42,792             |

See Notes to the Consolidated Financial Statements.

Non-Cash Investing Activities

In each of 2014 and 2013, we received approximately \$7 million of the total amount held in escrow to satisfy certain indemnification provisions related to the sale of our remaining ownership interest in Indeed.com in 2012.

THE NEW YORK TIMES COMPANY – P. 53

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of Presentation

#### Nature of Operations

The New York Times Company is a global media organization that includes newspapers, print and digital products and investments (see Note 5). The New York Times Company and its consolidated subsidiaries are referred to collectively as the “Company,” “we,” “our” and “us.” Our major sources of revenue are circulation and advertising.

#### Principles of Consolidation

The accompanying Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and include the accounts of our Company and our wholly and majority-owned subsidiaries after elimination of all significant intercompany transactions.

The portion of the net income or loss and equity of a subsidiary attributable to the owners of a subsidiary other than the Company (a noncontrolling interest) is included as a component of consolidated stockholders’ equity in our Consolidated Balance Sheets, within net income or loss in our Consolidated Statements of Operations, within comprehensive income or loss in our Consolidated Statements of Comprehensive Income/(Loss) and as a component of consolidated stockholders’ equity in our Consolidated Statements of Changes in Stockholders’ Equity.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our Consolidated Financial Statements. Actual results could differ from these estimates.

#### Fiscal Year

Our fiscal year end is the last Sunday in December. Fiscal years 2015, 2014 and 2013 each comprised 52 weeks and ended on December 27, 2015, December 28, 2014, and December 29, 2013, respectively.

### 2. Summary of Significant Accounting Policies

#### Cash and Cash Equivalents

We consider all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

#### Marketable Securities

We have investments in marketable debt securities. We determine the appropriate classification of our investments at the date of purchase and reevaluate the classifications at the balance sheet date. Marketable debt securities with maturities of 12 months or less are classified as short-term. Marketable debt securities with maturities greater than 12 months are classified as long-term. We have the intent and ability to hold our marketable debt securities until maturity; therefore, they are accounted for as held-to-maturity and stated at amortized cost.

#### Concentration of Risk

Financial instruments, which potentially subject us to concentration of risk, are cash and cash equivalents and investments. Cash and cash equivalents are placed with major financial institutions. As of December 27, 2015, we had cash balances at financial institutions in excess of federal insurance limits. We periodically evaluate the credit standing of these financial institutions as part of our ongoing investment strategy.

Our investment portfolio consists of investment-grade securities diversified among security types, issuers and industries. Our cash and investments are primarily managed by third-party investment managers who are required to adhere to investment policies approved by our Board of Directors designed to mitigate risk.

#### Accounts Receivable

Credit is extended to our advertisers and our subscribers based upon an evaluation of the customer’s financial condition, and collateral is not required from such customers. Allowances for estimated credit losses, rebates, returns, rate adjustments and discounts are generally established based on historical experience.

#### Inventories

Inventories are stated at the lower of cost or current market value. Inventory cost is generally based on the last-in, first-out (“LIFO”) method for newsprint and the first-in, first-out (“FIFO”) method for other inventories.

#### Investments

Investments in which we have at least a 20%, but not more than a 50%, interest are generally accounted for under the equity method. Investment interests below 20% are generally accounted for under the cost method, except if we could exercise significant influence, the investment would be accounted for under the equity method.

We evaluate whether there has been an impairment of our cost and equity method investments annually or in an interim period if circumstances indicate that a possible impairment may exist.

#### Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed by the straight-line method over the shorter of estimated asset service lives or lease terms as follows: buildings, building equipment and improvements – 10 to 40 years; equipment – 3 to 30 years; and software – 2 to 5 years. We capitalize interest costs and certain staffing costs as part of the cost of major projects.

We evaluate whether there has been an impairment of long-lived assets, primarily property, plant and equipment, if certain circumstances indicate that a possible impairment may exist. These assets are tested for impairment at the asset group level associated with the lowest level of cash flows. An impairment exists if the carrying value of the asset (1) is not recoverable (the carrying value of the asset is greater than the sum of undiscounted cash flows) and (2) is greater than its fair value.

#### Goodwill

Goodwill is the excess of cost over the fair value of tangible and other intangible net assets acquired. Goodwill is not amortized but tested for impairment annually or in an interim period if certain circumstances indicate a possible impairment may exist. Our annual impairment testing date is the first day of our fiscal fourth quarter.

We test for goodwill impairment at the reporting unit level, which is our single operating segment. We first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. The qualitative assessment includes, but is not limited to, the results of our most recent quantitative impairment test, consideration of industry, market and macroeconomic conditions, cost factors, cash flows, changes in key management personnel and our share price. The result of this assessment determines whether it is necessary to perform the goodwill impairment two-step test. For the 2015 annual impairment testing, based on our qualitative assessment, we concluded that it is more likely than not that goodwill is not impaired.

If we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying value, in the first step, we compare the fair value of the reporting unit with its carrying amount, including goodwill. Fair value is calculated by a combination of a discounted cash flow model and a market approach model. In calculating fair value for our reporting unit, we generally weigh the results of the discounted cash flow model more heavily than the market approach because the discounted cash flow model is specific to our business and long-term projections. If the fair value exceeds the carrying amount, goodwill is not considered impaired. If the carrying amount exceeds the fair value, the second step must be performed to measure the amount of the impairment loss, if any. In the second step, we compare the implied fair value of the reporting unit’s goodwill with the carrying amount of that goodwill. An impairment loss would be recognized in an amount equal to the excess of the carrying amount of the goodwill over the implied fair value of the goodwill.

The discounted cash flow analysis requires us to make various judgments, estimates and assumptions, many of which are interdependent, about future revenues, operating margins, growth rates, capital expenditures, working capital and discount rates. The starting point for the assumptions used in our discounted cash flow analysis is the annual long-range financial forecast. The annual planning process that we undertake to prepare the long-range financial forecast takes into consideration a multitude of factors, including historical growth rates and operating performance, related industry trends, macroeconomic conditions, and marketplace data, among others. Assumptions are also made for perpetual growth rates for periods beyond the long-range financial forecast period. Our estimates of fair value are sensitive to changes in all of these variables, certain of which relate to broader macroeconomic conditions outside our control.

THE NEW YORK TIMES COMPANY – P. 55

---

The market approach analysis includes applying a multiple, based on comparable market transactions, to certain operating metrics of the reporting unit.

The significant estimates and assumptions used by management in assessing the recoverability of goodwill acquired are estimated future cash flows, discount rates, growth rates, as well as other factors. Any changes in these estimates or assumptions could result in an impairment charge. The estimates, based on reasonable and supportable assumptions and projections, require management's subjective judgment. Depending on the assumptions and estimates used, the estimated results of the impairment tests can vary within a range of outcomes.

In addition to annual testing, management uses certain indicators to evaluate whether the carrying value of our reporting unit may not be recoverable and an interim impairment test may be required. These indicators include: (1) current-period operating or cash flow declines combined with a history of operating or cash flow declines or a projection/forecast that demonstrates continuing declines in the cash flow or the inability to improve our operations to forecasted levels, (2) a significant adverse change in the business climate, whether structural or technological, (3) significant impairments and (4) a decline in our stock price and market capitalization.

Management has applied what it believes to be the most appropriate valuation methodology for its impairment testing. Additionally, management believes that the likelihood of an impairment of goodwill is remote due to the excess market capitalization relative to its net book value. See Note 4.

#### Self-Insurance

We self-insure for workers' compensation costs, automobile and general liability claims, up to certain deductible limits, as well as for certain employee medical and disability benefits. The recorded liabilities for self-insured risks are primarily calculated using actuarial methods. The liabilities include amounts for actual claims, claim growth and claims incurred but not yet reported. The recorded liabilities for self-insured risks were approximately \$41 million and \$43 million as of December 27, 2015 and December 28, 2014, respectively.

#### Pension and Other Postretirement Benefits

Our single-employer pension and other postretirement benefit costs are accounted for using actuarial valuations. We recognize the funded status of these plans – measured as the difference between plan assets, if funded, and the benefit obligation – on the balance sheet and recognize changes in the funded status that arise during the period but are not recognized as components of net periodic pension cost, within other comprehensive income/(loss), net of income taxes. The assets related to our funded pension plans are measured at fair value.

We make significant subjective judgments about a number of actuarial assumptions, which include discount rates, health-care cost trend rates, long-term return on plan assets and mortality rates. Depending on the assumptions and estimates used, the impact from our pension and other postretirement benefits could vary within a range of outcomes and could have a material effect on our Consolidated Financial Statements.

We also recognize the present value of pension liabilities associated with the withdrawal from multiemployer pension plans. We assess a liability, for obligations related to complete and partial withdrawals from multiemployer pension plans, as well as estimate obligations for future partial withdrawals that we consider probable and reasonably estimable. The actual liability is not known until each plan completes a final assessment of the withdrawal liability and issues a demand to us. Therefore, we adjust the estimate of our multiemployer pension plan liability as more information becomes available that allows us to refine our estimates.

See Notes 9 and 10 for additional information regarding pension and other postretirement benefits.

#### Revenue Recognition

Circulation revenues include single-copy and subscription revenues. Circulation revenues are based on the number of copies of the printed newspaper (through home-delivery subscriptions and single-copy sales) and digital subscriptions sold and the rates charged to the respective customers. Single-copy revenue is recognized based on date of publication, net of provisions for related returns. Proceeds from subscription revenues are deferred at the time of sale and are recognized in earnings on a pro rata basis over the terms of the subscriptions. When our digital subscriptions are sold through third parties, we are a principal in the transaction and, therefore, revenues and related costs to third parties for these sales are reported on a gross basis. Several factors are considered to determine whether we are a principal, most notably whether we are the primary obligor to the customer and have determined the selling price and product specifications.



P. 56 – THE NEW YORK TIMES COMPANY

---

Advertising revenues are recognized when advertisements are published in newspapers or placed on digital platforms or, with respect to certain digital advertising, each time a user clicks on certain advertisements, net of provisions for estimated rebates, rate adjustments and discounts.

We recognize a rebate obligation as a reduction of revenues, based on the amount of estimated rebates that will be earned and claimed, related to the underlying revenue transactions during the period. Measurement of the rebate obligation is estimated based on the historical experience of the number of customers that ultimately earn and use the rebate.

Rate adjustments primarily represent credits given to customers related to billing or production errors and discounts represent credits given to customers who pay an invoice prior to its due date. Rate adjustments and discounts are accounted for as a reduction of revenues, based on the amount of estimated rate adjustments or discounts related to the underlying revenues during the period. Measurement of rate adjustments and discount obligations are estimated based on historical experience of credits actually issued.

Other revenues are recognized when the related service or product has been delivered.

#### Income Taxes

Income taxes are recognized for the following: (1) amount of taxes payable for the current year and (2) deferred tax assets and liabilities for the future tax consequence of events that have been recognized differently in the financial statements than for tax purposes. Deferred tax assets and liabilities are established using statutory tax rates and are adjusted for tax rate changes in the period of enactment.

We assess whether our deferred tax assets should be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. Our process includes collecting positive (e.g., sources of taxable income) and negative (e.g., recent historical losses) evidence and assessing, based on the evidence, whether it is more likely than not that the deferred tax assets will not be realized.

We recognize in our financial statements the impact of a tax position if that tax position is more likely than not of being sustained on audit, based on the technical merits of the tax position. This involves the identification of potential uncertain tax positions, the evaluation of tax law and an assessment of whether a liability for uncertain tax positions is necessary. Different conclusions reached in this assessment can have a material impact on our Consolidated Financial Statements.

We operate within multiple taxing jurisdictions and are subject to audit in these jurisdictions. These audits can involve complex issues, which could require an extended period of time to resolve. Until formal resolutions are reached between us and the tax authorities, the timing and amount of a possible audit settlement for uncertain tax benefits is difficult to predict.

#### Stock-Based Compensation

We establish fair value for our stock-based awards to determine our cost and recognize the related expense over the appropriate vesting period. We recognize stock-based compensation expense for outstanding stock-settled long-term performance awards, stock-settled and cash-settled restricted stock units, stock options and stock appreciation rights. See Note 15 for additional information related to stock-based compensation expense.

#### Earnings/(Loss) Per Share

Basic earnings/(loss) per share is calculated by dividing net earnings/(loss) available to common stockholders by the weighted-average common stock outstanding. Diluted earnings/(loss) per share is calculated similarly, except that it includes the dilutive effect of the assumed exercise of securities, including outstanding warrants and the effect of shares issuable under our Company's stock-based incentive plans if such effect is dilutive.

The two-class method is an earnings allocation method for computing earnings/(loss) per share when a company's capital structure includes either two or more classes of common stock or common stock and participating securities. This method determines earnings/(loss) per share based on dividends declared on common stock and participating securities (i.e., distributed earnings), as well as participation rights of participating securities in any undistributed earnings.

### Foreign Currency Translation

The assets and liabilities of foreign companies are translated at year-end exchange rates. Results of operations are translated at average rates of exchange in effect during the year. The resulting translation adjustment is included as a separate component in the Stockholders' Equity section of our Consolidated Balance Sheets, in the caption "Accumulated other comprehensive loss, net of income taxes."

### Recent Accounting Pronouncements

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-17, "Balance Sheet Classification of Deferred Taxes," as part of its simplification initiative. The ASU requires entities to present all deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet instead of separating deferred taxes into current and noncurrent amounts. The amendments may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. Early application is permitted. The new guidance is effective for fiscal years beginning after December 31, 2017. We adopted this ASU prospectively to the relevant presentation and disclosures beginning with our fiscal year ended December 27, 2015. Prior periods have not been retrospectively adjusted.

In April 2015, the FASB issued ASU 2015-05, "Customer's Accounting for Fees Paid in Cloud Computing Arrangement," which provides guidance about whether a cloud computing arrangement includes a software license and how to account for the license under each scenario. The guidance is effective for the Company for fiscal years beginning December 28, 2015 and interim periods within those annual periods. A reporting entity may apply the guidance prospectively to all arrangements entered into or materially modified after the service effective date, or retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. We adopted this ASU prospectively beginning with our fiscal year ended December 27, 2015. The adoption of this guidance had no impact on our financial statements. Prior periods have not been retrospectively adjusted.

In April 2015, the FASB issued ASU 2015-04, "Practical Expedient for the Measurement Date of an Employers Defined Benefit Obligation and Plan Assets," which provides guidance on practical expedients with fiscal years that do not coincide with a month end. The amended guidance is effective for the Company for fiscal years beginning December 28, 2015 and interim periods within those annual periods. The amendments in the guidance should be applied prospectively. Early adoption is permitted. We adopted this ASU prospectively to the relevant presentation and disclosures beginning with our fiscal year ended December 27, 2015. Prior periods have not been retrospectively adjusted.

In April 2015, the FASB issued ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. Early application is permitted. We adopted this ASU retrospectively to the relevant presentation and disclosures as of December 27, 2015 and December 28, 2014.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers," which prescribes a single comprehensive model for entities to use in the accounting of revenue arising from contracts with customers. The new guidance will supersede virtually all existing revenue guidance under GAAP and International Financial Reporting Standards. There are two transition options available to entities: the full retrospective approach or the modified retrospective approach. Under the full retrospective approach, the Company would restate prior periods in compliance with Accounting Standards Codification 250, "Accounting Changes and Error Corrections." Alternatively, the Company may elect the modified retrospective approach, which allows for the new revenue standard to be applied to existing contracts as of the effective date and record a cumulative catch-up adjustment to retained earnings effective for fiscal years beginning after December 31, 2017, subject to finalization. Early application is permitted. We are currently in the process of evaluating the impact of the revenue guidance.

The Company considers the applicability and impact of all recently issued accounting pronouncements. Recent accounting pronouncements not specifically identified in our disclosures are either not applicable to the Company or are not expected to have a material effect on our financial condition or results of operations.



## 3. Marketable Securities

Our marketable debt securities consisted of the following:

| (In thousands)                         | December 27,<br>2015 | December 28,<br>2014 |
|----------------------------------------|----------------------|----------------------|
| Short-term marketable securities       |                      |                      |
| U.S Treasury securities                | \$184,278            | \$238,488            |
| Corporate debt securities              | 185,561              | 208,346              |
| U.S. agency securities                 | 65,222               | 32,009               |
| Municipal securities                   | 1,363                | 13,622               |
| Certificates of deposit                | 60,244               | 109,293              |
| Commercial paper                       | 10,971               | 34,985               |
| Total short-term marketable securities | \$507,639            | \$636,743            |
| Long-term marketable securities        |                      |                      |
| Corporate debt securities              | \$119,784            | \$71,191             |
| U.S. agency securities                 | 150,583              | 95,204               |
| U.S Treasury securities                | 20,769               | —                    |
| Municipal securities                   | —                    | 1,425                |
| Total long-term marketable securities  | \$291,136            | \$167,820            |

## Marketable debt securities

As of December 27, 2015, our short-term and long-term marketable securities had remaining maturities of less than 1 month to 12 months and 13 months to 35 months, respectively. See Note 8 for additional information regarding the fair value of our marketable securities.

