CLEMENTS AUGUSTUS K III
Form 4
February 07, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
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(Print or Type Responses)

1. Name and Address of Reporting Person *
CLEMENTS AUGUSTUS K III

(Last) (First) (Middle)

2740 CENTRAL PARKWAY

(Street)

MONTGOMERY, AL 36106

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
COLONIAL BANCGROUP INC [CNB]

3. Date of Earliest Transaction (Month/Day/Year)
02/06/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/06/2008		J (1)		349	A	$ 13.61 (3)	57,966	D	
Common Stock	02/06/2008		J (2)		105	A	$ 25.67 (4)	58,071	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CLEMENTS AUGUSTUS K III 2740 CENTRAL PARKWAY MONTGOMERY, AL 36106	X			

Signatures

/s/ Hans Pettit, Attorney in Fact	02/07/2008
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares Issued through the Restricted Stock Plan for Directors (BancGroup Fees).

(2) Shares Issued through the Restricted Stock Plan for Directors (Bank Board Fees).

(3) The value of stock issued is the five day average of BancGroup stock closing prices for a five day period with the last day being the last business day of the calendar quarter in which services were rendered.

(4) The value of stock issued is the five day average of BancGroup stock closing prices for a five day period with the last day being the last business day of the calendar year immediately preceding the Plan Year in which services were rendered.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. nd-color:#cceeff;">

(7.3
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$
782,465

$
818,508

(4.4
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22

Explanation of Responses:

Below is a percentage breakdown of advertising revenues in the first nine months of 2011 (print and digital) by division.

	National	Retail and Preprint	Classified						
			Help-Wanted	Real Estate	Auto-motive	Other	Total Classified	Other Advertising Revenue	Total
The New York Times Media Group	76 %	12 %	3 %	5 %	1 %	2 %	11 %	1 %	100 %
New England Media Group	31 %	30 %	5 %	6 %	10 %	8 %	29 %	10 %	100 %
Regional Media Group	4 %	59 %	5 %	7 %	8 %	10 %	30 %	7 %	100 %
Total News Media Group	57 %	22 %	3 %	6 %	4 %	4 %	17 %	4 %	100 %

The New York Times Media Group

Total advertising revenues decreased in the third quarter and first nine months of 2011 compared with the third quarter and first nine months of 2010 as declines in print advertising revenues were partially offset by growth in digital advertising revenues. Print advertising revenues were affected by declines in the volume of spending in most advertising categories, reflecting the continued uneven economic environment, recent global events and secular forces. Growth in digital advertising revenues was driven by increased spending on digital platforms, primarily in the national advertising category.

Total national advertising revenues decreased in the third quarter and first nine months of 2011. The decrease in total national advertising revenues was led by declines in the travel, media and corporate categories offset in part by gains in the technology and luxury categories in the first nine months of 2011 compared with the same period in 2010. Total retail advertising revenues declined as advertisers reduced spending in the face of the uncertain economic climate in the third quarter and first nine months of 2011. The continued uneven economic environment and secular changes in our industry contributed to declines in total classified advertising revenues, primarily in the real estate and automotive categories, in the first nine months of 2011.

New England Media Group

Total advertising revenues declined in the third quarter and first nine months of 2011 compared with the third quarter and first nine months of 2010 due to declines in print advertising revenues, partially offset by growth in digital advertising revenues. The decline in print advertising revenues was driven by lower advertising in all categories, reflecting uncertain national and local economic conditions and secular forces in our industry. The increase in digital advertising revenues was due to higher spending in the national and automotive classified categories in the first nine months of 2011.

The uncertain national and local economic conditions continued to negatively affect total retail advertising revenues, as retailers cut the volume of spending mainly in the department stores and home furnishings categories in the third quarter and first nine months of 2011. The soft economic environment coupled with secular changes in our industry contributed to declines in total classified advertising revenues, primarily in the real estate category, in the third quarter and first nine months of 2011.

Regional Media Group

Total advertising revenues declined in the third quarter and first nine months of 2011 compared with the third quarter and first nine months of 2010 due to lower print advertising revenues, primarily in the retail and national categories, partially offset by higher digital advertising revenues. Digital advertising revenues increased mainly as a result of higher spending in the retail category.

Soft national and local economic conditions continued to contribute to declines in the retail sector, as advertisers reduced their volume of spending in the third quarter and first nine months of 2011. Total national advertising revenues declined mainly from the higher spending in 2010 related to the Gulf oil spill in the third quarter and first nine months of 2011.