## 4. Goodwill

The changes in the carrying amount of goodwill in 2015 and 2014 were as follows:

| (In thousands)                  | Total Company |
|---------------------------------|---------------|
| Balance as of December 29, 2013 | \$125,871     |
| Foreign currency translation    | (9,449 )      |
| Balance as of December 28, 2014 | 116,422       |
| Foreign currency translation    | (7,337 )      |
| Balance as of December 27, 2015 | \$109,085     |

The foreign currency translation line item reflects changes in goodwill resulting from fluctuating exchange rates related to the consolidation of certain international subsidiaries.

## 5. Investments

## Investments in Joint Ventures

As of December 27, 2015, our investments in joint ventures consisted of equity ownership interests in the following entities:

| Company                       | Approximate %<br>Ownership |   |
|-------------------------------|----------------------------|---|
| Donohue Malbaie Inc.          | 49                         | % |
| Madison Paper Industries      | 40                         | % |
| Women in the World Media, LLC | 30                         | % |

We have investments in Donohue Malbaie, Inc. (“Malbaie”), a Canadian newsprint company, Madison Paper Industries (“Madison”), a partnership operating a supercalendered paper mill in Maine (together, the “Paper Mills”), and Women in the World Media, LLC, a live-event conference business.

Our investments above are accounted for under the equity method, and are recorded in “Investments in joint ventures” in our Consolidated Balance Sheets. Our proportionate shares of the operating results of our investments are recorded in “Loss from joint ventures” in our Consolidated Statements of Operations and in “Investments in joint ventures” in our Consolidated Balance Sheets.

In 2015, we had a loss from joint ventures of \$0.8 million compared with a loss of \$8.4 million in 2014. The improvement reflected an impairment charge in 2014 related to our investment in Madison, as well as increased income from our investment in Malbaie, which benefited from the impact of a significantly weakened Canadian dollar. This was partially offset by losses from our investment in Madison, which continued to face declining demand for supercalendered paper and was at a competitive disadvantage to Canadian mills selling paper to the United States, which benefited from the Canadian dollar value decline.

In 2014, we had a loss from joint ventures of \$8.4 million compared with a loss of \$3.2 million in 2013. During the fourth quarter of 2014, we recognized an impairment charge of \$9.2 million for our investment in Madison. Our proportionate share of the loss was \$4.7 million after adjusting for tax and the allocation of the loss to the non-controlling interest.

In the fourth quarter of 2013, we completed the sale of the New England Media Group and our 49% equity interest in Metro Boston, and classified the results as discontinued operations for all periods presented. See Note 13 for additional information.

#### Malbaie & Madison

We have a 49% equity interest in a Canadian newsprint company, Malbaie. The other 51% is owned by Resolute FP Canada Inc., a subsidiary of Resolute Forest Products Inc. (“Resolute”), a Delaware corporation. Resolute is a large global manufacturer of paper, market pulp and wood products. Malbaie manufactures newsprint on the paper machine it owns within Resolute’s paper mill in Clermont, Quebec. Malbaie is wholly dependent upon Resolute for its pulp, which is purchased by Malbaie from Resolute’s Clermont paper mill.

Our Company and UPM-Kymmene Corporation, a Finnish paper manufacturing company, are partners through subsidiary companies in Madison. The Company’s 40% ownership of Madison is through an 80%-owned consolidated subsidiary. UPM-Kymmene owns 60% of Madison, including a 10% interest through a 20% noncontrolling interest in the consolidated subsidiary of the Company.

We received no distributions from Malbaie in 2015, \$3.9 million in 2014 and \$1.4 million in 2013.

We received no distributions from Madison in 2015, 2014, or 2013.

We purchase newsprint, and have purchased supercalendered paper, from the Paper Mills. Such purchases aggregated approximately \$12 million in 2015, \$20 million in 2014 and \$21 million in 2013. Effective February 2015, we no longer purchase supercalendered paper.

#### Cost Method Investments

The aggregate carrying amount of cost method investments included in “Miscellaneous assets” in our Consolidated Balance Sheets were \$11.9 million and \$10.0 million for December 27, 2015 and December 28, 2014, respectively.

## 6. Debt Obligations

Our current indebtedness included senior notes and the repurchase option related to a sale-leaseback of a portion of our New York headquarters. Our total debt and capital lease obligations consisted of the following:

| (In thousands, except percentages)                                             | December 27,<br>2015 | December 28,<br>2014 |
|--------------------------------------------------------------------------------|----------------------|----------------------|
| Total debt and capital lease obligations:                                      |                      |                      |
| Senior notes due in 2015                                                       |                      |                      |
| Principal amount                                                               | \$—                  | \$223,669            |
| Less unamortized discount based on imputed interest rate of 5.0%               | —                    | 7                    |
| Total senior notes due in 2015                                                 | —                    | 223,662              |
| Senior notes due in 2016                                                       |                      |                      |
| Principal amount                                                               | 189,170              | 189,170              |
| Less unamortized discount based on imputed interest rate of 6.625%             | 793                  | 1,566                |
| Total senior notes due in 2016                                                 | 188,377              | 187,604              |
| Option to repurchase ownership interest in headquarters building in 2019       |                      |                      |
| Principal amount                                                               | 250,000              | 250,000              |
| Less unamortized discount based on imputed interest rate of 13.0%              | 13,905               | 17,882               |
| Total option to repurchase ownership interest in headquarters building in 2019 | 236,095              | 232,118              |
| Capital lease obligations                                                      | 6,756                | 6,736                |
| Total debt and capital lease obligations                                       | 431,228              | 650,120              |
| Less current portion                                                           | 188,377              | 223,662              |
| Total long-term debt and capital lease obligations                             | \$242,851            | \$426,458            |

See Note 8 for information regarding the fair value of our long-term debt.

The aggregate face amount of maturities of debt over the next five years and thereafter is as follows:

| (In thousands)                                   | Amount    |
|--------------------------------------------------|-----------|
| 2016                                             | \$189,170 |
| 2017                                             | —         |
| 2018                                             | —         |
| 2019                                             | 250,000   |
| 2020                                             | —         |
| Thereafter                                       | —         |
| Total face amount of maturities                  | 439,170   |
| Less: Unamortized debt costs and discount        | (14,698)  |
| Carrying value of debt (excludes capital leases) | \$424,472 |

Interest expense, net, as shown in the accompanying Consolidated Statements of Operations was as follows:

| (In thousands)                                  | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
|-------------------------------------------------|----------------------|----------------------|----------------------|
| Interest expense                                | \$41,973             | \$51,877             | \$52,913             |
| Premium on debt repurchases                     | —                    | 2,538                | 2,127                |
| Amortization of debt costs and discount on debt | 4,756                | 4,651                | 4,548                |
| Capitalized interest                            | (338)                | (152)                | —                    |
| Interest income                                 | (7,341)              | (5,184)              | (1,515)              |
| Total interest expense, net                     | \$39,050             | \$53,730             | \$58,073             |

### 5.0% Notes

In 2005, we issued \$250.0 million aggregate principal amount of 5.0% senior unsecured notes due March 15, 2015 (“5.0% Notes”). In March 2015, we repaid, at maturity, the remaining principal amount of the 5.0% Notes. During 2014, we repurchased \$20.4 million principal amount of the 5.0% Notes and recorded a \$0.3 million pre-tax charge in connection with the repurchase. This charge is included in “Interest expense, net” in our Consolidated Statements of Operations.

### 6.625% Notes

In November 2010, we issued \$225.0 million aggregate principal amount of 6.625% senior unsecured notes due December 15, 2016 (“6.625% Notes”). During 2014, we repurchased \$18.4 million principal amount of the 6.625% Notes and recorded a \$2.2 million pre-tax charge in connection with the repurchases. During 2013, we repurchased \$17.4 million principal amount of the 6.625% Notes and recorded a \$2.1 million pre-tax charge in connection with the repurchases.

We have the option to redeem all or a portion of the 6.625% Notes, at any time, at a price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest to the redemption date plus a “make-whole” premium. The 6.625% Notes are not otherwise callable.

The 6.625% Notes are subject to certain covenants that, among other things, limit (subject to customary exceptions) our ability and the ability of our subsidiaries to:

- incur additional indebtedness and issue preferred stock;
- pay dividends or make other equity distributions;
- agree to any restrictions on the ability of our restricted subsidiaries to make payments to us;
- create liens on certain assets to secure debt;
- make certain investments;
- merge or consolidate with other companies or transfer all or substantially all of our assets; and
- engage in sale-leaseback transactions.

The Company intends to repay the 6.625% Notes in full at their maturity on December 15, 2016.

### Sale-Leaseback Financing

In March 2009, we entered into an agreement to sell and simultaneously lease back a portion of our leasehold condominium interest in our Company’s headquarters building located at 620 Eighth Avenue in New York City (the “Condo Interest”). The sale price for the Condo Interest was \$225.0 million. We have an option, exercisable in 2019, to repurchase the Condo Interest for \$250.0 million. The lease term is 15 years, and we have three renewal options that could extend the term for an additional 20 years.

The transaction is accounted for as a financing transaction. As such, we have continued to depreciate the Condo Interest and account for the rental payments as interest expense. The difference between the purchase option price of \$250.0 million and the net sale proceeds of approximately \$211 million, or approximately \$39 million, is being amortized over a 10-year period through interest expense. The effective interest rate on this transaction was approximately 13%.

### 7. Other

#### Severance Costs

We recognized severance costs of \$7.0 million in 2015, \$36.1 million in 2014 and \$12.4 million in 2013. The majority of the 2014 costs related to workforce reductions. These costs are recorded in “Selling, general and administrative costs” in our Consolidated Statements of Operations.

We had a severance liability of \$14.9 million and \$34.6 million included in “Accrued expenses and other” in our Consolidated Balance Sheets as of December 27, 2015 and December 28, 2014, respectively.



#### Pension Settlement Charges

See Note 9 for information regarding pension settlement charges.

#### Multiemployer Pension Plan Withdrawal Expense

See Note 9 for information regarding multiemployer pension plan withdrawal expense.

#### Early Termination Charge

In 2014, we recorded a \$2.6 million charge for the early termination of a distribution agreement.

#### Advertising Expenses

Advertising expenses incurred to promote our consumer and marketing services were \$83.4 million, \$89.5 million and \$86.0 million for the fiscal years ended December 27, 2015, December 28, 2014 and December 29, 2013 respectively.

#### Capitalized Computer Software Costs

Amortization of capitalized computer software costs included in “Depreciation and amortization” in our Consolidated Statements of Operations were \$11.9 million, \$29.4 million and \$27.4 million for the fiscal years ended December 27, 2015, December 28, 2014 and December 29, 2013, respectively.

#### Reserve for Uncertain Tax Positions

In 2015 and 2014, we recorded a \$2.5 million and \$21.1 million income tax benefit, respectively, primarily due to a reduction in the Company’s reserve for uncertain tax positions.

#### 8. Fair Value Measurements

Fair value is the price that would be received upon the sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. The transaction would be in the principal or most advantageous market for the asset or liability, based on assumptions that a market participant would use in pricing the asset or liability.

The fair value hierarchy consists of three levels:

Level 1 – quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – unobservable inputs for the asset or liability.

#### Assets/Liabilities Measured and Recorded at Fair Value on a Recurring Basis

As of December 27, 2015 and December 28, 2014, we had assets related to our qualified pension plans measured at fair value. The required disclosures regarding such assets are presented in Note 9.

The following table summarizes our financial liabilities measured at fair value on a recurring basis as of December 27, 2015 and December 28, 2014:

| (In thousands)        | December 27, 2015 |          |         |         | December 28, 2014 |          |         |         |
|-----------------------|-------------------|----------|---------|---------|-------------------|----------|---------|---------|
|                       | Total             | Level 1  | Level 2 | Level 3 | Total             | Level 1  | Level 2 | Level 3 |
| Deferred compensation | \$35,578          | \$35,578 | \$—     | \$—     | \$45,136          | \$45,136 | \$—     | \$—     |

The deferred compensation liability, included in “Other liabilities—Other” in our Consolidated Balance Sheets, consists of deferrals under The New York Times Company Deferred Executive Compensation Plan (the “DEC”), which enables certain eligible executives to elect to defer a portion of their compensation on a pre-tax basis. The deferred amounts are invested at the executives’ option in various mutual funds. The fair value of deferred compensation is based on the mutual fund investments elected by the executives and on quoted prices in active markets for identical assets. The DEC was frozen effective December 31, 2015.

## Assets Measured and Recorded at Fair Value on a Non-Recurring Basis

Certain non-financial assets, such as goodwill, other intangible assets, property, plant and equipment and certain investments, that were part of operations that have been classified as discontinued operations are only recorded at fair value if an impairment charge is recognized. We classified all of these measurements as Level 3, as we used unobservable inputs within the valuation methodologies that were significant to the fair value measurements, and the valuations required management's judgment due to the absence of quoted market prices. The following tables present non-financial assets that were measured and recorded at fair value on a non-recurring basis and the total impairment losses recorded during 2014 and 2013 on those assets. There was no impairment recognized in 2015.

2014

| (In thousands)                | Net Carrying      | Fair Value Measured and Recorded |         |         | Impairment Losses for  |
|-------------------------------|-------------------|----------------------------------|---------|---------|------------------------|
|                               | Value as of       | Using                            |         |         | the Year Ended         |
|                               | December 28, 2014 | Level 1                          | Level 2 | Level 3 | December 28, 2014      |
| Investments in joint ventures | \$—               | \$—                              | \$—     | \$—     | \$9,216 <sup>(1)</sup> |

(1) Impairment losses related to Madison are included within "Loss from joint ventures" for the year ended December 28, 2014. See Note 5 for additional information.

The impairment of assets in 2014 reflects the impairment of one of our investments in joint ventures, Madison. During the fourth quarter of 2014, we estimated the fair value less cost to sell of the group held for sale, using unobservable inputs (Level 3). We recorded a \$9.2 million non-cash charge in the fourth quarter of 2014. Our proportionate share of the loss was \$4.7 million after tax and adjusted for the allocation of the loss to the non-controlling interest.

2013

| (In thousands)                | Net Carrying      | Fair Value Measured and Recorded |         |         | Impairment Losses for   |
|-------------------------------|-------------------|----------------------------------|---------|---------|-------------------------|
|                               | Value as of       | Using                            |         |         | the Year Ended          |
|                               | December 29, 2013 | Level 1                          | Level 2 | Level 3 | December 29, 2013       |
| Property, plant and equipment | \$—               | \$—                              | \$—     | \$—     | \$34,300 <sup>(1)</sup> |

Impairment losses related to the New England Media Group and are included within "(Loss)/income from (1) discontinued operations, net of income taxes" for the year ended December 29, 2013. We sold the New England Media Group in the fourth quarter of 2013. See Note 13 for additional information.

The impairment of assets in 2013 reflects the impairment of fixed assets held for sale that related to the New England Media Group. During the third quarter of 2013, we estimated the fair value less cost to sell of the group held for sale, using unobservable inputs (Level 3). We recorded a \$34.3 million non-cash charge in the third quarter of 2013 for fixed assets at the New England Media Group to reduce the carrying value of fixed assets to their fair value less costs to sell.

## Financial Instruments Disclosed, But Not Reported, at Fair Value

Our marketable securities, which include U.S. Treasury securities, corporate debt securities, U.S. government agency securities, municipal securities, certificates of deposit and commercial paper, are recorded at amortized cost (see Note 3). As of December 27, 2015 and December 28, 2014, the amortized cost approximated fair value because of the short-term maturity and highly liquid nature of these investments. We classified these investments as Level 2 since the fair value estimates are based on market observable inputs for investments with similar terms and maturities.

The carrying value of our long-term debt was approximately \$236 million as of December 27, 2015 and \$420 million as of December 28, 2014. The fair value of our long-term debt was approximately \$316 million as of December 27, 2015 and \$527 million as of December 28, 2014. We estimate the fair value of our debt utilizing market quotations for debt that have quoted prices in active markets. Since our debt does not trade on a daily basis in an active market, the fair value estimates are based on market observable inputs based on borrowing rates currently available for debt with similar terms and average maturities (Level 2).

## 9. Pension Benefits

### Single-Employer Plans

We sponsor several single-employer defined benefit pension plans, the majority of which have been frozen. We also participate in joint Company and Guild-sponsored plans covering employees who are members of The News Guild of New York, including The Newspaper Guild of New York - The New York Times Pension Fund, which was frozen in 2012 and replaced with a new defined benefit pension plan, The Guild-Times Adjustable Pension Plan.

We also have a foreign-based pension plan for certain employees (the “foreign plan”). The information for the foreign plan is combined with the information for U.S. non-qualified plans. The benefit obligation of the foreign plan is immaterial to our total benefit obligation.