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Circulation Revenues

Circulation revenue is based on the number of copies of the printed newspaper (through home-delivery subscriptions and newsstands) and digital subscriptions sold and the rates charged to the respective customers. Total circulation revenues consist of revenues from our print and digital products, including The Times digital subscription packages on NYTimes.com and across other digital platforms beginning in the second quarter of 2011.

Circulation revenues in the third quarter of 2011 increased 3.4% compared with the third quarter of 2010 as the introduction of digital subscriptions at The Times offset a decline in print copies sold across the News Media Group. During the third quarter of 2011, the rate of home-delivery circulation volume declines moderated at The Times, as we observed an increase in new home-delivery orders and improved retention rates following the launch of The Times digital subscriptions as print subscribers receive all digital access for free.

Circulation revenues were flat in the first nine months of 2011 compared with the same period in 2010 as the decline in print copies sold across the News Media Group was offset by revenues mainly from the introduction of digital subscriptions at The Times.

Other Revenues

Other revenues increased in the third quarter and first nine months of 2011 compared with the same periods in 2010. Other revenues increased in the first nine months of 2011 primarily because of higher revenues from news services/syndication.

About Group

About Group revenues decreased in the third quarter and first nine months of 2011 compared with the same periods in 2010 mainly due to lower cost-per-click and display advertising. The declines in cost-per-click advertising revenues were primarily due to lower click-through rates, as well as the negative impact on page views mainly because of increased competition in the content space and the algorithm changes Google implemented during the first quarter of 2011. In addition, while we have cycled through design changes made in July 2010 in cost-per-click advertisements served by Google that had a negative effect on click-through rates, a recent algorithm change in review rankings affected our ConsumerSearch business in the third quarter of 2011.

Operating Costs

Operating costs were as follows:

(In thousands)	For the Quarters Ended September 25, 2011	September 26, 2010	% Change	For the Nine Months Ended September 25, 2011	September 26, 2010	% Change
Production costs:						
Raw materials	$37,890	$ 39,571	(4.2)	$118,040	$ 114,962	2.7
Wages and benefits	121,109	123,766	(2.1)	373,127	376,204	(0.8)
Other	73,904	74,047	(0.2)	222,211	223,869	(0.7)
Total production costs	232,903	237,384	(1.9)	713,378	715,035	(0.2)
Selling, general and administrative costs	241,885	255,440	(5.3)	763,878	781,044	(2.2)
Depreciation and amortization	29,402	30,100	(2.3)	87,597	90,816	(3.5)
Total operating costs	$504,190	$ 522,924	(3.6)	$1,564,853	$ 1,586,895	(1.4)

Production Costs

Production costs decreased in the third quarter of 2011 compared with the third quarter of 2010 mainly due to lower benefits costs (approximately $3 million), driven by various benefit categories, and raw materials expense (approximately $2 million), primarily newsprint. Newsprint expense decreased 3.3%, with 6.6% from lower consumption offset in part by 3.3% from higher pricing.

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Production costs decreased in the first nine months of 2011 compared with the same period in 2010 mainly due to lower outside printing costs (approximately $3 million) and various other costs, offset by higher raw materials expense (approximately $3 million), primarily newsprint. Cost-saving initiatives primarily contributed to the declines in outside printing costs. Newsprint expense increased 4.9%, with 9.8% from higher pricing offset in part by 4.9% from lower consumption.

Selling, General and Administrative Costs

Selling, general and administrative costs decreased in the third quarter of 2011 compared with the third quarter of 2010 primarily due to lower compensation costs (approximately $13 million) and professional fees (approximately $5 million), partially offset by higher severance (approximately $3 million) and various other costs. Compensation costs declined mainly as a result of lower variable compensation expense. The decline in professional fees mainly resulted from the costs incurred in the prior year associated with our digital initiatives as well as cost-saving initiatives. Severance costs were higher due to the timing of workforce reduction programs.

Selling, general and administrative costs decreased in the first nine months of 2011 compared with the same period in 2010 primarily due to lower compensation costs (approximately $25 million) and professional fees (approximately $7 million), partially offset by higher promotion (approximately $11 million) and severance costs (approximately $4 million). Compensation costs declined mainly as a result of lower variable compensation expense. The decline in professional fees mainly resulted from the costs incurred in the prior year associated with our digital initiatives as well as cost-saving initiatives. Promotion costs were higher mainly because of the launch of digital subscription packages at The Times and the timing of print circulation marketing at The Times in the first quarter of 2011. Severance costs were higher due to the timing of workforce reduction programs.

Depreciation and Amortization

Total depreciation and amortization, by reportable segment and for the Company as a whole, was as follows:

(In thousands)	For the Quarters Ended			For the Nine Months Ended		
	September 25, 2011	September 26, 2010	% Change	September 25, 2011	September 26, 2010	% Change
News Media Group	$26,658	$ 27,177	(1.9)	$79,420	$ 82,141	(3.3)
About Group	2,744	2,923	(6.1)	8,177	8,675	(5.7)
Total depreciation and amortization	$29,402	$ 30,100	(2.3)	$87,597	$ 90,816	(3.5)

Segment Operating Costs

The following table sets forth consolidated operating costs by reportable segment, Corporate and the Company as a whole.

(In thousands)	For the Quarters Ended			For the Nine Months Ended		
	September 25, 2011	September 26, 2010	% Change	September 25, 2011	September 26, 2010	% Change
News Media Group	$481,491	$493,406	(2.4)	$1,486,125	$1,499,605	(0.9)
About Group	16,180	18,589	(13.0)	49,304	55,070	(10.5)
Corporate	6,519	10,929	(40.4)	29,424	32,220	(8.7)
Total operating costs	$504,190	$522,924	(3.6)	$1,564,853	$1,586,895	(1.4)

News Media Group

Operating costs for the News Media Group decreased in the third quarter of 2011 compared with the same period in 2010. This was primarily due to lower compensation costs (approximately $7 million) and professional fees (approximately $4 million). Compensation costs declined mainly as a result of lower variable compensation expense. The decline in professional fees mainly resulted from the costs incurred in the prior year associated with our digital initiatives as well as cost-saving initiatives.

Operating costs for the News Media Group decreased in the first nine months of 2011 compared with the same period in 2010. This was primarily due to lower compensation costs (approximately $17 million) and professional fees (approximately $7 million), offset by higher promotion costs (approximately $11 million). Compensation costs declined mainly as a result of lower variable compensation expense. The decline in professional fees mainly resulted from the costs incurred in the prior year associated with our digital initiatives as well as cost-saving initiatives. Higher promotion costs mainly resulted from the launch of digital subscription packages at The Times and the timing of print circulation marketing at The Times in the first quarter of 2011.

About Group

Operating costs for the About Group decreased in the third quarter of 2011 compared with the third quarter of 2010 primarily due to lower compensation costs (approximately $1 million) driven by lower variable compensation expense and marketing costs (approximately $1 million).

Operating costs for the About Group decreased in the first nine months of 2011 compared with the same period in 2010 primarily due to lower compensation costs (approximately $3 million) driven by lower variable compensation expense and a one-time benefit from the sale of UCompareHealthCare.com in February 2011.

Corporate

Operating costs for Corporate decreased in the third quarter and first nine months of 2011 compared with the same periods in 2010 primarily due to lower variable compensation costs.

Other Items

Impairment of Assets

In the second quarter of 2011, we recorded a $161.3 million charge for the impairment of assets at the News Media Group. The impairment consisted of the write-down of goodwill at the Regional Media Group of $152.1 million and the write-down of certain assets held for sale of $9.2 million.

In the third quarter of 2010, we recorded a $16.1 million charge for the impairment of the Globe's printing facility in Billerica, Mass.

Regional Media Group

Goodwill is not amortized but tested for impairment annually or in an interim period if certain circumstances indicate a possible impairment may exist. Our policy is to perform our annual goodwill impairment test in the fourth quarter of our fiscal year. However, due to certain impairment indicators at the Regional Media Group, including lower-than-expected operating results, we performed an interim impairment test of goodwill as of June 26, 2011. The Regional Media Group is part of the News Media Group reportable segment.

The interim test resulted in an impairment of goodwill of $152.1 million mainly from lower projected long-term operating results and cash flows of the Regional Media Group primarily due to the continued decline in print advertising revenues. These factors resulted in the carrying value of the net assets being greater than their fair value, and therefore a write-down to fair value was required. The impairment charge reduced the carrying value of goodwill at the Regional Media Group to zero.