### Net Periodic Pension Cost

The components of net periodic pension cost were as follows:

| (In thousands)                              | December 27, 2015 |                     |           | December 28, 2014 |                     |           | December 29, 2013 |                     |           |
|---------------------------------------------|-------------------|---------------------|-----------|-------------------|---------------------|-----------|-------------------|---------------------|-----------|
|                                             | Qualified Plans   | Non-Qualified Plans | All Plans | Qualified Plans   | Non-Qualified Plans | All Plans | Qualified Plans   | Non-Qualified Plans | All Plans |
| Service cost                                | \$11,932          | \$157               | \$12,089  | \$9,543           | \$184               | \$9,727   | \$11,225          | \$1,162             | \$12,387  |
| Interest cost                               | 74,536            | 10,060              | 84,596    | 84,447            | 10,450              | 94,897    | 77,136            | 10,681              | 87,817    |
| Expected return on plan assets              | (115,261)         | —                   | (115,261) | (113,839)         | —                   | (113,839) | (124,250)         | —                   | (124,250) |
| Amortization and other costs                | 36,442            | 5,081               | 41,523    | 26,620            | 4,718               | 31,338    | 33,770            | 5,561               | 39,331    |
| Amortization of prior service (credit)/cost | (1,945 )          | —                   | (1,945 )  | (1,945 )          | —                   | (1,945 )  | (1,945 )          | —                   | (1,945 )  |
| Effect of settlement                        | 40,329            | —                   | 40,329    | —                 | 9,525               | 9,525     | —                 | 3,228               | 3,228     |
| Net periodic pension cost/(income)          | \$46,033          | \$15,298            | \$61,331  | \$4,826           | \$24,877            | \$29,703  | \$(4,064 )        | \$20,632            | \$16,568  |

As part of our strategy to reduce the pension obligations and the resulting volatility of our overall financial condition, we have offered lump-sum payments to certain former employees participating in both our qualified and non-qualified pension plans.

In the first quarter of 2015, we recorded a pension settlement charge of \$40.3 million in connection with a lump-sum payment offer made to certain former employees who participated in certain qualified pension plans. These lump-sum payments totaled \$98.3 million and were made with cash from the qualified pension plans, not with Company cash. The effect of this lump-sum payment offer was to reduce our pension obligations by \$142.8 million.

In the second quarter of 2014, we recorded a pension settlement charge of \$9.5 million in connection with a lump-sum payment offer made to certain former employees who participated in certain non-qualified pension plans. These lump-sum payments totaled \$24.0 million and were paid out of Company cash. The effect of this lump-sum payment offer was to reduce our pension obligations by \$32.0 million.

In the fourth quarter of 2013, we recorded a pension settlement charge of \$3.2 million in connection with a lump-sum payment offer made to certain former employees who participated in certain non-qualified pension plans. These lump-sum payments totaled \$10.9 million and were paid out of Company cash. The effect of this lump-sum payment offer was to reduce our pension obligations by \$12.7 million.

Other changes in plan assets and benefit obligations recognized in other comprehensive income/loss were as follows:

| (In thousands)                                                                      | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
|-------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Net actuarial loss/(gain)                                                           | \$ 31,044            | \$ 254,525           | \$ (178,088 )        |
| Amortization of loss                                                                | (41,523 )            | (30,665 )            | (39,017 )            |
| Amortization of prior service cost                                                  | 1,945                | 1,945                | 1,945                |
| Effect of curtailment                                                               | (1,264 )             | —                    | —                    |
| Effect of settlement                                                                | (40,329 )            | (9,525 )             | (3,358 )             |
| Total recognized in other comprehensive (income)/loss                               | (50,127 )            | 216,280              | (218,518 )           |
| Net periodic pension cost                                                           | 61,331               | 29,703               | 16,568               |
| Total recognized in net periodic benefit cost and other comprehensive loss/(income) | \$ 11,204            | \$ 245,983           | \$ (201,950 )        |

The estimated actuarial loss and prior service credit that will be amortized from accumulated other comprehensive loss into net periodic pension cost over the next fiscal year is approximately \$33 million and \$2 million, respectively. In the fourth quarter of 2015, the Company's ERISA Management Committee made a decision to freeze the accrual of benefits under the Retirement Annuity Plan For Craft Employees of The New York Times Companies with respect to all participants covered by a collective bargaining agreement between the Company and The New York Newspaper Printing Pressmen's Union No. 2N/1SE, effective as of the close of business on December 31, 2015. As a result, we recorded a curtailment of \$1.3 million in 2015.

The amount of cost recognized for defined contribution benefit plans was approximately \$16 million for 2015, \$17 million for 2014 and \$18 million for 2013.

## Benefit Obligation and Plan Assets

The changes in the benefit obligation and plan assets and other amounts recognized in other comprehensive income/(loss) were as follows:

| (In thousands)                                            | December 27, 2015 |                     |              | December 28, 2014 |                     |              |
|-----------------------------------------------------------|-------------------|---------------------|--------------|-------------------|---------------------|--------------|
|                                                           | Qualified Plans   | Non-Qualified Plans | All Plans    | Qualified Plans   | Non-Qualified Plans | All Plans    |
| Change in benefit obligation                              |                   |                     |              |                   |                     |              |
| Benefit obligation at beginning of year                   | \$2,101,573       | \$267,824           | \$2,369,397  | \$1,778,647       | \$262,501           | \$2,041,148  |
| Service cost                                              | 11,932            | 157                 | 12,089       | 9,543             | 184                 | 9,727        |
| Interest cost                                             | 74,536            | 10,060              | 84,596       | 84,447            | 10,450              | 94,897       |
| Plan participants' contributions                          | 20                | —                   | 20           | 26                | —                   | 26           |
| Actuarial (gain)/loss                                     | (129,187 )        | (14,372 )           | (143,559 )   | 330,224           | 36,604              | 366,828      |
| Curtailments                                              | (1,264 )          | —                   | (1,264 )     | —                 | —                   | —            |
| Lump-sum settlement paid                                  | (98,348 )         | —                   | (98,348 )    | —                 | (24,015 )           | (24,015 )    |
| Benefits paid                                             | (107,352 )        | (16,231 )           | (123,583 )   | (101,314 )        | (17,507 )           | (118,821 )   |
| Effects of change in currency conversion                  | —                 | (351 )              | (351 )       | —                 | (393 )              | (393 )       |
| Benefit obligation at end of year                         | 1,851,910         | 247,087             | 2,098,997    | 2,101,573         | 267,824             | 2,369,397    |
| Change in plan assets                                     |                   |                     |              |                   |                     |              |
| Fair value of plan assets at beginning of year            | 1,837,250         | —                   | 1,837,250    | 1,698,091         | —                   | 1,698,091    |
| Actual return on plan assets                              | (59,342 )         | —                   | (59,342 )    | 225,470           | —                   | 225,470      |
| Employer contributions                                    | 7,128             | 16,231              | 23,359       | 14,977            | 41,522              | 56,499       |
| Plan participants' contributions                          | 20                | —                   | 20           | 26                | —                   | 26           |
| Lump-sum settlement paid                                  | (98,348 )         | —                   | (98,348 )    | —                 | (24,015 )           | (24,015 )    |
| Benefits paid                                             | (107,352 )        | (16,231 )           | (123,583 )   | (101,314 )        | (17,507 )           | (118,821 )   |
| Fair value of plan assets at end of year                  | 1,579,356         | —                   | 1,579,356    | 1,837,250         | —                   | 1,837,250    |
| Net amount recognized                                     | \$(272,554 )      | \$(247,087 )        | \$(519,641 ) | \$(264,323 )      | \$(267,824 )        | \$(532,147 ) |
| Amount recognized in the Consolidated Balance Sheets      |                   |                     |              |                   |                     |              |
| Current liabilities                                       | \$—               | \$(16,043 )         | \$(16,043 )  | \$—               | \$(15,767 )         | \$(15,767 )  |
| Noncurrent liabilities                                    | (272,554 )        | (231,044 )          | (503,598 )   | (264,323 )        | (252,057 )          | (516,380 )   |
| Net amount recognized                                     | \$(272,554 )      | \$(247,087 )        | \$(519,641 ) | \$(264,323 )      | \$(267,824 )        | \$(532,147 ) |
| Amount recognized in accumulated other comprehensive loss |                   |                     |              |                   |                     |              |
| Actuarial loss                                            | \$821,648         | \$100,344           | \$921,992    | \$854,267         | \$119,797           | \$974,064    |
| Prior service credit                                      | (24,621 )         | —                   | (24,621 )    | (26,565 )         | —                   | (26,565 )    |
| Total                                                     | \$797,027         | \$100,344           | \$897,371    | \$827,702         | \$119,797           | \$947,499    |

The accumulated benefit obligation for all pension plans was \$2.09 billion and \$2.36 billion as of December 27, 2015 and December 28, 2014, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets was as follows:

| (In thousands)                 | December 27,<br>2015 | December 28,<br>2014 |
|--------------------------------|----------------------|----------------------|
| Projected benefit obligation   | \$2,098,997          | \$2,369,397          |
| Accumulated benefit obligation | \$2,092,600          | \$2,362,050          |
| Fair value of plan assets      | \$1,579,356          | \$1,837,250          |

#### Assumptions

Weighted-average assumptions used in the actuarial computations to determine benefit obligations for qualified pension plans were as follows:

|                                         | December 27,<br>2015 |   | December 28,<br>2014 |   |
|-----------------------------------------|----------------------|---|----------------------|---|
| Discount rate                           | 4.60                 | % | 4.05                 | % |
| Rate of increase in compensation levels | 2.96                 | % | 2.89                 | % |

The rate of increase in compensation levels is applicable only for qualified pension plans that have not been frozen.

Weighted-average assumptions used in the actuarial computations to determine net periodic pension cost for qualified plans were as follows:

|                                             | December 27,<br>2015 |   | December 28,<br>2014 |   | December 29,<br>2013 |   |
|---------------------------------------------|----------------------|---|----------------------|---|----------------------|---|
| Discount rate                               | 4.05                 | % | 4.90                 | % | 4.00                 | % |
| Rate of increase in compensation levels     | 2.89                 | % | 2.87                 | % | 3.50                 | % |
| Expected long-term rate of return on assets | 7.01                 | % | 7.02                 | % | 7.85                 | % |

Weighted-average assumptions used in the actuarial computations to determine benefit obligations for non-qualified plans were as follows:

|                                         | December 27,<br>2015 |   | December 28,<br>2014 |   |
|-----------------------------------------|----------------------|---|----------------------|---|
| Discount rate                           | 4.40                 | % | 3.90                 | % |
| Rate of increase in compensation levels | 2.50                 | % | 2.50                 | % |

The rate of increase in compensation levels is applicable only for the non-qualified pension plans that have not been frozen.

Weighted-average assumptions used in the actuarial computations to determine net periodic pension cost for non-qualified plans were as follows:

|                                         | December 27,<br>2015 |   | December 28,<br>2014 |   | December 29,<br>2013 |   |
|-----------------------------------------|----------------------|---|----------------------|---|----------------------|---|
| Discount rate                           | 3.90                 | % | 4.60                 | % | 3.70                 | % |
| Rate of increase in compensation levels | 2.50                 | % | 2.50                 | % | 3.00                 | % |

We determined our discount rate using a Ryan ALM, Inc. Curve (the “Ryan Curve”). The Ryan Curve provides the bonds included in the curve and allows adjustments for certain outliers (e.g., bonds on “watch”). We believe the Ryan Curve allows us to calculate an appropriate discount rate.

To determine our discount rate, we project a cash flow based on annual accrued benefits. For active participants, the benefits under the respective pension plans are projected to the date of termination. The projected plan cash flow is discounted to the measurement date, which is the last day of our fiscal year, using the annual spot rates provided in the Ryan Curve. A single discount rate is then computed so that the present value of the benefit cash flow equals the present value computed using the Ryan Curve rates.

In determining the expected long-term rate of return on assets, we evaluated input from our investment consultants, actuaries and investment management firms, including our review of asset class return expectations, as well as long-term historical asset class returns. Projected returns by such consultants and economists are based on broad equity and bond indices. Our objective is to select an average rate of earnings expected on existing plan assets and expected contributions to the plan during the year.

The market-related value of plan assets is multiplied by the expected long-term rate of return on assets to compute the expected return on plan assets, a component of net periodic pension cost. The market-related value of plan assets is a calculated value that recognizes changes in fair value over three years.

In October 2014, the Society of Actuaries (“SOA”) released new mortality tables that increased life expectancy assumptions. During the fourth quarter of 2014, we adopted the new mortality tables and revised the mortality assumptions used in determining our pension and postretirement benefit obligations. The net impact to our qualified and non-qualified pension obligations resulting from the new mortality assumptions in 2014 was an increase of \$117.0 million.

For fiscal year 2016, we are changing the approach used to calculate the service and interest components of net periodic benefit cost for benefit plans to provide a more precise measurement of service and interest costs.

Historically, we calculated these service and interest components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Going forward, we have elected to utilize an approach that discounts the individual expected cash flows using the applicable spot rates derived from the yield curve over the projected cash flow period. The spot rates used to determine service and interest costs ranged from 0.84% to 5.18%. Based on current economic conditions, we estimate that the service cost and interest cost for our pension plans will be reduced by \$18.1 million in 2016. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively.

#### Plan Assets

##### Company-Sponsored Pension Plans

The assets underlying the Company-sponsored qualified pension plans are managed by professional investment managers. These investment managers are selected and monitored by the pension investment committee, composed of certain senior executives, who are appointed by the Finance Committee of the Board of Directors of the Company. The Finance Committee is responsible for adopting our investment policy, which includes rules regarding the selection and retention of qualified advisors and investment managers. The pension investment committee is responsible for implementing and monitoring compliance with our investment policy, selecting and monitoring investment managers and communicating the investment guidelines and performance objectives to the investment managers.

Our contributions are made on a basis determined by the actuaries in accordance with the funding requirements and limitations of the Employee Retirement Income Security Act (“ERISA”) and the Internal Revenue Code.

##### Investment Policy and Strategy

The primary long-term investment objective is to allocate assets in a manner that produces a total rate of return that meets or exceeds the growth of our pension liabilities. Our plan objective is to transition the asset mix to hedge liabilities and minimize volatility in the funded status of the plans.

##### Asset Allocation Guidelines

In accordance with our asset allocation strategy, for substantially all of our Company-sponsored pension plan assets, investments are categorized into long duration fixed income investments whose value is highly correlated to that of the pension plan obligations (“Long Duration Assets”) or other investments, such as equities and high-yield





fixed income securities, whose return over time is expected to exceed the rate of growth in our pension plan obligations (“Return-Seeking Assets”).

The proportional allocation of assets between Long Duration Assets and Return-Seeking Assets is dependent on the funded status of each pension plan. Under our policy, for example, a funded status between 95% and 97.5% requires an allocation of total assets of 53% to 63% to Long Duration Assets and 37% to 47% to Return-Seeking Assets. As our funded status increases, the allocation to Long Duration Assets will increase and the allocation to Return-Seeking Assets will decrease.

The following asset allocation guidelines apply to the Return-Seeking Assets:

| Asset Category      | Percentage Range |   |    |   |
|---------------------|------------------|---|----|---|
| Public Equity       | 70%              | - | 90 | % |
| Growth Fixed Income | 0%               | - | 15 | % |
| Alternatives        | 0%               | - | 15 | % |
| Cash                | 0%               | - | 10 | % |

The asset allocations of our Company-sponsored pension plans by asset category for both Long Duration and Return-Seeking Assets, as of December 27, 2015, were as follows:

| Asset Category | Percentage |   |
|----------------|------------|---|
| Public Equity  | 45         | % |
| Fixed Income   | 51         | % |
| Alternatives   | 4          | % |
| Cash           | —          | % |

The specified target allocation of assets and ranges set forth above are maintained and reviewed on a periodic basis by the pension investment committee. The pension investment committee may direct the transfer of assets between investment managers in order to rebalance the portfolio in accordance with approved asset allocation ranges to accomplish the investment objectives for the pension plan assets.

#### P. 70 – THE NEW YORK TIMES COMPANY

---

## Fair Value of Plan Assets

The fair value of the assets underlying our Company-sponsored qualified pension plans and The Newspaper Guild of New York - The New York Times Pension Fund by asset category are as follows:

| (In thousands)                                  | Fair Value Measurement at December 27, 2015                   |                                                  |                                                    |             |
|-------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|-------------|
|                                                 | Quoted Prices<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total       |
| Asset Category <sup>(1)</sup>                   |                                                               |                                                  |                                                    |             |
| Equity Securities:                              |                                                               |                                                  |                                                    |             |
| U.S. Equities                                   | \$47,136                                                      | \$—                                              | \$—                                                | \$47,136    |
| International Equities                          | 48,834                                                        | —                                                | —                                                  | 48,834      |
| Common/Collective Funds <sup>(2)</sup>          | —                                                             | 761,812                                          | —                                                  | 761,812     |
| Fixed Income Securities:                        |                                                               |                                                  |                                                    |             |
| Corporate Bonds                                 | —                                                             | 417,554                                          | —                                                  | 417,554     |
| U.S. Treasury and Other Government Securities   | —                                                             | 119,098                                          | —                                                  | 119,098     |
| Group Annuity Contract                          | —                                                             | 57,044                                           | —                                                  | 57,044      |
| Municipal and Provincial Bonds                  | —                                                             | 36,912                                           | —                                                  | 36,912      |
| Government Sponsored Enterprises <sup>(3)</sup> | —                                                             | 6,250                                            | —                                                  | 6,250       |
| Other                                           | —                                                             | 11,511                                           | —                                                  | 11,511      |
| Cash and Cash Equivalents                       | —                                                             | 12,255                                           | —                                                  | 12,255      |
| Private Equity                                  | —                                                             | —                                                | 29,707                                             | 29,707      |
| Hedge Fund                                      | —                                                             | —                                                | 31,243                                             | 31,243      |
| Assets at Fair Value                            | \$95,970                                                      | \$1,422,436                                      | \$60,950                                           | \$1,579,356 |

(1) Includes the assets of The Guild-Times Adjustable Pension Plan and the Retirement Annuity Plan which are not part of the Master Trust.