In determining the fair value of the Regional Media Group, we made significant judgments and estimates regarding the expected severity and duration of the uneven economic environment and the secular changes affecting the newspaper industry in the Regional Media Group markets. The effect of these assumptions on projected long-term revenues, along with the continued benefits from reductions to the group's cost structure, played a significant role in calculating the fair value of the Regional Media Group.

Property, plant and equipment is tested for impairment if certain circumstances indicate a possible impairment may exist. Due to the factors discussed above, we completed an interim impairment test of property, plant and equipment as of June 26, 2011. The impairment test was completed at each newspaper (asset group level with the lowest level of cash flows) in the Regional Media Group. Our test did not result in an impairment because the sum of the future undiscounted cash flows at each newspaper was greater than the carrying value of property, plant and equipment.

Assets Held for Sale

In the second quarter of 2011, we classified certain assets as held for sale. The carrying value of these assets was greater than their fair value, less cost to sell, resulting in an impairment of certain intangible assets and property totaling $9.2 million. The fair value for these assets was determined by estimating the most likely sale price with a third-party buyer based on market data.

Globe Printing Facility

We consolidated the Globe's printing facility in Billerica, Mass., into the Boston, Mass., printing facility in the second quarter of 2009. We entered into an agreement in the third quarter of 2010 to sell the majority of these assets to a third party. Assets with a carrying value of approximately $20 million were written down to their fair value, resulting in a $16.1 million impairment charge in the third quarter of 2010.

Pension Withdrawal Expense

See the “Recent Developments” section for additional information regarding a $4.2 million charge for a withdrawal obligation under a multiemployer pension plan in the second quarter of 2011.

In the third quarter of 2010, we recorded a $6.3 million charge for an adjustment to estimated pension withdrawal obligations under several multiemployer pension plans at the Globe.

Operating Profit/(Loss)

Consolidated operating profit/(loss), by reportable segment, Corporate and for the Company as a whole, was as follows:

(In thousands)	For the Quarters Ended September 25, 2011	September 26, 2010	% Change	For the Nine Months Ended September 25, 2011	September 26, 2010	% Change
News Media Group	$30,020	$ 6,046	*	$(55,940)	$ 108,914	*
About Group	9,544	13,876	(31.2)	35,406	45,782	(22.7)
Corporate	(6,519)	(10,929)	(40.4)	(29,424)	(32,220)	(8.7)
Total operating profit/(loss)	$33,045	$ 8,993	*	$(49,958)	$ 122,476	*

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

The reasons underlying the period-to-period changes in each segment’s and Corporate’s operating profit/(loss) are previously discussed under “Recent Developments,” “Revenues,” “Operating Costs” and “Other Items.”

Non-Operating Items

Joint Ventures

Loss from joint ventures was $1.1 million in the third quarter of 2011 compared with income from joint ventures of $5.5 million in the third quarter of 2010. Joint venture results in the third quarter of 2011 were negatively impacted by Fenway Sports Group's acquisition of Liverpool Football Club, mainly due to the amortization expense associated with the purchase.

Loss from joint ventures was $4.0 million in the first nine months of 2011 compared with income from joint ventures of $22.3 million in the same period in 2010. The first quarter of 2010 included a $12.7 million pre-tax gain from the sale of an asset at one of the paper mills in which we have an investment. Our share of this pre-tax gain, after eliminating the noncontrolling interest portion, is $10.2 million. Joint venture results in the first nine months of 2011 were negatively impacted by Fenway Sports Group's acquisition of Liverpool Football Club, mainly due to the amortization expense associated with the purchase, offset in part by high paper selling prices at both paper mills in which we have investments.

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Interest Expense, Net

“Interest expense, net” in our Condensed Consolidated Statements of Operations was as follows:

(In thousands)	For the Quarters Ended		For the Nine Months Ended	
	September 25, 2011	September 26, 2010	September 25, 2011	September 26, 2010
Cash interest expense	$18,712	$18,910	$64,880	$56,922
Non-cash amortization of discount on debt	1,445	2,113	5,632	6,054
Capitalized interest	(11)	(80)	(343)	(100)
Interest income	(107)	(316)	(387)	(1,051)
Total interest expense, net	$20,039	$20,627	$69,782	$61,825

“Interest expense, net” decreased in the third quarter of 2011 compared with the third quarter of 2010 mainly due to the prepayment of our 14.053% Notes on August 15, 2011, partially offset by the interest expense associated with the issuance of our 6.625% Notes in November 2010.

“Interest expense, net” increased in the first nine months of 2011 compared with the same period in 2010 mainly due to the interest expense associated with the issuance of our 6.625% Notes in November 2010, partially offset by lower interest expense for our 14.053% Notes as a result of the prepayment on August 15, 2011.

Income Taxes

We had an effective tax rate of 49.8% in the third quarter of 2011. The effective tax rate was impacted by certain non-deductible items resulting in a higher than customary effective tax rate. Our effective tax rate for the first nine months of 2011 is not meaningful because a portion of the non-cash charge in the second quarter of 2011 for the impairment of the Regional Media Group's goodwill was non-deductible.

We had an effective tax rate of 32.8% in the third quarter of 2010. The effective tax rate was impacted by lower state tax rates applied to the impairment charge associated with the Globe's Billerica, Mass., printing facility, and pension withdrawal expense in the third quarter of 2010. The effective tax rate for the first nine months of 2010 was 54.8%, primarily because of a $10.9 million tax charge for the reduction in future tax benefits for certain retiree health benefits resulting from the federal health care reform legislation enacted in March 2010.

LIQUIDITY AND CAPITAL RESOURCES

We believe our cash balance and cash provided by operations, in combination with other financing sources, will be sufficient to meet our financing needs over the next twelve months. We have continued to manage our liquidity position and will remain focused on improving our financial flexibility. As of September 25, 2011, we had total debt and capital lease obligations of approximately $772 million and cash, cash equivalents and short-term investments of approximately $263 million. Accordingly, our total debt and capital lease obligations, net of cash, cash equivalents and short-term investments, was approximately $509 million even after the prepayment of the 14.053% Notes and making contributions totaling approximately $70 million to certain qualified pension plans in the first nine months of 2011. Our efforts to strengthen our liquidity position and improve our debt profile over the past two years allowed us to prepay on August 15, 2011, all of our $250.0 million 14.053% Notes in full. In addition, in June 2011, we entered into a new $125.0 million asset-backed five-year revolving credit facility that replaced our $400.0 million revolving credit facility. As of September 25, 2011, we had no outstanding borrowings under the new credit facility. See the discussion under “Recent Developments” for more information on the 14.053% Notes and “ – Third-Party Financing” for more information on the new credit facility.

Contributions to our qualified pension plans can have a significant impact on cash flows. See the discussion under “Recent Developments – Pension Contributions” for more information.

Capital Resources

Sources and Uses of Cash

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

(In thousands)	For the Nine Months Ended September 25, 2011	September 26, 2010
Operating Activities	$55,874	$92,629
Investing Activities	$(81,950)	$65
Financing Activities	$(250,224)	$275

Operating Activities

Operating cash inflows include cash receipts from advertising and circulation sales and other revenue transactions. Operating cash outflows include payments for employee compensation, pension and other benefits, raw materials, services and supplies, interest and income taxes.

Net cash provided by operating activities decreased in the first nine months of 2011 compared with the same period in 2010, primarily due to higher working capital requirements, including approximately $30 million associated with the prepayment of the 14.053% Notes, partially offset by lower pension contributions to certain qualified pension plans.

Investing Activities

Cash from investing activities generally includes proceeds from short-term investments that have matured and the sale of assets or a business. Cash used in investing activities generally includes purchases of short-term investments, payments for capital projects, acquisitions of new businesses and investments.

In the first nine months of 2011, net cash used in investing activities was mainly due to purchases of short-term investments, capital expenditures and changes in restricted cash, offset in part by proceeds from the short-term investments that have matured and proceeds from the sale of 390 units of our remaining 700 units in Fenway Sports Group. In the first nine months of 2010, net cash provided by investing activities was driven by the proceeds from the sale of 50 of our original 750 units in Fenway Sports Group, loan repayments from a third-party circulation service provider and proceeds from the sale of real estate assets, offset in part by capital expenditures.

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 and long-term debt.

In the first nine months of 2011, net cash used in financing activities was primarily for the repayment of our 14.053% Notes. In the first nine months of 2010, net cash provided by financing activities was from proceeds related to stock option exercises.

See our Condensed Consolidated Statements of Cash Flows for additional information on our sources and uses of cash.

Restricted Cash

We were required to maintain $28.6 million of restricted cash as of September 25, 2011 subject to certain collateral requirements primarily for obligations under our workers' compensation programs. These collateral requirements were previously supported by letters of credit under our $400.0 million revolving credit facility that was replaced in June 2011.