The underlying assets of the common/collective funds are primarily comprised of equity and fixed income

(2) securities. The fair value in the above table represents our ownership share of the net asset value of the underlying funds.

(3) Represents investments that are not backed by the full faith and credit of the United States government.

| (In thousands)                                  | Fair Value Measurement at December 28, 2014                   |                                                  |                                                    | Total       |
|-------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|-------------|
|                                                 | Quoted Prices<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |             |
| Asset Category                                  |                                                               |                                                  |                                                    |             |
| Equity Securities:                              |                                                               |                                                  |                                                    |             |
| U.S. Equities                                   | \$48,640                                                      | \$—                                              | \$—                                                | \$48,640    |
| International Equities                          | 51,154                                                        | —                                                | —                                                  | 51,154      |
| Common/Collective Funds <sup>(1)</sup>          | —                                                             | 697,075                                          | —                                                  | 697,075     |
| Fixed Income Securities:                        |                                                               |                                                  |                                                    |             |
| Corporate Bonds                                 | —                                                             | 539,098                                          | —                                                  | 539,098     |
| U.S. Treasury and Other Government Securities   | —                                                             | 150,496                                          | —                                                  | 150,496     |
| Group Annuity Contract                          | —                                                             | 76,290                                           | —                                                  | 76,290      |
| Municipal and Provincial Bonds                  | —                                                             | 47,046                                           | —                                                  | 47,046      |
| Government Sponsored Enterprises <sup>(2)</sup> | —                                                             | 9,517                                            | —                                                  | 9,517       |
| Other                                           | —                                                             | 22,951                                           | —                                                  | 22,951      |
| Cash and Cash Equivalents                       | 52                                                            | 127,910                                          | —                                                  | 127,962     |
| Private Equity                                  | —                                                             | —                                                | 35,727                                             | 35,727      |
| Hedge Fund                                      | —                                                             | —                                                | 31,294                                             | 31,294      |
| Assets at Fair Value                            | \$99,846                                                      | \$1,670,383                                      | \$67,021                                           | \$1,837,250 |

(1) Includes the assets of The Guild-Times Adjustable Pension Plan and the Retirement Annuity Plan which are not part of the Master Trust.

The underlying assets of the common/collective funds are primarily comprised of equity and fixed income

(2) securities. The fair value in the above table represents our ownership share of the net asset value of the underlying funds.

(3) Represents investments that are not backed by the full faith and credit of the United States government.

#### Level 1 and Level 2 Investments

Where quoted prices are available in an active market for identical assets, such as equity securities traded on an exchange, transactions for the asset occur with such frequency that the pricing information is available on an ongoing/daily basis. We classify these types of investments as Level 1 where the fair value represents the closing/last trade price for these particular securities.

For our investments where pricing data may not be readily available, fair values are estimated by using quoted prices for similar assets, in both active and not active markets, and observable inputs, other than quoted prices, such as interest rates and credit risk. We classify these types of investments as Level 2 because we are able to reasonably estimate the fair value through inputs that are observable, either directly or indirectly. There are no restrictions on our ability to sell any of our Level 1 and Level 2 investments.

#### Level 3 Investments

Certain pension plans have investments in private equity funds and a hedge fund as of December 27, 2015 and December 28, 2014 that have been determined to be Level 3 investments, within the fair value hierarchy, because the inputs to determine fair value are considered unobservable.

The general valuation methodology used for the private equity and hedge fund of funds is the market approach. The market approach utilizes prices and other relevant information such as similar market transactions, type of security, size of the position, degree of liquidity, restrictions on the disposition, latest round of financing data, current financial position and operating results, among other factors.

As a result of the inherent limitations related to the valuations of the Level 3 investments, due to the unobservable inputs of the underlying funds, the estimated fair value may differ significantly from the values that would have been used had a market for those investments existed.



The reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) as of December 27, 2015 is as follows:

| (In thousands)                     | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) |                |          |
|------------------------------------|-------------------------------------------------------------------------|----------------|----------|
|                                    | Hedge Fund                                                              | Private Equity | Total    |
| Balance at beginning of year       | \$31,294                                                                | \$35,727       | \$67,021 |
| Actual gain/(loss) on plan assets: |                                                                         |                |          |
| Relating to assets still held      | (51                                                                     | ) (2,170       | ) (2,221 |
| Capital contribution               | —                                                                       | 1,288          | 1,288    |
| Return of Capital                  | —                                                                       | (5,138         | ) (5,138 |
| Balance at end of year             | \$31,243                                                                | \$29,707       | \$60,950 |

The reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) as of December 28, 2014 is as follows:

| (In thousands)                | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) |                |          |
|-------------------------------|-------------------------------------------------------------------------|----------------|----------|
|                               | Hedge Fund                                                              | Private Equity | Total    |
| Balance at beginning of year  | \$30,325                                                                | \$40,537       | \$70,862 |
| Actual gain on plan assets:   |                                                                         |                |          |
| Relating to assets still held | 969                                                                     | (1,775         | ) (806   |
| Capital contribution          | —                                                                       | 2,008          | 2,008    |
| Return of Capital             | —                                                                       | (5,043         | ) (5,043 |
| Balance at end of year        | \$31,294                                                                | \$35,727       | \$67,021 |

#### Cash Flows

In August 2014, the Highway and Transportation Funding Act of 2014 was enacted. The legislation extended interest rate stabilization for single-employer defined benefit pension plan funding for an additional five years. In 2015, we made contributions to qualified pension plans of \$7.1 million. We expect contributions to total approximately \$8 million to satisfy minimum funding requirements in 2016.

In January 2013, we made a contribution of approximately \$57 million to The Newspaper Guild of New York - The New York Times Pension Fund, of which \$20 million was estimated to be necessary to satisfy minimum funding requirements in 2013. Mandatory contributions to other qualified pension plans increased our total contributions to approximately \$74 million for the full year of 2013.

The following benefit payments, which reflect future service for plans that have not been frozen, are expected to be paid:

| (In thousands)           | Plans     |               | Total     |
|--------------------------|-----------|---------------|-----------|
|                          | Qualified | Non-Qualified |           |
| 2016                     | \$107,149 | \$16,360      | \$123,509 |
| 2017                     | 108,010   | 17,110        | 125,120   |
| 2018                     | 109,054   | 17,079        | 126,133   |
| 2019                     | 110,552   | 17,186        | 127,738   |
| 2020                     | 111,509   | 16,876        | 128,385   |
| 2021-2025 <sup>(1)</sup> | 581,287   | 82,427        | 663,714   |

(1) While benefit payments under these plans are expected to continue beyond 2025, we have presented in this table only those benefit payments estimated over the next 10 years.

## Multiemployer Plans

We contribute to a number of multiemployer defined benefit pension plans under the terms of various collective bargaining agreements that cover our union-represented employees. Over the past few years, certain events, such as amendments to various collective bargaining agreements and the sale of the New England Media Group, resulted in withdrawals from multiemployer pension plans. These actions, along with a reduction in covered employees, have resulted in us estimating withdrawal liabilities to the respective plans for our proportionate share of any unfunded vested benefits. In 2015 and 2013, we recorded \$9.1 million and \$6.2 million in charges for partial withdrawal obligations under multiemployer pension plans, respectively. We recorded an estimated charge for multiemployer pension plan withdrawal obligations of \$14.2 million in 2013, which includes \$8.0 million directly related to the sale of the New England Media Group. There was no such charge in 2014.

Our multiemployer pension plan withdrawal liability was approximately \$124 million as of December 27, 2015 and approximately \$116 million as of December 28, 2014. This liability represents the present value of the obligations related to complete and partial withdrawals that have already occurred as well as an estimate of future partial withdrawals that we considered probable and reasonably estimable. For those plans that have yet to provide us with a demand letter, the actual liability will not be fully known until they complete a final assessment of the withdrawal liability and issue a demand to us. Therefore, the estimate of our multiemployer pension plan liability will be adjusted as more information becomes available that allows us to refine our estimates.

The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

If we elect to withdraw from these plans or if we trigger a partial withdrawal due to declines in contribution base units or a partial cessation of our obligation to contribute, we may be assessed a withdrawal liability based on a calculated share of the underfunded status of the plan.

- If a multiemployer plan from which we have withdrawn subsequently experiences a mass withdrawal, we may be required to make additional contributions under applicable law.

Our participation in significant plans for the fiscal period ended December 27, 2015, is outlined in the table below.

The “EIN/Pension Plan Number” column provides the Employer Identification Number (“EIN”) and the three-digit plan number. The zone status is based on the latest information that we received from the plan and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (“FIP”) or a rehabilitation plan (“RP”) is either pending or has been implemented. The “Surcharge Imposed” column includes plans in a red zone status that are required to pay a surcharge in excess of regular contributions. The last column lists the expiration date(s) of the collective bargaining agreement(s) to which the plans are subject.

| Pension Fund                                              | EIN/Pension Plan Number | Pension Protection Act Zone Status |                     | FIP/RP Status Pending/Implemented | (In thousands) Contributions of the Company |         |         | Surcharge Imposed | Collective Bargaining Agreement Expiration Date |
|-----------------------------------------------------------|-------------------------|------------------------------------|---------------------|-----------------------------------|---------------------------------------------|---------|---------|-------------------|-------------------------------------------------|
|                                                           |                         | 2015                               | 2014                |                                   | 2015                                        | 2014    | 2013    |                   |                                                 |
| CWA/ITU Negotiated Pension Plan                           | 13-6212879-001          | Red as of 1/01/15                  | Red as of 1/01/14   | Implemented                       | \$543                                       | \$611   | \$663   | No                | 3/30/2016 <sup>(1)</sup>                        |
| Newspaper and Mail Deliverers' - Publishers' Pension Fund | 13-6122251-001          | Green as of 6/01/15                | Green as of 6/01/14 | N/A                               | 1,038                                       | 1,102   | 1,217   | No                | 3/30/2020 <sup>(2)</sup>                        |
| GCIU-Employer Retirement Benefit Plan                     | 91-6024903-001          | Red as of 1/01/15                  | Red as of 1/01/14   | Implemented                       | 57                                          | 58      | 124     | Yes               | 3/30/2021 <sup>(3)</sup>                        |
| Pressmen's Publishers' Pension Fund                       | 13-6121627-001          | Green as of 4/01/15                | Green as of 4/01/14 | N/A                               | 1,033                                       | 1,097   | 1,016   | No                | 3/30/2021 <sup>(4)</sup>                        |
| Paper-Handlers'-Publishers' Pension Fund                  | 13-6104795-001          | Red as of 4/01/15                  | Green as of 4/01/14 | Pending                           | 97                                          | 103     | 114     | Yes               | 3/30/2021 <sup>(5)</sup>                        |
| Contributions for individually significant plans          |                         |                                    |                     |                                   | \$2,768                                     | \$2,971 | \$3,134 |                   |                                                 |
| Contributions to other multiemployer plans                |                         |                                    |                     |                                   | —                                           | —       | 945     |                   |                                                 |
| Total Contributions                                       |                         |                                    |                     |                                   | \$2,768                                     | \$2,971 | \$4,079 |                   |                                                 |

(1) There are two collective bargaining agreements (Mailers and Typographers) requiring contributions to this plan, which both expire March 30, 2016.

Elections under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010:

(2) Extended Amortization of Net Investment Losses (IRS Section 431(b)(8)(A)) and the Expanded Smoothing Period (IRS Section 431(b)(8)(B)).

We previously had two collective bargaining agreements requiring contributions to this plan. With the sale of the New England Media Group only one collective bargaining agreement remains for the Stereotypers, which expires (3) March 30, 2021. The method for calculating actuarial value of assets was changed retroactive to January 1, 2009, as elected by the Board of Trustees and as permitted by IRS Notice 2010-83. This election includes smoothing 2008 investment losses over ten years.

The Plan sponsor elected two provisions of funding relief under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (PRA 2010) to more slowly absorb the 2008 plan year investment (4) loss, retroactively effective as of April 1, 2009. These included extended amortization under the prospective method and 10-year smoothing of the asset loss for the plan year beginning April 1, 2008.

(5) Board of Trustees elected funding relief. This election includes smoothing the March 31, 2009 investment losses over 10 years.

The rehabilitation plan for the GCIU-Employer Retirement Benefit Plan includes minimum annual contributions no less than the total annual contribution made by us from September 1, 2008 through August 31, 2009.

The Company was listed in the plans' respective Forms 5500 as providing more than 5% of the total contributions for the following plans and plan years:

Pension Fund

|                                                                                                                                                                                                                                                                  |                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                  | Year Contributions to Plan Exceeded<br>More Than 5 Percent of Total<br>Contributions (as of Plan's Year-End) |
| CWA/ITU Negotiated Pension Plan                                                                                                                                                                                                                                  | 12/31/2014 & 12/31/2013 <sup>(1)</sup>                                                                       |
| Newspaper and Mail Deliverers'-Publishers' Pension Fund                                                                                                                                                                                                          | 5/31/2014 & 5/31/2013 <sup>(1)</sup>                                                                         |
| Pressmen's Publisher's Pension Fund                                                                                                                                                                                                                              | 3/31/2015 & 3/31/2014                                                                                        |
| Paper-Handlers'-Publishers' Pension Fund                                                                                                                                                                                                                         | 3/31/2015 & 3/31/2014                                                                                        |
| (1) Forms 5500 for the plans' year ended of 12/31/15 and 5/31/15 were not available as of the date we filed our financial statements.                                                                                                                            |                                                                                                              |
| The Company received a notice and demand for payment of withdrawal liability from the Newspaper and Mail Deliverers'-Publishers' Pension Fund September 2013 and December 2014 associated with alleged partial withdrawals. See Note 18 for further information. |                                                                                                              |

THE NEW YORK TIMES COMPANY – P. 75

---



# 10. Other Postretirement Benefits

We provide health benefits to retired employees (and their eligible dependents) who meet the definition of an eligible participant and certain age and service requirements, as outlined in the plan document. While we offer pre-age 65 retiree medical coverage to employees who meet certain retiree medical eligibility requirements, we do not provide post-age 65 retiree medical benefits for employees who retired on or after March 1, 2009. We also contribute to a postretirement plan for Guild employees of The New York Times under the provisions of a collective bargaining agreement. We accrue the costs of postretirement benefits during the employees' active years of service and our policy is to pay our portion of insurance premiums and claims from our assets.

## Net Periodic Other Postretirement Benefit (Income)/Expense

The components of net periodic postretirement benefit (income)/expense were as follows:

| (In thousands)                                       | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
|------------------------------------------------------|----------------------|----------------------|----------------------|
| Service cost                                         | \$588                | \$580                | \$1,089              |
| Interest cost                                        | 2,794                | 3,722                | 4,101                |
| Amortization and other costs                         | 5,197                | 7,299                | 4,440                |
| Amortization of prior service credit                 | (9,495)              | ) (7,199)            | ) (13,051)           |
| Effect of curtailment                                | —                    | —                    | (49,122)             |
| Net periodic postretirement benefit (income)/expense | \$ (916)             | ) \$ 4,402           | ) \$ (52,543)        |

In 2013, we completed the sale of the New England Media Group, consisting of The Boston Globe, BostonGlobe.com, Boston.com, the Worcester Telegram & Gazette ("T&G"), Telegram.com and related properties. As a result of the sale, the Company recorded a \$49.1 million post-retirement curtailment gain in 2013, which is included in the gain on sale within "(Loss)/income from discontinued operations, net of income taxes" in the Consolidated Statement of Operations. This gain is primarily related to an acceleration of prior service credits from plan amendments announced in prior years, and is due to a reduction in the expected years of future Company service for employees at the New England Media Group.

In September 2014 and December 2014, the ERISA Management Committee approved certain changes to The New York Times Company Retiree Medical Plan provisions, which triggered a remeasurement under ASC 715-60, "Compensation — Retirement Benefits — Defined Benefit Plans — Other Postretirement." The changes in the plan provisions decreased obligations by \$25.5 million and the change in discount rate as of the remeasurement date increased obligations by \$3.6 million. Overall, the remeasurement decreased our obligations by \$21.9 million as reflected in other comprehensive income in our Consolidated Balance Sheets and Consolidated Statements of Comprehensive Income/(Loss).

The changes in the benefit obligations recognized in other comprehensive income/loss were as follows:

| (In thousands)                                                                                       | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
|------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Net actuarial (gain)/loss                                                                            | \$ (5,543)           | ) \$ 8,882           | ) \$ (13,500)        |
| Prior service cost/(credit)                                                                          | 1,145                | (25,489)             | ) (1,690)            |
| Amortization of loss                                                                                 | (5,197)              | ) (4,948)            | ) (4,440)            |
| Amortization of prior service credit                                                                 | 9,495                | 7,199                | 13,051               |
| Recognition of prior service credit due to curtailment                                               | —                    | —                    | 49,122               |
| Total recognized in other comprehensive (income)/loss                                                | (100)                | ) (14,356)           | ) 42,543             |
| Net periodic postretirement benefit (income)/expense                                                 | (916)                | ) 4,402              | (52,543)             |
| Total recognized in net periodic postretirement benefit income and other comprehensive (income)/loss | \$ (1,016)           | ) \$ (9,954)         | ) \$ (10,000)        |

The estimated actuarial loss and prior service credit that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next fiscal year is approximately \$4.1 million and \$8.4 million, respectively.