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Third-Party Financing

As of September 25, 2011, our current indebtedness included senior notes and a sale-leaseback of a portion of our New York headquarters. On August 15, 2011, we prepaid in full all $250.0 million outstanding principal amount of the 14.053% Notes. See the discussion under “Recent Developments – Prepayment of 14.053% Notes” for more information. Our total debt and capital lease obligations consisted of the following:

(In thousands)	Coupon Rate		September 25, 2011	December 26, 2010
Senior notes due 2015, called in 2011	14.053	%	$—	$227,680
Senior notes due 2012	4.610	%	74,867	74,771
Senior notes due 2015	5.0	%	249,883	249,860
Senior notes due 2016	6.625	%	220,612	220,102
Option to repurchase ownership interest in headquarters building in 2019			219,952	217,306
Total debt			765,314	989,719
Capital lease obligations			6,707	6,724
Total debt and capital lease obligations			$772,021	$996,443

Based on borrowing rates currently available for debt with similar terms and average maturities, the fair value of our long-term debt was approximately $863 million as of September 25, 2011 and $1.1 billion as of December 26, 2010. We were in compliance with our covenants under our third-party financing arrangements as of September 25, 2011.

In June 2011, we entered into a new $125.0 million asset-backed five-year revolving credit facility. This new credit facility replaced our $400.0 million revolving credit facility, which was to expire on June 21, 2011. As of September 25, 2011, there were no outstanding borrowings under the new credit facility.

Borrowings under the new credit facility will be secured by a lien on certain advertising receivables. In addition, borrowings bear interest at specified margins based on our utilization and at rates that vary between the LIBOR and prime rates (as defined by the credit agreement) depending on the term to maturities we specify.

The new credit facility contains various customary affirmative and negative covenants, including a springing financial covenant and various incurrence-based negative covenants described below.

The springing financial covenant provides that when availability under the new credit facility falls below the greater of $16.7 million or 15% of the commitment for three consecutive business days, we will be required to maintain on a trailing four-quarter basis a fixed charge coverage ratio of not less than 1.00:1.00. The fixed charge coverage ratio is defined as the ratio of (i) EBITDA (as defined by the credit agreement) minus unfinanced capital expenditures and tax payments paid in cash during the applicable period to (ii) fixed charges (as defined by the credit agreement) for such period.

In addition, the new credit facility contains incurrence-based negative covenants that, subject to customary exceptions and cure periods, restrict our ability and the ability of our subsidiaries to:

- incur debt (directly or by third-party guarantees);
- grant liens;
- pay dividends;
- make investments;
- make acquisitions or dispositions; and
- prepay debt.

As long as we have not drawn an amount in excess of $250,000 for a period of 90 days under the new credit facility, the negative covenants generally do not apply. In addition, to the extent we have borrowings under the new credit facility, we may engage in transactions restricted by the covenants so long as we meet, on a pro forma basis, the 1.00:1.00 fixed charge coverage ratio test, availability under the new credit facility for the preceding 30 days is equal to at least $62.5 million (net of restricted cash in an amount up to $25.0 million) and no default has occurred.

Ratings

In July 2011, Standard & Poor's raised its ratings outlook to positive from stable, citing our efforts to reduce debt and increase liquidity.

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RECENT ACCOUNTING PRONOUCEMENTS

In September 2011, the Financial Accounting Standards Board ("FASB") amended its guidance on the disclosure of information in financial statements for multiemployer pension plans to enhance the disclosures by providing more information about the plans in which an employer participates, its level of participation in those plans and the financial health of those plans. The provisions of this new guidance are effective for fiscal years ending after December 15, 2011, with the disclosures being required for all years presented in the initial year of adoption. The adoption of this guidance will expand our disclosures for significant multiemployer pension plans in which we are participants.

In September 2011, the FASB amended its guidance on goodwill impairment testing to reduce the cost and complexity of testing goodwill for impairment by providing the option to 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 result of this assessment will determine whether it is necessary to perform the two-step test. The provisions of this new guidance are effective for fiscal years beginning after December 15, 2011, with early adoption permitted. We anticipate adopting the new guidance early when we conduct our annual goodwill impairment test in the fourth quarter of 2011. We do not anticipate the adoption of this guidance will have a material impact on our financial statements.

In June 2011, the FASB amended its guidance on the presentation of comprehensive income in financial statements to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items that are recorded in other comprehensive income. The new accounting guidance requires entities to report components of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. The provisions of this guidance are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. We do not anticipate the adoption of this guidance will have a material impact on our financial statements.