In connection with collective bargaining agreements, we contribute to several multiemployer welfare plans. These plans provide medical benefits to active and retired employees covered under the respective collective bargaining agreement. Contributions are made in accordance with the formula in the relevant agreement. Postretirement costs related to these plans are not reflected above and were approximately \$16 million in 2015, \$18 million in 2014 and \$20 million in 2013.

The changes in the benefit obligation and plan assets and other amounts recognized in other comprehensive income/loss were as follows:

| (In thousands)                                            | December 27,<br>2015 | December 28,<br>2014 |   |
|-----------------------------------------------------------|----------------------|----------------------|---|
| Change in benefit obligation                              |                      |                      |   |
| Benefit obligation at beginning of year                   | \$81,054             | \$100,932            |   |
| Service cost                                              | 588                  | 580                  |   |
| Interest cost                                             | 2,794                | 3,722                |   |
| Plan participants' contributions                          | 4,230                | 3,834                |   |
| Actuarial (gain)/loss                                     | (5,543               | ) 12,091             |   |
| Plan amendments                                           | 1,145                | (25,489              | ) |
| Benefits paid                                             | (13,221              | ) (14,616            | ) |
| Benefit obligation at the end of year                     | 71,047               | 81,054               |   |
| Change in plan assets                                     |                      |                      |   |
| Fair value of plan assets at beginning of year            | —                    | —                    |   |
| Employer contributions                                    | 8,991                | 10,782               |   |
| Plan participants' contributions                          | 4,230                | 3,834                |   |
| Benefits paid                                             | (13,221              | ) (14,616            | ) |
| Fair value of plan assets at end of year                  | —                    | —                    |   |
| Net amount recognized                                     | \$ (71,047           | ) \$ (81,054         | ) |
| Amount recognized in the Consolidated Balance Sheets      |                      |                      |   |
| Current liabilities                                       | \$ (8,168            | ) \$ (9,426          | ) |
| Noncurrent liabilities                                    | (62,879              | ) (71,628            | ) |
| Net amount recognized                                     | \$ (71,047           | ) \$ (81,054         | ) |
| Amount recognized in accumulated other comprehensive loss |                      |                      |   |
| Actuarial loss                                            | \$26,599             | \$37,339             |   |
| Prior service credit                                      | (41,309              | ) (51,950            | ) |
| Total                                                     | \$ (14,710           | ) \$ (14,611         | ) |

Weighted-average assumptions used in the actuarial computations to determine the postretirement benefit obligations were as follows:

|                                          | December 27,<br>2015 | December 28,<br>2014 |   |
|------------------------------------------|----------------------|----------------------|---|
| Discount rate                            | 4.04                 | % 3.61               | % |
| Estimated increase in compensation level | 3.50                 | % 3.50               | % |

Weighted-average assumptions used in the actuarial computations to determine net periodic postretirement cost were as follows:

|                                          | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |   |
|------------------------------------------|----------------------|----------------------|----------------------|---|
| Discount rate                            | 3.74                 | % 4.22               | % 3.70               | % |
| Estimated increase in compensation level | 3.50                 | % 3.50               | % 3.50               | % |

The assumed health-care cost trend rates were as follows:

|                                                                               | December 27,<br>2015 | December 28,<br>2014 |   |
|-------------------------------------------------------------------------------|----------------------|----------------------|---|
| Health-care cost trend rate                                                   | 7.20                 | % 7.20               | % |
| Rate to which the cost trend rate is assumed to decline (ultimate trend rate) | 5.00                 | % 5.00               | % |
| Year that the rate reaches the ultimate trend rate                            | 2023                 | 2023                 |   |

Because our health-care plans are capped for most participants, the assumed health-care cost trend rates do not have a significant effect on the amounts reported for the health-care plans. A one-percentage point change in assumed health-care cost trend rates would have the following effects:

|                                                                                 | One-Percentage Point |            |
|---------------------------------------------------------------------------------|----------------------|------------|
| (In thousands)                                                                  | Increase             | Decrease   |
| Effect on total service and interest cost for 2015                              | \$75                 | \$(63 )    |
| Effect on accumulated postretirement benefit obligation as of December 27, 2015 | \$1,769              | \$(1,503 ) |

The following benefit payments (net of plan participant contributions) under our Company's postretirement plans, which reflect expected future services, are expected to be paid:

| (In thousands)           | Amount  |
|--------------------------|---------|
| 2016                     | \$8,367 |
| 2017                     | 7,684   |
| 2018                     | 7,064   |
| 2019                     | 6,436   |
| 2020                     | 5,949   |
| 2021-2025 <sup>(1)</sup> | 24,015  |

(1) While benefit payments under these plans are expected to continue beyond 2025, we have presented in this table only those benefit payments estimated over the next 10 years.

We accrue the cost of certain benefits provided to former or inactive employees after employment, but before retirement. The cost is recognized only when it is probable and can be estimated. Benefits include life insurance, disability benefits and health-care continuation coverage. The accrued obligation for these benefits amounted to \$12.9 million as of December 27, 2015 and \$15.9 million as of December 28, 2014.

In October 2014, the SOA released new mortality tables that increased life expectancy assumptions. During the fourth quarter of 2014, we adopted the new mortality tables and revised the mortality assumptions used in determining our pension and postretirement benefit obligations. The net impact to our postretirement obligations resulting from the new mortality assumptions was an increase of \$4.2 million.

For fiscal year 2016, we are changing the approach used to calculate the service and interest components of net periodic benefit cost for benefit plans to provide a more precise measurement of service and interest costs. Historically, we calculated these service and interest components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Going forward, we have elected to utilize an approach that discounts the individual expected cash flows using the applicable spot rates derived from the yield curve over the projected cash flow period. The spot rates used to determine service and interest costs ranged from 0.84% to 5.18%. Based on current economic conditions, we estimate that the service cost and interest cost for our other postretirement benefit plans will be reduced by \$0.7 million in 2016. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively.

## 11. Other Liabilities

The components of the “Other Liabilities — Other” balance in our Consolidated Balance Sheets were as follows:

| (In thousands)        | December 27,<br>2015 | December 28,<br>2014 |
|-----------------------|----------------------|----------------------|
| Deferred compensation | \$35,578             | \$45,136             |
| Other liabilities     | 56,645               | 62,639               |
| Total                 | \$92,223             | \$107,775            |

Deferred compensation consists primarily of deferrals under our DEC, which has been frozen effective December 31, 2015. The DEC enabled certain eligible executives to elect to defer a portion of their compensation on a pre-tax basis. We invest deferred compensation in life insurance products designed to closely mirror the performance of the investment funds that the participants select. Our investments in life insurance products are included in “Miscellaneous assets” in our Consolidated Balance Sheets, and were \$71.9 million as of December 27, 2015 and \$72.1 million as of December 28, 2014.

Other liabilities in the preceding table primarily included our post employment liabilities as of December 27, 2015 and our contingent tax liability for uncertain tax positions as of December 28, 2014.

## 12. Income Taxes

Reconciliations between the effective tax rate on income from continuing operations before income taxes and the federal statutory rate are presented below.

|                                             | December 27, 2015 |                 | December 28, 2014 |                 | December 29, 2013 |                 |
|---------------------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| (In thousands)                              | Amount            | % of<br>Pre-tax | Amount            | % of<br>Pre-tax | Amount            | % of<br>Pre-tax |
| Tax at federal statutory rate               | \$33,863          | 35.0            | \$10,448          | 35.0            | \$33,180          | 35.0            |
| State and local taxes, net                  | 5,093             | 5.2             | 4,620             | 15.5            | 8,312             | 8.8             |
| Effect of enacted changes in tax laws       | 1,801             | 1.8             | 1,393             | 4.7             | —                 | —               |
| Reduction in uncertain tax positions        | (2,545)           | (2.6)           | (21,147)          | (70.8)          | (1,803)           | (1.9)           |
| Loss/(gain) on Company-owned life insurance | 75                | 0.1             | (1,250)           | (4.2)           | (3,673)           | (3.9)           |
| Nondeductible expense, net                  | 880               | 0.9             | 1,847             | 6.2             | 2,039             | 2.2             |
| Domestic manufacturing deduction            | (2,651)           | (2.7)           | —                 | —               | —                 | —               |
| Other, net                                  | (2,606)           | (2.7)           | 548               | 1.8             | (163)             | (0.2)           |
| Income tax expense/(benefit)                | \$33,910          | 35.0            | \$(3,541)         | (11.8)          | \$37,892          | 40.0            |

The components of income tax expense as shown in our Consolidated Statements of Operations were as follows:

| (In thousands)                       | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
|--------------------------------------|----------------------|----------------------|----------------------|
| Current tax expense/(benefit)        |                      |                      |                      |
| Federal                              | \$41,199             | \$17,397             | \$18,903             |
| Foreign                              | 485                  | 583                  | 681                  |
| State and local                      | 5,919                | (25,625)             | ) 8,371              |
| Total current tax expense/(benefit)  | 47,603               | (7,645)              | ) 27,955             |
| Deferred tax expense                 |                      |                      |                      |
| Federal                              | (14,554)             | ) 4,014              | 5,426                |
| Foreign                              | —                    | —                    | —                    |
| State and local                      | 861                  | 90                   | 4,511                |
| Total deferred tax (benefit)/expense | (13,693)             | ) 4,104              | 9,937                |
| Income tax expense/(benefit)         | \$33,910             | \$(3,541)            | ) \$37,892           |

State tax operating loss carryforwards totaled \$3.8 million as of December 27, 2015 and \$7.5 million as of December 28, 2014. Such loss carryforwards expire in accordance with provisions of applicable tax laws and have remaining lives up to 18 years.

P. 80 – THE NEW YORK TIMES COMPANY

---

The components of the net deferred tax assets and liabilities recognized in our Consolidated Balance Sheets were as follows:

| (In thousands)                                                          | December 27,<br>2015 | December 28,<br>2014 |
|-------------------------------------------------------------------------|----------------------|----------------------|
| Deferred tax assets                                                     |                      |                      |
| Retirement, postemployment and deferred compensation plans              | \$309,711            | \$320,174            |
| Accruals for other employee benefits, compensation, insurance and other | 32,731               | 42,294               |
| Accounts receivable allowances                                          | 1,690                | 1,746                |
| Net operating losses                                                    | 38,703               | 46,726               |
| Other                                                                   | 44,099               | 41,186               |
| Gross deferred tax assets                                               | 426,934              | 452,126              |
| Valuation allowance                                                     | (36,204)             | (41,136)             |
| Net deferred tax assets                                                 | \$390,730            | \$410,990            |
| Deferred tax liabilities                                                |                      |                      |
| Property, plant and equipment                                           | \$57,065             | \$64,056             |
| Intangible assets                                                       | 10,790               | 11,607               |
| Investments in joint ventures                                           | 11,694               | 13,971               |
| Other                                                                   | 2,039                | 5,129                |
| Gross deferred tax liabilities                                          | 81,588               | 94,763               |
| Net deferred tax asset                                                  | \$309,142            | \$316,227            |
| Amounts recognized in the Consolidated Balance Sheets                   |                      |                      |
| Deferred tax asset – current                                            | \$—                  | \$63,640             |
| Deferred tax asset – long-term                                          | 309,142              | 252,587              |
| Net deferred tax asset                                                  | \$309,142            | \$316,227            |

We assess whether a valuation allowance should be established against deferred tax assets based on the consideration of both positive and negative evidence using a “more likely than not” standard. In making such judgments, significant weight is given to evidence that can be objectively verified. We evaluated our deferred tax assets for recoverability using a consistent approach that considers our three-year historical cumulative income/(loss), including an assessment of the degree to which any such losses were due to items that are unusual in nature (e.g., impairments of nondeductible goodwill and intangible assets).

We had a valuation allowance totaling \$36.2 million as of December 27, 2015 and \$41.1 million as of December 28, 2014 for deferred tax assets primarily associated with net operating losses of non-U.S. operations, as we determined these assets were not realizable on a more-likely-than-not basis. In 2014, the valuation allowance was allocated in proportion to the related current and noncurrent gross deferred tax asset balances.

Income tax benefits related to the exercise or vesting of equity awards reduced current taxes payable by \$4.4 million in 2015, \$3.1 million in 2014 and \$3.4 million in 2013.

As of December 27, 2015 and December 28, 2014, “Accumulated other comprehensive loss, net of income taxes” in our Consolidated Balance Sheets and for the years then ended in our Consolidated Statements of Changes in Stockholders’ Equity was net of deferred tax assets of approximately \$353 million and \$369 million, respectively.

A reconciliation of unrecognized tax benefits is as follows:

| (In thousands)                                                 | December 27,<br>2015 | December 28,<br>2014 | December 29,<br>2013 |
|----------------------------------------------------------------|----------------------|----------------------|----------------------|
| Balance at beginning of year                                   | \$ 16,324            | \$ 46,058            | \$ 45,308            |
| Gross additions to tax positions taken during the current year | 1,151                | 2,116                | 2,249                |
| Gross additions to tax positions taken during the prior year   | 282                  | —                    | 127                  |
| Gross reductions to tax positions taken during the prior year  | (37)                 | (12,109)             | (833)                |
| Reductions from settlements with taxing authorities            | —                    | (7,114)              | —                    |
| Reductions from lapse of applicable statutes of limitations    | (3,779)              | (12,627)             | (793)                |
| Balance at end of year                                         | \$ 13,941            | \$ 16,324            | \$ 46,058            |

The total amount of unrecognized tax benefits that would, if recognized, affect the effective income tax rate was approximately \$9.2 million as of December 27, 2015 and \$10.7 million as of December 28, 2014.

We also recognize accrued interest expense and penalties related to the unrecognized tax benefits within income tax expense or benefit. The total amount of accrued interest and penalties was approximately \$4 million as of December 27, 2015 and December 28, 2014. The total amount of accrued interest and penalties was a net benefit of \$0.1 million in 2015, a net benefit of \$8.6 million in 2014 and a net detriment of \$1.7 million in 2013.

With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years prior to 2007. Management believes that our accrual for tax liabilities is adequate for all open audit years. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events.

It is reasonably possible that certain income tax examinations may be concluded, or statutes of limitation may lapse, during the next 12 months, which could result in a decrease in unrecognized tax benefits of \$4.9 million that would, if recognized, impact the effective tax rate.

### 13. Discontinued Operations

#### New England Media Group

In the fourth quarter of 2013, we completed the sale of substantially all of the assets and operating liabilities of the New England Media Group — consisting of The Boston Globe, BostonGlobe.com, Boston.com, the T&G, Telegram.com and related properties — and our 49% equity interest in Metro Boston, for approximately \$70 million in cash, subject to customary adjustments. The net after-tax proceeds from the sale, including a tax benefit, were approximately \$74 million. In 2013, we recognized a pre-tax gain of \$47.6 million on the sale (\$28.1 million after tax), which was almost entirely comprised of a curtailment gain. This curtailment gain is primarily related to an acceleration of prior service credits from retiree medical plan amendments announced in prior years, and is due to a cessation of service for employees at the New England Media Group. Post-closing adjustments in the first and fourth quarter of 2014 resulted in a loss of \$0.3 million. The results of operations of the New England Media Group have been classified as discontinued operations for all periods presented.

#### About Group

In the fourth quarter of 2012, we completed the sale of the About Group, consisting of About.com, ConsumerSearch.com, CalorieCount.com and related businesses, to IAC/InterActiveCorp. for \$300 million in cash, plus a net working capital adjustment of approximately \$17 million. In 2012, the sale resulted in a pre-tax gain of \$96.7 million (\$61.9 million after tax). The net after-tax proceeds from the sale were approximately \$291 million. In the fourth quarter of 2014, there was a legal settlement that resulted in a loss of \$0.2 million. The results of operations of the About Group, which had previously been presented as a reportable segment, have been classified as discontinued operations for all periods presented.



## Regional Media Group

In the first quarter of 2012, we completed the sale of the Regional Media Group, consisting of 16 regional newspapers, other print publications and related businesses, to Halifax Media Holdings LLC for approximately \$140 million in cash. The net after-tax proceeds from the sale, including a tax benefit, were approximately \$150 million. The sale resulted in an after-tax gain of \$23.6 million (including post-closing adjustments recorded in the second and fourth quarters of 2012 totaling \$6.6 million). In the fourth quarter of 2014, there was an environmental contingency that resulted in a loss of \$0.4 million. The results of operations for the Regional Media Group have been classified as discontinued operations for all periods presented.

The results of operations for the New England Media Group, About Group and the Regional Media Group presented as discontinued operations are summarized below for 2014.

| (In thousands)                                                  | Year ended December 28, 2014 |             |                         |            |
|-----------------------------------------------------------------|------------------------------|-------------|-------------------------|------------|
|                                                                 | New England<br>Media Group   | About Group | Regional Media<br>Group | Total      |
| Revenues                                                        | \$—                          | \$—         | \$—                     | \$—        |
| Total operating costs                                           | —                            | —           | —                       | —          |
| Multiemployer pension plan withdrawal expense                   | —                            | —           | —                       | —          |
| Impairment of assets                                            | —                            | —           | —                       | —          |
| Loss from joint ventures                                        | —                            | —           | —                       | —          |
| Interest expense, net                                           | —                            | —           | —                       | —          |
| Pre-tax income/(loss)                                           | —                            | —           | —                       | —          |
| Income tax expense/(benefit)                                    | —                            | —           | —                       | —          |
| Income/(loss) from discontinued operations, net of income taxes | —                            | —           | —                       | —          |
| Loss on sale, net of income taxes:                              |                              |             |                         |            |
| Loss on sale                                                    | (349                         | )(229       | )(397                   | )(975      |
| Income tax (benefit)/expense                                    | (127                         | )(93        | ) 331                   | 111        |
| Loss on sale, net of income taxes                               | (222                         | )(136       | )(728                   | )(1,086    |
| Loss from discontinued operations, net of income taxes          | \$ (222                      | ) \$(136    | ) \$(728                | ) \$(1,086 |

The results of operations for the New England Media Group, About Group and the Regional Media Group presented as discontinued operations are summarized below for 2013.

| (In thousands)                                                  | Year Ended December 29, 2013 |             |                      | Total     |
|-----------------------------------------------------------------|------------------------------|-------------|----------------------|-----------|
|                                                                 | New England Media Group      | About Group | Regional Media Group |           |
| Revenues                                                        | \$287,677                    | \$—         | \$—                  | \$287,677 |
| Total operating costs                                           | 281,414                      | —           | —                    | 281,414   |
| Multiemployer pension plan withdrawal expense <sup>(1)</sup>    | 7,997                        | —           | —                    | 7,997     |
| Impairment of assets <sup>(2)</sup>                             | 34,300                       | —           | —                    | 34,300    |
| Loss from joint ventures                                        | (240)                        | )—          | —                    | (240)     |
| Interest expense, net                                           | 9                            | —           | —                    | 9         |
| Pre-tax loss                                                    | (36,283)                     | )—          | —                    | (36,283)  |
| Income tax benefit <sup>(3)</sup>                               | (13,373)                     | ) (2,497    | )—                   | (15,870)  |
| (Loss)/income from discontinued operations, net of income taxes | (22,910)                     | ) 2,497     | —                    | (20,413)  |
| Gain/(loss) on sale, net of income taxes:                       |                              |             |                      |           |
| Gain on sale <sup>(4)</sup>                                     | 47,561                       | 419         | —                    | 47,980    |
| Income tax expense                                              | 19,457                       | 161         | —                    | 19,618    |
| Gain on sale, net of income taxes                               | 28,104                       | 258         | —                    | 28,362    |
| Income from discontinued operations, net of income taxes        | \$5,194                      | \$2,755     | \$—                  | \$7,949   |

(1) The multiemployer pension plan withdrawal expense in 2013 is related to estimated charges for complete or partial withdrawal obligations under multiemployer pension plans triggered by the sale of the New England Media Group.

(2) Included in impairment of assets in 2013 is the impairment of fixed assets related to the New England Media Group.

(3) The income tax benefit for the About Group in 2013 is related to a change in prior period estimated tax expense.

(4) Included in the gain on sale in 2013 is a \$49.1 million post-retirement curtailment gain related to the New England Media Group.

Included in impairment of assets in 2013 is the impairment of fixed assets held for sale that related to the New England Media Group. During the third quarter of 2013, we estimated the fair value less cost to sell of the group held for sale, using unobservable inputs (Level 3). We recorded a \$34.3 million non-cash charge in the third quarter of 2013 for fixed assets at the New England Media Group to reduce the carrying value of fixed assets to their fair value less cost to sell.

#### 14. Earnings/(Loss) Per Share

We compare earnings/(loss) per share using a two-class method, an earnings allocation method used when a company's capital structure includes two or more classes of common stock or common stock and participating securities. This method determines earnings/(loss) per share based on dividends declared on common stock and participating securities (i.e., distributed earnings), as well as participation rights of participating securities in any undistributed earnings.

Earnings/(loss) per share is computed using both basic and diluted shares. The difference between basic and diluted shares is that diluted shares include the dilutive effect of the assumed exercise of outstanding securities. Our stock options, stock-settled long-term performance awards and restricted stock units could have the most significant impact on diluted shares. The increase in our basic shares is due to the exercise of warrants in January 2015, partially offset by repurchases of the Company's Class A Common Stock.

Securities that could potentially be dilutive are excluded from the computation of diluted earnings per share when a loss from continuing operations exists or when the exercise price exceeds the market value of our Class A Common Stock, because their inclusion would result in an anti-dilutive effect on per share amounts.

The number of stock options that was excluded from the computation of diluted earnings per share because they were anti-dilutive was approximately 5 million in 2015, 6 million in 2014 and 10 million in 2013, respectively.

P. 84 – THE NEW YORK TIMES COMPANY

---

## 15. Stock-Based Awards

As of December 27, 2015, the Company was authorized to grant stock-based compensation under its 2010 Incentive Compensation Plan (the “2010 Incentive Plan”), which became effective April 27, 2010 and was amended and restated effective April 30, 2014. The 2010 Incentive Plan replaced the 1991 Executive Stock Incentive Plan (the “1991 Incentive Plan”). In addition, through April 30, 2014, the Company maintained its 2004 Non-Employee Directors’ Stock Incentive Plan (the “2004 Directors’ Plan”).

In 2013, the Company redesigned its long-term incentive compensation program, eliminating annual grants of time-based stock options and restricted stock units and long-term performance awards payable solely in cash for executives. In their place, executives have the opportunity to earn cash and shares of Class A Common Stock at the end of three-year performance cycles based in part on the achievement of financial goals tied to a financial metric and in part on stock price performance relative to companies in the Standard & Poor’s 500 Stock Index, with the majority of the target award to be settled in the Company’s Class A Common Stock.

We recognize stock-based compensation expense for these stock-settled long-term performance awards, as well as stock-settled restricted stock units, stock options and stock appreciation rights (together, “Stock-Based Awards”).

Stock-based compensation expense was \$10.6 million in 2015, \$8.9 million in 2014 and \$8.8 million in 2013.

Stock-based compensation expense is recognized over the period from the date of grant to the date when the award is no longer contingent on the employee providing additional service. Awards under the 1991 Incentive Plan and 2010 Incentive Plan generally vest over a stated vesting period or, with respect to awards granted prior to December 28, 2014, upon the retirement of an employee or director, as the case may be.

Prior to 2012, under our 2004 Directors’ Plan, each non-employee director of the Company received annual grants of non-qualified stock options with 10-year terms to purchase 4,000 shares of Class A Common Stock from the Company at the average market price of such shares on the date of grants. These grants were replaced with annual grants of cash-settled phantom stock units in 2012, and, accordingly, no grants of stock options have since been made under this plan. Under its terms, the 2004 Directors’ Plan terminated as of April 30, 2014.

In 2015, the annual grants of phantom stock units were replaced with annual grants of restricted stock units, granted under the 2010 Incentive Plan. Restricted stock units are awarded on the date of the annual meeting of stockholders and vest on the date of the subsequent year’s annual meeting, with the shares delivered upon a director’s cessation of membership on the Board of Directors. Each non-employee director is credited with additional restricted stock units with a value equal to the amount of all dividends paid on the Company’s Class A Common Stock.

Our pool of excess tax benefits (“APIC Pool”) available to absorb tax deficiencies was approximately \$25 million as of December 27, 2015.

### Stock Options

The 1991 Incentive Plan provided, and the 2010 Incentive Plan provides for grants of both incentive and non-qualified stock options at an exercise price equal to the fair market value (as defined in each plan, respectively) of our Class A Common Stock on the date of grant. Stock options have generally been granted with a 3-year vesting period and a 10-year term and vest in equal annual installments. Due to a change in the Company’s long-term incentive compensation, no grants of stock options were made in 2015, 2014 or 2013.

The 2004 Directors’ Plan provided for grants of stock options to non-employee directors at an exercise price equal to the fair market value (as defined in the 2004 Directors’ Plan) of our Class A Common Stock on the date of grant. Prior to 2012, stock options were granted with a 1-year vesting period and a 10-year term. No grants of stock options were made in 2015, 2014 or 2013. Our Company’s directors are considered employees for purposes of stock-based compensation.

Changes in our Company's stock options in 2015 were as follows:

| (Shares in thousands)                     | December 27, 2015 |                                          | Weighted<br>Average<br>Remaining<br>Contractual<br>Term<br>(Years) | Aggregate<br>Intrinsic<br>Value<br>\$(000s) |
|-------------------------------------------|-------------------|------------------------------------------|--------------------------------------------------------------------|---------------------------------------------|
|                                           | Options           | Weighted<br>Average<br>Exercise<br>Price |                                                                    |                                             |
| Options outstanding at beginning of year  | 8,170             | \$ 18                                    | 3                                                                  | \$ 16,234                                   |
| Granted                                   | —                 | —                                        |                                                                    |                                             |
| Exercised                                 | (341)             | ) 6                                      |                                                                    |                                             |
| Forfeited/Expired                         | (1,439)           | ) 27                                     |                                                                    |                                             |
| Options outstanding at end of period      | 6,390             | \$ 16                                    | 3                                                                  | \$ 13,938                                   |
| Options expected to vest at end of period | 6,390             | \$ 16                                    | 3                                                                  | \$ 13,938                                   |
| Options exercisable at end of period      | 6,390             | \$ 16                                    | 3                                                                  | \$ 13,938                                   |

The total intrinsic value for stock options exercised was \$2.7 million in 2015, \$1.5 million in 2014 and \$5.3 million in 2013.

The fair value of the stock options granted was estimated on the date of grant using a Black-Scholes valuation model that uses the following assumptions. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected life (estimated period of time outstanding) of stock options granted was determined using the average of the vesting period and term. Expected volatility was based on historical volatility for a period equal to the stock option's expected life, ending on the date of grant, and calculated on a monthly basis. Dividend yield was based on expected Company dividends, if applicable on the date of grant. The fair value for stock options granted with different vesting periods and on different dates is calculated separately. There were no stock option grants in 2015, 2014 or 2013.

#### Restricted Stock Units

The 1991 Incentive Plan provided, and the 2010 Incentive Plan provides for grants of other stock-based awards, including restricted stock units.

Outstanding stock-settled restricted stock units have been granted with a stated vesting period up to 5 years. Each restricted stock unit represents our obligation to deliver to the holder one share of Class A Common Stock upon vesting. The fair value of stock-settled restricted stock units is the average market price on the grant date. Changes in our Company's stock-settled restricted stock units in 2015 were as follows:

| (Shares in thousands)                                                           | December 27, 2015            |                                                 |
|---------------------------------------------------------------------------------|------------------------------|-------------------------------------------------|
|                                                                                 | Restricted<br>Stock<br>Units | Weighted<br>Average<br>Grant-Date<br>Fair Value |
| Unvested stock-settled restricted stock units at beginning of period            | 1,059                        | \$ 10                                           |
| Granted                                                                         | 574                          | 14                                              |
| Vested                                                                          | (386)                        | ) 8                                             |
| Forfeited                                                                       | (88)                         | ) 13                                            |
| Unvested stock-settled restricted stock units at end of period                  | 1,159                        | \$ 13                                           |
| Unvested stock-settled restricted stock units expected to vest at end of period | 1,064                        | \$ 13                                           |

The intrinsic value of stock-settled restricted stock units vested was \$5.5 million in 2015, \$5.8 million in 2014 and \$1.9 million in 2013.

### Long-Term Incentive Compensation

The 1991 Incentive Plan provided, and the 2010 Incentive Plan provides, for grants of cash and stock-settled awards to key executives payable at the end of a multi-year performance period.

Cash-settled awards have been granted with three-year performance periods and are based on the achievement of specified financial performance measures. Cash-settled awards have been classified as a liability because we incurred a liability payable in cash. There were payments of approximately \$3 million in 2015, \$1 million in 2014 and \$9 million in 2013.

Stock-settled awards have been granted with three-year performance periods and are based on relative Total Shareholder Return ("TSR"), which is calculated at stock appreciation plus deemed reinvested dividends and another performance measure. Stock-settled awards are payable in Class A Common Stock and are classified within equity. The fair value of TSR awards is determined at the date of grant using a market calculation simulation. The fair value of awards under the other performance measure is determined by the average market price on the grant date.

Compensation expense for TSR-based awards is recognized based on the fair value on grant date. Compensation expense for the other performance measure is based on the expected number of shares or cash to be delivered as of each reporting date.

### Unrecognized Compensation Expense

As of December 27, 2015, unrecognized compensation expense related to the unvested portion of our Stock-Based Awards was approximately \$15.7 million and is expected to be recognized over a weighted-average period of 1.58 years.

### Reserved Shares

We generally issue shares for the exercise of stock options and stock-settled restricted stock units from unissued reserved shares.

Shares of Class A Common Stock reserved for issuance were as follows:

| (Shares in thousands)                                                                    | December 27,<br>2015 | December 28,<br>2014 |
|------------------------------------------------------------------------------------------|----------------------|----------------------|
| Stock options, stock-settled restricted stock units and stock-settled performance awards |                      |                      |
| Stock options and stock-settled restricted stock units                                   | 7,549                | 9,228                |
| Stock-settled performance awards <sup>(1)</sup>                                          | 3,531                | 2,827                |
| Outstanding                                                                              | 11,080               | 12,055               |
| Available                                                                                | 7,282                | 8,408                |
| Employee Stock Purchase Plan <sup>(2)</sup>                                              |                      |                      |
| Available                                                                                | 6,410                | 6,410                |
| 401(k) Company stock match <sup>(3)</sup>                                                |                      |                      |
| Available                                                                                | 3,045                | 3,045                |
| Total Outstanding                                                                        | 11,080               | 12,055               |
| Total Available                                                                          | 16,737               | 17,863               |

The number of shares actually earned at the end of the multi-year performance period will vary, based on actual (1) performance, from 0% to 200% of the target number of performance awards granted. The maximum number of shares that could be issued is included in the table above.

(2) We have not had an offering under the Employee Stock Purchase Plan since 2010.

(3) Effective 2014, we no longer offer a Company stock match under the Company's 401(k) plan.

## 16. Stockholders' Equity

Shares of our Company's Class A and Class B Common Stock are entitled to equal participation in the event of liquidation and in dividend declarations. The Class B Common Stock is convertible at the holders' option on a share-for-share basis into Class A Common Stock. Upon conversion, the previously outstanding shares of Class B Common Stock that were converted are automatically and immediately retired, resulting in a reduction of authorized Class B Common Stock. As provided for in our Company's Certificate of Incorporation, the Class A Common Stock has limited voting rights, including the right to elect 30% of the Board of Directors, and the Class A and Class B Common Stock have the right to vote together on the reservation of our Company shares for stock options and other stock-based plans, on the ratification of the selection of a registered public accounting firm and, in certain circumstances, on acquisitions of the stock or assets of other companies. Otherwise, except as provided by the laws of the State of New York, all voting power is vested solely and exclusively in the holders of the Class B Common Stock. There were 816,635 shares as of December 27, 2015 and December 28, 2014 of Class B Common Stock issued and outstanding that may be converted into shares of Class A Common Stock.

The Adolph Ochs family trust holds approximately 90% of the Class B Common Stock and, as a result, 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.

On January 14, 2015, Carlos Slim Helú, a beneficial owner of our Class A Common Stock, exercised warrants to purchase 15.9 million shares of our Class A Common Stock at a price of \$6.3572 per share, and the Company received cash proceeds of approximately \$101.1 million from this exercise. On January 13, 2015, the Board of Directors terminated an existing authorization to repurchase shares of the Company's Class A Common Stock and approved a new repurchase authorization of \$101.1 million, equal to the cash proceeds received by the Company from the exercise. As of December 27, 2015, the Company had repurchased 5,511,233 Class A shares under this authorization for a cost of \$69.8 million (excluding commissions). Our Board of Directors has authorized us to purchase shares from time to time, subject to market conditions and other factors. There is no expiration date with respect to this authorization.

We may issue preferred stock in one or more series. The Board of Directors is authorized to set the distinguishing characteristics of each series of preferred stock prior to issuance, including the granting of limited or full voting rights; however, the consideration received must be at least \$100 per share. No shares of preferred stock were issued or outstanding as of December 27, 2015.

The following table summarizes the changes in AOCI by component as of December 27, 2015:

| (In thousands)                                                                            | Foreign<br>Currency<br>Translation<br>Adjustments | Funded Status<br>of Benefit<br>Plans | Total<br>Accumulated<br>Other<br>Comprehensive<br>Loss |
|-------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------|--------------------------------------------------------|
| Balance, December 28, 2014                                                                | \$5,705                                           | \$(539,500)                          | \$(533,795)                                            |
| Other comprehensive income before reclassifications, before tax <sup>(1)</sup>            | (8,803)                                           | (25,236)                             | (34,039)                                               |
| Amounts reclassified from accumulated other comprehensive loss, before tax <sup>(1)</sup> | —                                                 | 75,728                               | 75,728                                                 |
| Income tax (benefit)/expense <sup>(1)</sup>                                               | (3,115)                                           | 20,103                               | 16,988                                                 |
| Net current-period other comprehensive (loss)/income, net of tax                          | (5,688)                                           | 30,389                               | 24,701                                                 |
| Balance, December 27, 2015                                                                | \$17                                              | \$(509,111)                          | \$(509,094)                                            |

(1) All amounts are shown net of noncontrolling interest.