In May 2011, the FASB amended its guidance related to fair value measurements in order to align the definition of fair value measurements and the related disclosure requirements between GAAP and International Financial Reporting Standards. These amendments, which are effective for interim and annual periods beginning after December 15, 2011, also change certain existing fair value measurement principles and disclosure requirements. We do not anticipate the adoption of this guidance will have a material impact on our financial statements.

At the beginning of our 2011 fiscal year, we adopted new guidance that amended previous guidance for the accounting of revenue arrangements with multiple deliverables. The adoption of this guidance, which specifically addressed how consideration should be allocated to the separate units of account included in revenue arrangements, did not have a material impact on our financial statements.

CRITICAL ACCOUNTING POLICIES

Our critical accounting policies are detailed in our Annual Report on Form 10-K for the year ended December 26, 2010. As of September 25, 2011, our critical accounting policies have not changed materially from December 26, 2010.

CONTRACTUAL OBLIGATIONS & OFF-BALANCE SHEET ARRANGEMENTS

Our contractual obligations and off-balance sheet arrangements are detailed in our Annual Report on Form 10-K for the year ended December 26, 2010. As of September 25, 2011, our contractual obligations and off-balance sheet arrangements have not materially changed from December 26, 2010. On August 15, 2011, we prepaid in full our outstanding $250.0 million aggregate principal amount of the 14.053% Notes, and we expect to save in excess of $39 million annually in interest expense through January 15, 2015. See "Recent Developments – Prepayment of 14.053%

Notes” for more information.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the section titled “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 SEC filings and otherwise. We have tried, where possible, to identify such statements by using words such as “believe,” “expect,” “intend,” “estimate,” “anticipate,” “will,” “project,” “plan” and similar expressions in connection with any discussion of future operating or financial performance. Any forward-looking statements are and will be based upon our then-current expectations, estimates and assumptions regarding future events and are applicable only as of the dates of such statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated in any 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 our Annual Report on Form 10-K for the year ended December 26, 2010, as well as other risks and factors identified from time to time in our SEC filings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our Annual Report on Form 10-K for the year ended December 26, 2010, details our disclosures about market risk. As of September 25, 2011, there were no material changes in our market risks from December 26, 2010.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Janet L. Robinson, our Chief Executive Officer, and James M. Follo, our Chief Financial Officer, have 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 September 25, 2011. Based on such evaluation, Ms. Robinson and Mr. Follo 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 Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 25, 2011, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes to our risk factors as set forth in “Item 1A-Risk Factors” in our Annual Report on Form 10-K for the year ended December 26, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Issuer Purchases of Equity Securities[1]

Period	Total Number of Shares of Class A Common Stock Purchased (a)	Average Price Paid Per Share of Class A Common Stock (b)	Total Number of Shares of Class A Common Stock Purchased as Part of Publicly Announced Plans or Programs (c)	Maximum Number (or Approximate Dollar Value) of Shares of Class A Common Stock that May Yet Be Purchased Under the Plans or Programs (d)
June 27, 2011 – July 31, 2011	—	—	—	$91,386,000
August 1, 2011 – August 28, 2011	—	—	—	$91,386,000
August 29, 2011 – September 25, 2011	—	—	—	$91,386,000
Total for the third quarter of 2011	—	—	—	$91,386,000

(1) On April 13, 2004, our Board of Directors authorized repurchases in an amount up to $400.0 million. During the third quarter of 2011, we did not purchase any shares of Class A Common Stock pursuant to our publicly announced share repurchase program. As of October 28, 2011, we had authorization from our Board of Directors to repurchase an amount of up to approximately $91 million of our Class A Common Stock. Our Board of Directors has authorized us to purchase shares from time to time as market conditions permit. There is no expiration date with respect to this authorization.

Item 6. Exhibits

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

SIGNATURES

Pursuant to the requirements 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.

THE NEW YORK TIMES COMPANY
(Registrant)

Date: November 3, 2011

/s/ JAMES M. FOLLO
James M. Follo
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

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Exhibit Index to Quarterly Report on Form 10-Q
For the Quarter Ended September 25, 2011

Exhibit No.

10.1	The New York Times Companies Supplemental Retirement and Investment Plan, as amended and restated effective January 1, 2011.
12	Ratio of Earnings to Fixed Charges.
31.1	Rule 13a-14(a)/15d-14(a) Certification.
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
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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