The following table summarizes the reclassifications from AOCI for the period ended December 27, 2015:

| (In thousands)                                               | Amounts reclassified<br>from accumulated<br>other comprehensive<br>loss | Affect line item in the statement where<br>net income is presented |
|--------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------|
| Detail about accumulated other comprehensive loss components |                                                                         |                                                                    |
| Funded status of benefit plans:                              |                                                                         |                                                                    |
| Amortization of prior service credit <sup>(1)</sup>          | \$(11,440)                                                              | ) Selling, general & administrative costs                          |
| Amortization of actuarial loss <sup>(1)</sup>                | 46,720                                                                  | Selling, general & administrative costs                            |
| Effect of curtailment                                        | 1,264                                                                   | Selling, general & administrative costs                            |
| Effect of other postretirement benefit<br>remeasurement      | (1,145)                                                                 | )                                                                  |
| Pension settlement charge                                    | 40,329                                                                  | Pension settlement charge                                          |
| Total reclassification, before tax <sup>(2)</sup>            | 75,728                                                                  |                                                                    |
| Income tax expense                                           | 30,132                                                                  | Income tax (benefit)/expense                                       |
| Total reclassification, net of tax                           | \$45,596                                                                |                                                                    |

<sup>(1)</sup> These accumulated other comprehensive income components are included in the computation of net periodic benefit cost for pension and other retirement benefits. See Notes 9 and 10 for additional information.

<sup>(2)</sup> There were no reclassifications relating to noncontrolling interest for the year ended December 27, 2015.

#### 17. Segment Information

We have one reportable segment that includes The Times, the International New York Times, NYTimes.com, international.nytimes.com and related businesses. Therefore, all required segment information can be found in the consolidated financial statements.

Our operating segment generated revenues principally from circulation and advertising. Other revenues consist primarily of revenues from news services/syndication, digital archives, rental income, our NYT Live business, e-commerce and the Crossword product.

#### 18. Commitments and Contingent Liabilities

##### Operating Leases

Operating lease commitments are primarily for office space and equipment. Certain office space leases provide for rent adjustments relating to changes in real estate taxes and other operating costs.

Rental expense amounted to approximately \$16 million in 2015, 2014 and 2013. The approximate minimum rental commitments under noncancelable leases, net of subleases, as of December 27, 2015 were as follows:

| (In thousands)                                               | Amount   |
|--------------------------------------------------------------|----------|
| 2016                                                         | \$11,416 |
| 2017                                                         | 9,564    |
| 2018                                                         | 5,550    |
| 2019                                                         | 3,152    |
| 2020                                                         | 2,827    |
| Later years                                                  | 4,171    |
| Total minimum lease payments                                 | 36,680   |
| Less: noncancelable subleases                                | (1,443 ) |
| Total minimum lease payments, net of noncancelable subleases | \$35,237 |



## Capital Leases

Future minimum lease payments for all capital leases, and the present value of the minimum lease payments as of December 27, 2015, were as follows:

| (In thousands)                                                           | Amount   |
|--------------------------------------------------------------------------|----------|
| 2016                                                                     | \$552    |
| 2017                                                                     | 552      |
| 2018                                                                     | 552      |
| 2019                                                                     | 7,245    |
| 2020                                                                     | —        |
| Later years                                                              | —        |
| Total minimum lease payments                                             | 8,901    |
| Less: imputed interest                                                   | (2,145 ) |
| Present value of net minimum lease payments including current maturities | \$6,756  |

## Restricted Cash

We were required to maintain \$28.7 million of restricted cash as of December 27, 2015 and \$30.2 million as of December 28, 2014, primarily related to certain collateral requirements for obligations under our workers' compensation programs.

## Newspaper and Mail Deliverers – Publishers' Pension Fund

In September 2013, the Newspaper and Mail Deliverers - Publishers' Pension Fund (the "Fund") assessed a partial withdrawal liability to the Company in the amount of \$26 million for the plan years ending May 31, 2012 and 2013, an amount that was increased to approximately \$34 million in December 2014, when the Fund issued a revised partial withdrawal liability assessment for the plan year ending May 31, 2013. The Fund claims that when City & Suburban, a retail and newsstand distribution subsidiary of the Company and the largest contributor to the Fund, ceased operations in 2009, it triggered a decline of more than 70% in contribution base units in each of these two plan years. The Company disagrees with both the Fund's determination that a partial withdrawal occurred and the methodology by which it calculated the withdrawal liability, and the matter is currently being arbitrated. We do not believe that a loss is probable on this matter and have not recorded a loss contingency for the period ended December 27, 2015.

However, as required by the Employee Retirement Income Security Act of 1974, we have been making the quarterly payments to the Fund set forth in the demand letters. As of December 27, 2015, we made total payments of \$11.6 million since the receipt of the initial demand letter, including \$7.1 million in 2015.

## Other

We are involved in various legal actions incidental to our business that are now pending against us. These actions are generally for amounts greatly in excess of the payments, if any, that may be required to be made. Although the Company cannot predict the outcome of these matters, it is possible that an unfavorable outcome in one or more matters could be material to the Company's consolidated results of operations or cash flows for an individual reporting period. However, based on currently available information, management does not believe that the ultimate resolution of these matters, individually or in the aggregate, is likely to have a material effect on the Company's financial position.

## SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

For the Three Years Ended December 27, 2015:

| (In thousands)                               | Balance at<br>beginning<br>of period | Additions<br>charged to<br>operating<br>costs and other | Deductions <sup>(1)</sup> | Balance at<br>end of period |
|----------------------------------------------|--------------------------------------|---------------------------------------------------------|---------------------------|-----------------------------|
| Accounts receivable allowances:              |                                      |                                                         |                           |                             |
| Year ended December 27, 2015                 | \$12,860                             | \$13,999                                                | \$13,374                  | \$13,485                    |
| Year ended December 28, 2014                 | \$14,252                             | \$11,384                                                | \$12,776                  | \$12,860                    |
| Year ended December 29, 2013                 | \$15,452                             | \$9,377                                                 | \$10,577                  | \$14,252                    |
| Valuation allowance for deferred tax assets: |                                      |                                                         |                           |                             |
| Year ended December 27, 2015                 | \$41,136                             | \$—                                                     | \$4,932                   | \$36,204                    |
| Year ended December 28, 2014                 | \$42,295                             | \$—                                                     | \$1,159                   | \$41,136                    |
| Year ended December 29, 2013                 | \$42,138                             | \$2,432                                                 | \$2,275                   | \$42,295                    |

(1) Includes write-offs, net of recoveries.

THE NEW YORK TIMES COMPANY – P. 91

## QUARTERLY INFORMATION (UNAUDITED)

Quarterly financial information for each quarter in the years ended December 27, 2015 and December 28, 2014 is included in the following tables. The New England Media Group, Regional Media Group and the About Group's results of operations have been presented as discontinued operations for all periods presented. See Note 13 of the Notes to the Consolidated Financial Statements for additional information regarding these discontinued operations.

| (In thousands, except per share data)                                                             | 2015 Quarters                   |                                |                                     |                                    | Full Year   |
|---------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|-------------------------------------|------------------------------------|-------------|
|                                                                                                   | March 29,<br>2015<br>(13 weeks) | June 28,<br>2015<br>(13 weeks) | September 27,<br>2015<br>(13 weeks) | December 27,<br>2015<br>(13 weeks) |             |
| Revenues                                                                                          | \$384,239                       | \$382,886                      | \$367,404                           | \$444,686                          | \$1,579,215 |
| Operating costs                                                                                   | 350,277                         | 344,835                        | 345,471                             | 352,663                            | 1,393,246   |
| Pension settlement expense <sup>(1)</sup>                                                         | 40,329                          | —                              | —                                   | —                                  | 40,329      |
| Multiemployer pension plan withdrawal expense <sup>(2)</sup>                                      | 4,697                           | —                              | —                                   | 4,358                              | 9,055       |
| Operating (loss)/profit                                                                           | (11,064)                        | ) 38,051                       | 21,933                              | 87,665                             | 136,585     |
| (Loss)/income from joint ventures                                                                 | (572)                           | ) (356)                        | ) 170                               | (25)                               | ) (783)     |
| Interest expense, net                                                                             | 12,192                          | 9,776                          | 9,127                               | 7,955                              | 39,050      |
| (Loss)/income from continuing operations before income taxes                                      | (23,828)                        | ) 27,919                       | 12,976                              | 79,685                             | 96,752      |
| Income tax (benefit)/expense                                                                      | (9,407)                         | ) 11,700                       | 3,611                               | 28,006                             | 33,910      |
| (Loss)/income                                                                                     | (14,421)                        | ) 16,219                       | 9,365                               | 51,679                             | 62,842      |
| Net (loss)/income from continuing operations                                                      | (14,421)                        | ) 16,219                       | 9,365                               | 51,679                             | 62,842      |
| Net loss attributable to the noncontrolling interest                                              | 159                             | 181                            | 50                                  | 14                                 | 404         |
| Net (loss)/income attributable to The New York Times Company common stockholders                  | \$(14,262)                      | ) \$16,400                     | \$9,415                             | \$51,693                           | \$63,246    |
| Amounts attributable to The New York Times Company common stockholders:                           |                                 |                                |                                     |                                    |             |
| (Loss)/income from continuing operations                                                          | \$(14,262)                      | ) \$16,400                     | \$9,415                             | \$51,693                           | \$63,246    |
| Net (loss)/income                                                                                 | \$(14,262)                      | ) \$16,400                     | \$9,415                             | \$51,693                           | \$63,246    |
| Average number of common shares outstanding:                                                      |                                 |                                |                                     |                                    |             |
| Basic                                                                                             | 163,988                         | 166,355                        | 165,052                             | 162,179                            | 164,390     |
| Diluted                                                                                           | 163,988                         | 168,316                        | 166,981                             | 164,128                            | 166,423     |
| Basic earnings/(loss) per share attributable to The New York Times Company common stockholders:   |                                 |                                |                                     |                                    |             |
| (Loss)/income from continuing operations                                                          | \$(0.09)                        | ) \$0.10                       | \$0.06                              | \$0.32                             | \$0.38      |
| Net (loss)/income                                                                                 | \$(0.09)                        | ) \$0.10                       | \$0.06                              | \$0.32                             | \$0.38      |
| Diluted earnings/(loss) per share attributable to The New York Times Company common stockholders: |                                 |                                |                                     |                                    |             |
| (Loss)/income from continuing operations                                                          | \$(0.09)                        | ) \$0.10                       | \$0.06                              | \$0.31                             | \$0.38      |
| Net (loss)/income                                                                                 | \$(0.09)                        | ) \$0.10                       | \$0.06                              | \$0.31                             | \$0.38      |

(1) We recorded a settlement charge related to a lump-sum payment offer to certain former employees who participated in a non-qualified pension plan.

(2) We recorded an estimated charge related to partial withdrawal obligations under multiemployer pension plans.

| (In thousands, except per share data)                                                             | 2014 Quarters                   |                                |                                     |                                    | Full Year   |
|---------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|-------------------------------------|------------------------------------|-------------|
|                                                                                                   | March 30,<br>2014<br>(13 weeks) | June 29,<br>2014<br>(13 weeks) | September 28,<br>2014<br>(13 weeks) | December 28,<br>2014<br>(13 weeks) |             |
| Revenues                                                                                          | \$390,408                       | \$388,719                      | \$364,718                           | \$444,683                          | \$1,588,528 |
| Operating costs                                                                                   | 365,799                         | 362,697                        | 373,750                             | 382,259                            | 1,484,505   |
| Early termination charge                                                                          | 2,550                           | —                              | —                                   | —                                  | 2,550       |
| Pension settlement expense <sup>(1)</sup>                                                         | —                               | 9,525                          | —                                   | —                                  | 9,525       |
| Operating profit/(loss)                                                                           | 22,059                          | 16,497                         | (9,032)                             | ) 62,424                           | 91,948      |
| (Loss)/income from joint ventures                                                                 | (2,147                          | ) 25                           | 1,599                               | (7,845                             | ) (8,368 )  |
| Interest expense, net                                                                             | 13,301                          | 13,205                         | 15,254                              | 11,970                             | 53,730      |
| Income/(loss) from continuing operations before income taxes                                      | 6,611                           | 3,317                          | (22,687                             | ) 42,609                           | 29,850      |
| Income tax expense/(benefit)                                                                      | 3,764                           | (5,743                         | ) (10,247                           | ) 8,685                            | (3,541 )    |
| Income/(loss) from continuing operations                                                          | 2,847                           | 9,060                          | (12,440                             | ) 33,924                           | 33,391      |
| Loss from discontinued operations, net of income taxes                                            | (994                            | ) —                            | —                                   | (92                                | ) (1,086 )  |
| Net income/(loss)                                                                                 | 1,853                           | 9,060                          | (12,440                             | ) 33,832                           | 32,305      |
| Net (incomes)/loss attributable to the noncontrolling interest                                    | (110                            | ) 128                          | (59                                 | ) 1,043                            | 1,002       |
| Net income/(loss) attributable to The New York Times Company common stockholders                  | \$1,743                         | \$9,188                        | \$(12,499                           | ) \$34,875                         | \$33,307    |
| Amounts attributable to The New York Times Company common stockholders:                           |                                 |                                |                                     |                                    |             |
| Income/(loss) from continuing operations                                                          | \$2,737                         | \$9,188                        | \$(12,499                           | ) \$34,967                         | \$34,393    |
| Loss from discontinued operations, net of income taxes                                            | (994                            | ) —                            | —                                   | (92                                | ) (1,086 )  |
| Net income/(loss)                                                                                 | \$1,743                         | \$9,188                        | \$(12,499                           | ) \$34,875                         | \$33,307    |
| Average number of common shares outstanding:                                                      |                                 |                                |                                     |                                    |             |
| Basic                                                                                             | 150,612                         | 150,796                        | 150,822                             | 150,779                            | 150,673     |
| Diluted                                                                                           | 161,920                         | 161,868                        | 150,822                             | 160,455                            | 161,323     |
| Basic earnings/(loss) per share attributable to The New York Times Company common stockholders:   |                                 |                                |                                     |                                    |             |
| Income/(loss) from continuing operations                                                          | \$0.02                          | \$0.06                         | \$(0.08                             | ) \$0.23                           | \$0.23      |
| Loss from discontinued operations, net of income taxes                                            | (0.01                           | ) —                            | —                                   | —                                  | (0.01 )     |
| Net income/(loss)                                                                                 | \$0.01                          | \$0.06                         | \$(0.08                             | ) \$0.23                           | \$0.22      |
| Diluted earnings/(loss) per share attributable to The New York Times Company common stockholders: |                                 |                                |                                     |                                    |             |
| Income/(loss) from continuing operations                                                          | \$0.02                          | \$0.06                         | \$(0.08                             | ) \$0.22                           | \$0.21      |
| Loss from discontinued operations, net of income taxes                                            | (0.01                           | ) —                            | —                                   | —                                  | (0.01 )     |
| Net income/(loss)                                                                                 | \$0.01                          | \$0.06                         | \$(0.08                             | ) \$0.22                           | \$0.20      |

(1) We recorded a settlement charge related to a lump-sum payment offer to certain former employees who participated in a non-qualified pension plan.

Earnings/(loss) per share amounts for the quarters do not necessarily equal the respective year-end amounts for earnings or loss per share due to the weighted-average number of shares outstanding used in the computations for the respective periods. Earnings/(loss) per share amounts for the respective quarters and years have been computed using

the average number of common shares outstanding.

One of our largest sources of revenue is advertising. Our business has historically experienced higher advertising volume in the fourth quarter than the remaining quarters because of holiday advertising.

THE NEW YORK TIMES COMPANY – P. 93

---

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) as of December 27, 2015. Based upon such evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management's report on internal control over financial reporting and the attestation report of our independent registered public accounting firm on our internal control over financial reporting are set forth in Item 8 of this Annual Report on Form 10-K and are incorporated by reference herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting during the quarter ended December 27, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

### PART III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

In addition to the information set forth under the caption “Executive Officers of the Registrant” in Part I of this Annual Report on Form 10-K, the information required by this item is incorporated by reference to the sections titled “Section 16(a) Beneficial Ownership Reporting Compliance,” “Proposal Number 1 – Election of Directors,” “Interests of Related Persons in Certain Transactions of the Company,” “Board of Directors and Corporate Governance,” beginning with the section titled “Independent Directors,” but only up to and including the section titled “Audit Committee Financial Experts,” “Board Committees” and “Nominating & Governance Committee” of our Proxy Statement for the 2016 Annual Meeting of Stockholders.

The Board of Directors has adopted a code of ethics that applies not only to the principal executive officer, principal financial officer and principal accounting officer, as required by the SEC, but also to our Chairman and Vice Chairman. The current version of such code of ethics can be found on the Corporate Governance section of our website at <http://investors.nytc.com/investors/corporate-governance>. We intend to post any amendments to or waivers from the code of ethics that apply to our principal executive officer, principal financial officer or principal accounting officer on our website.

#### ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to the sections titled “Compensation Committee,” “Directors’ Compensation,” “Directors’ and Officers’ Liability Insurance” and “Compensation of Executive Officers” of our Proxy Statement for the 2016 Annual Meeting of Stockholders.

#### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference to the sections titled “Principal Holders of Common Stock,” “Security Ownership of Management and Directors” and “The 1997 Trust” of our Proxy Statement for the 2016 Annual Meeting of Stockholders.

## Equity Compensation Plan Information

The following table presents information regarding our existing equity compensation plans as of December 27, 2015.

| Plan category                                              | Number of securities to be issued upon exercise of outstanding options, warrants and rights<br>(a) | Weighted average exercise price of outstanding options, warrants and rights<br>(b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br>(c) |     |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Equity compensation plans approved by security holders     |                                                                                                    |                                                                                    |                                                                                                                                                    |     |
| Stock options and stock-based awards                       | 11,080,064                                                                                         | (1) \$ 16.42                                                                       | (2) 7,282,293                                                                                                                                      | (3) |
| Employee Stock Purchase Plan                               | —                                                                                                  | —                                                                                  | 6,409,741                                                                                                                                          | (4) |
| Total                                                      | 11,080,064                                                                                         |                                                                                    | 13,692,034                                                                                                                                         |     |
| Equity compensation plans not approved by security holders | None                                                                                               | None                                                                               | None                                                                                                                                               |     |

- Includes (i) 6,389,937 shares of Class A stock to be issued upon the exercise of outstanding stock options granted under the 1991 Incentive Plan, the 2010 Incentive Plan, and the 2004 Non-Employee Directors' Stock Incentive Plan, at a weighted-average exercise price of \$16.42 per share, and with a weighted-average remaining term of 3 years; (ii) 1,158,861 shares of Class A stock issuable upon the vesting of outstanding stock-settled restricted stock units granted under the 2010 Incentive Plan; and (iii) 3,531,266 shares of Class A stock that would be issuable at
- (1) maximum performance pursuant to outstanding stock-settled performance awards under the 2010 Incentive Plan. Under the terms of the performance awards, shares of Class A stock are to be issued at the end of three-year performance cycles based on the Company's achievement under specified performance tests. The shares included in the table represent the maximum number of shares that would be issued under the outstanding performance awards; assuming target performance, the number of shares that would be issued under the outstanding performance awards is 1,765,633.
- (2) Excludes shares of Class A stock issuable upon vesting of stock-settled restricted stock units and shares issuable pursuant to stock-settled performance awards.
- Includes shares of Class A stock available for future stock options to be granted under the 2010 Incentive Plan. As of December 27, 2015, the 2010 Incentive Plan had 7,282,293 shares of Class A stock remaining available for
- (3) issuance upon the grant, exercise or other settlement of share-based awards. Stock options granted under the 2010 Incentive Plan must provide for an exercise price of 100% of the fair market value (as defined in the 2010 Incentive Plan) on the date of grant. The 2004 Non-Employee Directors' Stock Incentive Plan terminated on April 30, 2014.
- (4) Includes shares of Class A stock available for future issuance under the Company's Employee Stock Purchase Plan ("ESPP"). We have not had an offering under the ESPP since 2010.

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference to the sections titled "Interests of Related Persons in Certain Transactions of the Company," "Board of Directors and Corporate Governance — Independent Directors," "Board of Directors and Corporate Governance — Board Committees" and "Board of Directors and Corporate Governance — Policy on Transactions with Related Persons" of our Proxy Statement for the 2016 Annual Meeting of Stockholders.

#### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference to the section titled "Proposal Number 3 — Selection of Auditors," beginning with the section titled "Audit Committee's Pre-Approval Policies and Procedures," but only up to and not including the section titled "Recommendation and Vote Required" of our Proxy Statement for the 2016 Annual



Meeting of Stockholders.

P. 96 – THE NEW YORK TIMES COMPANY

---

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) DOCUMENTS FILED AS PART OF THIS REPORT

(1) Financial Statements

As listed in the index to financial information in “Item 8 — Financial Statements and Supplementary Data.”

(2) Supplemental Schedules

The following additional consolidated financial information is filed as part of this Annual Report on Form 10-K and should be read in conjunction with the Consolidated Financial Statements set forth in “Item 8 — Financial Statements and Supplementary Data.” Schedules not included with this additional consolidated financial information have been omitted either because they are not applicable or because the required information is shown in the Consolidated Financial Statements.

Page

Consolidated Schedule for the Three Years Ended December 27, 2015

II – Valuation and Qualifying Accounts

91

Separate financial statements and supplemental schedules of associated companies accounted for by the equity method are omitted in accordance with the provisions of Rule 3-09 of Regulation S-X.

(3) Exhibits

An exhibit index has been filed as part of this Annual Report on Form 10-K and is incorporated herein by reference.

THE NEW YORK TIMES COMPANY – P. 97

---

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 24, 2016

THE NEW YORK TIMES COMPANY  
(Registrant)

BY: /s/ KENNETH A. RICHIERI

Kenneth A. Richieri

Executive Vice President and General Counsel

We, the undersigned directors and officers of The New York Times Company, hereby severally constitute Kenneth A. Richieri and James M. Follo, and each of them singly, our true and lawful attorneys with full power to them and each of them to sign for us, in our names in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature                  | Title                                                                                     | Date              |
|----------------------------|-------------------------------------------------------------------------------------------|-------------------|
| /s/ Arthur Sulzberger, Jr. | Chairman and Director                                                                     | February 24, 2016 |
| /s/ Mark Thompson          | Chief Executive Officer, President and Director<br>(principal executive officer)          | February 24, 2016 |
| /s/ Michael Golden         | Vice Chairman and Director                                                                | February 24, 2016 |
| /s/ James M. Follo         | Executive Vice President and Chief Financial Officer<br>(principal financial officer)     | February 24, 2016 |
| /s/ R. Anthony Benten      | Senior Vice President, Finance and Corporate Controller<br>(principal accounting officer) | February 24, 2016 |
| /s/ Raul E. Cesan          | Director                                                                                  | February 24, 2016 |
| /s/ Robert E. Denham       | Director                                                                                  | February 24, 2016 |
| /s/ Steven B. Green        | Director                                                                                  | February 24, 2016 |
| /s/ Carolyn D. Greenspon   | Director                                                                                  | February 24, 2016 |
| /s/ Joichi Ito             | Director                                                                                  | February 24, 2016 |
| /s/ Dara Khosrowshahi      | Director                                                                                  | February 24, 2016 |
| /s/ James A. Kohlberg      | Director                                                                                  | February 24, 2016 |
| /s/ Ellen R. Marram        | Director                                                                                  | February 24, 2016 |
| /s/ Brian P. McAndrews     | Director                                                                                  | February 24, 2016 |
| /s/ Doreen A. Toben        | Director                                                                                  | February 24, 2016 |
| /s/ Rebecca Van Dyck       | Director                                                                                  | February 24, 2016 |

## INDEX TO EXHIBITS

Exhibit numbers 10.16 through 10.26 are management contracts or compensatory plans or arrangements.

| Exhibit Number | Description of Exhibit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (2.1)          | Asset Purchase Agreement, dated as of December 27, 2011, by and among NYT Holdings, Inc., The Houma Courier Newspaper Corporation, Lakeland Ledger Publishing Corporation, The Spartanburg Herald-Journal, Inc., Hendersonville Newspaper Corporation, The Dispatch Publishing Company, Inc., NYT Management Services, Inc., The New York Times Company and Halifax Media Holdings LLC (filed as an Exhibit to the Company's Form 8-K dated December 27, 2011, and incorporated by reference herein). |
| (2.2)          | Stock Purchase Agreement, dated as of August 26, 2012, between the Company and IAC/InterActiveCorp (filed as an Exhibit to the Company's Form 8-K dated August 29, 2012, and incorporated by reference herein).                                                                                                                                                                                                                                                                                       |
| (3.1)          | Certificate of Incorporation as amended and restated to reflect amendments effective July 1, 2007 (filed as an Exhibit to the Company's Form 10-Q dated August 9, 2007, and incorporated by reference herein).                                                                                                                                                                                                                                                                                        |
| (3.2)          | By-laws as amended through November 19, 2009 (filed as an Exhibit to the Company's Form 8-K dated November 20, 2009, and incorporated by reference herein).                                                                                                                                                                                                                                                                                                                                           |
| (4)            | The Company agrees to furnish to the Commission upon request a copy of any instrument with respect to long-term debt of the Company and any subsidiary for which consolidated or unconsolidated financial statements are required to be filed, and for which the amount of securities authorized thereunder does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis.                                                                                      |
| (4.1)          | Securities Purchase Agreement, dated January 19, 2009, among the Company, Inmobiliaria Carso, S.A. de C.V. and Banco Inbursa S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa (including forms of notes, warrants and registration rights agreement) (filed as an Exhibit to the Company's Form 8-K dated January 21, 2009, and incorporated by reference herein).                                                                                                                       |
| (4.2)          | Indenture, dated as of November 4, 2010, by and between the Company and Wells Fargo Bank, National Association, as trustee (filed as an Exhibit to the Company's Form 8-K dated November 4, 2010, and incorporated by reference herein).                                                                                                                                                                                                                                                              |
| (4.3)          | Form of 6.625% Senior Notes due 2016 (included as an Exhibit to Exhibit 4.2 above).                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (10.1)         | Agreement of Lease, dated as of December 15, 1993, between The City of New York, as landlord, and the Company, as tenant (as successor to New York City Economic Development Corporation (the "EDC"), pursuant to an Assignment and Assumption of Lease With Consent, made as of December 15, 1993, between the EDC, as Assignor, to the Company, as Assignee) (filed as an Exhibit to the Company's Form 10-K dated March 21, 1994, and incorporated by reference herein).                           |
| (10.2)         | Funding Agreement #4, dated as of December 15, 1993, between the EDC and the Company (filed as an Exhibit to the Company's Form 10-K dated March 21, 1994, and incorporated by reference herein).                                                                                                                                                                                                                                                                                                     |
| (10.3)         | New York City Public Utility Service Power Service Agreement, dated as of May 3, 1993, between The City of New York, acting by and through its Public Utility Service, and The New York Times Newspaper Division of the Company (filed as an Exhibit to the Company's Form 10-K dated March 21, 1994, and incorporated by reference herein).                                                                                                                                                          |
| (10.4)         | Letter Agreement, dated as of April 8, 2004, amending Agreement of Lease, between the 42nd St. Development Project, Inc., as landlord, and The New York Times Building LLC, as tenant (filed as an Exhibit to the Company's Form 10-Q dated November 3, 2006, and incorporated by reference herein).                                                                                                                                                                                                  |
| (10.5)         | Agreement of Sublease, dated as of December 12, 2001, between The New York Times Building LLC, as landlord, and NYT Real Estate Company LLC, as tenant (filed as an Exhibit to the Company's Form 10-Q dated November 3, 2006, and incorporated by reference herein).                                                                                                                                                                                                                                 |
| (10.6)         | First Amendment to Agreement of Sublease, dated as of August 15, 2006, between 42nd St. Development Project, Inc., as landlord, and NYT Real Estate Company LLC, as tenant (filed as an Exhibit to the Company's Form 10-Q dated November 3, 2006, and incorporated by reference herein).                                                                                                                                                                                                             |

- (10.7) Second Amendment to Agreement of Sublease, dated as of January 29, 2007, between 42nd St. Development Project, Inc., as landlord, and NYT Real Estate Company LLC, as tenant (filed as an Exhibit to the Company's Form 8-K dated February 1, 2007, and incorporated by reference herein).
- (10.8) Third Amendment to Agreement of Sublease (NYT), dated as of March 6, 2009, between 42nd St. Development Project, Inc., as landlord, and NYT Real Estate Company LLC, as tenant (filed as an Exhibit to the Company's Form 8-K dated March 9, 2009, and incorporated by reference herein).
- (10.9) Fourth Amendment to Agreement of Sublease (NYT), dated as of March 6, 2009, between 42nd St. Development Project, Inc., as landlord, and 620 Eighth NYT (NY) Limited Partnership, as tenant (filed as an Exhibit to the Company's Form 8-K dated March 9, 2009, and incorporated by reference herein).
- (10.10) Fifth Amendment to Agreement of Sublease (NYT), dated as of August 31, 2009, between 42nd St. Development Project, Inc., as landlord, and 620 Eighth NYT (NY) Limited Partnership, as tenant (filed as an Exhibit to the Company's Form 10-Q dated November 4, 2009, and incorporated by reference herein).

| Exhibit Number | Description of Exhibit                                                                                                                                                                                                                                                                           |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (10.11)        | Agreement of Sublease (NYT-2), dated as of March 6, 2009, between 42nd St. Development Project, Inc., as landlord, and NYT Real Estate Company LLC, as tenant (filed as an Exhibit to the Company's Form 8-K dated March 9, 2009, and incorporated by reference herein).                         |
| (10.12)        | First Amendment to Agreement of Sublease (NYT-2), dated as of March 6, 2009, between 42nd St. Development Project, Inc., as landlord, and NYT Building Leasing Company LLC, as tenant (filed as an Exhibit to the Company's Form 8-K dated March 9, 2009, and incorporated by reference herein). |
| (10.13)        | Agreement of Purchase and Sale, dated as of March 6, 2009, between NYT Real Estate Company LLC, as seller, and 620 Eighth NYT (NY) Limited Partnership, as buyer (filed as an Exhibit to the Company's Form 8-K dated March 9, 2009, and incorporated by reference herein).                      |
| (10.14)        | Lease Agreement, dated as of March 6, 2009, between 620 Eighth NYT (NY) Limited Partnership, as landlord, and NYT Real Estate Company LLC, as tenant (filed as an Exhibit to the Company's Form 8-K dated March 9, 2009, and incorporated by reference herein).                                  |
| (10.15)        | First Amendment to Lease Agreement, dated as of August 31, 2009, 620 Eighth NYT (NY) Limited Partnership, as landlord, and NYT Real Estate Company LLC, as tenant (filed as an Exhibit to the Company's Form 10-Q dated November 4, 2009, and incorporated by reference herein).                 |
| (10.16)        | The Company's 2010 Incentive Compensation Plan, as amended and restated effective April 30, 2014 (filed as an exhibit to the Company's Form 8-K dated April 30, 2014 and incorporated by reference herein).                                                                                      |
| (10.17)        | The Company's 1991 Executive Stock Incentive Plan, as amended and restated through October 11, 2007 (filed as an Exhibit to the Company's Form 8-K dated October 12, 2007, and incorporated by reference herein).                                                                                |
| (10.18)        | The Company's Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2015 (filed as an Exhibit to the Company's Form 10-Q dated November 4, 2015, and incorporated by reference herein).                                                                           |
| (10.19)        | The Company's Deferred Executive Compensation Plan, as amended and restated effective January 1, 2015 (filed as an Exhibit to the Company's Form 10-Q dated November 4, 2015, and incorporated by reference herein).                                                                             |
| (10.20)        | The Company's 2004 Non-Employee Directors' Stock Incentive Plan, effective April 13, 2004 (filed as an Exhibit to the Company's Form 10-Q dated May 5, 2004, and incorporated by reference herein).                                                                                              |
| (10.21)        | The Company's Non-Employee Directors Deferral Plan, as amended through October 11, 2007 (filed as an Exhibit to the Company's Form 8-K dated October 12, 2007, and incorporated by reference herein).                                                                                            |
| (10.22)        | The Company's Savings Restoration Plan, amended and restated effective February 19, 2015 (filed as an Exhibit to the Company's Form 10-Q filed November 4, 2015, and incorporated by reference herein).                                                                                          |
| (10.23)        | The Company's Supplemental Executive Savings Plan, amended and restated effective February 19, 2015 (filed as an Exhibit to the Company's Form 10-Q filed November 4, 2015, and incorporated by reference herein).                                                                               |
| (10.24)        | The New York Times Companies Supplemental Retirement and Investment Plan, amended and restated effective January 1, 2015.                                                                                                                                                                        |
| (10.25)        | Stock Appreciation Rights Agreement, dated as of September 17, 2009, between the Company and Arthur Sulzberger, Jr. (filed as an Exhibit to the Company's Form 8-K dated September 18, 2009, and incorporated by reference herein).                                                              |
| (10.26)        | Letter Agreement, dated as of August 14, 2012, between the Company and Mark Thompson (filed as an Exhibit to the Company's Form 8-K dated August 17, 2012, and incorporated by reference herein).                                                                                                |
| (12)           | Ratio of Earnings to Fixed Charges.                                                                                                                                                                                                                                                              |
| (21)           | Subsidiaries of the Company.                                                                                                                                                                                                                                                                     |
| (23.1)         | Consent of Ernst & Young LLP.                                                                                                                                                                                                                                                                    |
| (24)           | Power of Attorney (included as part of signature page).                                                                                                                                                                                                                                          |
| (31.1)         | Rule 13a-14(a)/15d-14(a) Certification.                                                                                                                                                                                                                                                          |

Edgar Filing: NEW YORK TIMES CO - Form 10-K

- (31.2) Rule 13a-14(a)/15d-14(a) Certification.
- (32.1) Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (32.2) Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (101.INS) XBRL Instance Document.
- (101.SCH) XBRL Taxonomy Extension Schema Document.
- (101.CAL) XBRL Taxonomy Extension Calculation Linkbase Document.
- (101.DEF) XBRL Taxonomy Extension Definition Linkbase Document.
- (101.LAB) XBRL Taxonomy Extension Label Linkbase Document.
- (101.PRE) XBRL Taxonomy Extension Presentation Linkbase Document.

P. 100 – THE NEW YORK TIMES COMPANY