Press Release

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The New York Times Company Reports

2018 Second-Quarter Results

NEW YORK, August 8, 2018 – The New York Times Company (NYSE: NYT) announced today second-quarter 2018 diluted earnings per share from continuing operations of $.14 compared with $.09 earnings per share in the same period of 2017. Adjusted diluted earnings per share from continuing operations (defined below) was $.17 in the second quarter of 2018 compared with $.17 in the second quarter of 2017.

Operating profit rose to $40.0 million in the second quarter of 2018 from $26.5 million in the same period of 2017, principally driven by strong digital subscription and other revenues as well as lower operating costs, which were partially offset by lower advertising revenues. Adjusted operating profit (defined below) decreased to $59.4 million in the second quarter of 2018 compared with $64.7 million in the second quarter of 2017 as lower advertising revenues and higher marketing costs more than offset growth in both digital subscription and other revenues.

Mark Thompson, president and chief executive officer, The New York Times Company, said, “In the second quarter, we saw increases in revenue and overall profitability and continued growth in our digital subscription business. We added 109,000 net new digital-only subscriptions, of which 68,000 were to our core news bundle. At the end of Q2, we had 3.8 million total subscriptions, 2.9 million of which were digital-only. Our subscribers who came to us around the 2016 Election and post-Election periods continue to retain better than previous cohorts.

“Subscription revenues accounted for nearly two-thirds of the Company’s revenues, a trend we expect to continue. We continue to believe that there is significant runway to expand that base substantially.

“Turning to advertising, this was a subdued quarter for digital advertising as we predicted, but we remain confident that we will return to strong year-over-year growth in the third quarter.”

Comparisons
Unless otherwise noted, all comparisons are for the second quarter of 2018 to the second quarter of 2017.

In the first quarter of 2018, the Company adopted Accounting Standards Update 2017-07 Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost ("ASU 2017-07"). The Company has recast its second quarter and six months ended June 25, 2017 results to reflect the impact of the adoption of ASU 2017-07 for comparability purposes; there was no impact to net income as a result of the adoption. Refer to the Condensed Consolidated Statements of Operations for more details.

This release presents certain non-GAAP financial measures, including 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); operating profit before depreciation, amortization, severance, multiemployer pension plan withdrawal costs and special items (or adjusted operating profit); and operating costs before depreciation, amortization, severance and multiemployer pension plan withdrawal costs (or adjusted operating costs). Refer to Reconciliation of Non-GAAP Information in the exhibits for a discussion of management's reasons for the presentation of these non-GAAP financial measures and reconciliations to the most comparable GAAP financial measures.

In connection with the adoption of ASU 2017-07 in the first quarter of 2018, the Company modified its definitions of adjusted operating profit, adjusted operating costs and non-operating retirement costs in response to changes in the GAAP presentation of single employer pension and postretirement benefit costs. For comparability purposes, the Company has also presented each of its non-GAAP financial measures for the second quarter and first six months ended June 25, 2017, reflecting the recast of its financial statements for such periods to account for the adoption of ASU 2017-07 and the revised definitions of the non-GAAP financial measures. Refer to Reconciliation of Non-GAAP Information in the exhibits for more details. As disclosed in the Company's first quarter 2018 earnings release, in the revised full year 2017 presentation of non-GAAP financial measures, the Company's adjusted diluted earnings per share from continuing operations decreased by $.04 from $.80 to $.76, its adjusted operating costs increased by $9.7 million, and its adjusted operating profit decreased by the same amount, in each case compared to the previously reported amounts.

Second-quarter 2018 results included the following special items:

- A $1.3 million charge ($0.9 million after tax or $.01 per share) in connection with the redesign and consolidation of space in our headquarters building.

Second-quarter 2017 results included the following special items:

- A $2.0 million pre-tax expense ($1.2 million after tax or $.01 per share) related to the redesign and consolidation of space in our headquarters building.

The Company had severance costs of $2.2 million ($1.6 million after tax or $.01 per share) and $19.3 million ($11.6 million after tax or $.07 per share) in the second quarters of 2018 and 2017, respectively.

Results from Continuing Operations

Revenues

Total revenues for the second quarter of 2018 increased 1.8 percent to $414.6 million from $407.1 million in the second quarter of 2017. Subscription revenues increased 4.2 percent, while advertising revenues decreased 9.9 percent and other revenues increased 40.0 percent.

Subscription revenues in the second quarter of 2018 rose primarily due to growth in recent quarters in the number of subscriptions to the Company's digital-only products. Revenue from the Company's digital-only subscription products (which include our news product, as well as our Crossword and Cooking products) increased 19.6 percent compared with the second quarter of 2017, to $98.7 million.

Paid digital-only subscriptions totaled approximately 2,892,000 at the end of the second quarter of 2018, a net increase of 109,000 subscriptions compared with the end of the first quarter of 2018 and a 24.0 percent increase compared with the end of the second quarter of 2017. Of the 109,000 additions, 68,000 came from the Company's digital news products, while the remainder came from the Company's Cooking and Crossword products.

Second-quarter digital advertising revenue decreased 7.5 percent, while print advertising revenue decreased 11.5 percent. Digital advertising revenue was $51.0 million, or 42.8 percent of total Company advertising revenues, compared with $55.2 million, or 41.7 percent, in the second quarter of 2017. The decrease in digital advertising revenue reflected a smaller audience as well as a decline in creative service revenues.

Other revenues rose 40.0 percent in the second quarter primarily as a result of growth in our commercial printing operations, four additional floors of rental income from our New York headquarters building and affiliate referral revenue associated with the product review and recommendation website, Wirecutter.

Operating Costs

Operating costs decreased in the second quarter of 2018 to $373.3 million compared with $378.6 million in the second quarter of 2017, largely due to lower severance costs, which were partially offset by higher marketing costs as well as costs related to growth in commercial printing. Adjusted operating costs increased to $355.2 million from $342.4 million in the second quarter of 2017 primarily as a result of higher marketing and commercial printing costs.

Raw materials costs were $17.8 million in the second quarter of 2018 compared with $15.8 million in the second quarter of 2017, due to higher newsprint prices and, to a lesser extent, higher volume as a result of growth in commercial printing operations.

Other Data

Other Components of Net Periodic Benefit Costs/(Income)

Other components of net periodic benefit costs/(income) increased in the second quarter of 2018 to $1.9 million compared with ($1.2) million in the second quarter of 2017 primarily due to lower expected returns on pension assets partially offset by lower interest costs.

Interest Expense and Other, net

Interest expense and other, net decreased in the second quarter of 2018 to $4.5 million compared with $5.1 million in the second quarter of 2017 as a result of higher interest income from cash and cash equivalents and marketable securities.

Income Taxes

The Company had income tax expense of $10.0 million in the second quarter of 2018 compared with $6.7 million in the second quarter of 2017. The increase was largely due to higher income from continuing operations in the second quarter of 2018.

Liquidity

As of July 1, 2018, the Company had cash and marketable securities of $779.2 million (excluding restricted cash of $18.1 million, substantially all of which is set aside to collateralize certain workers' compensation obligations). Included within marketable securities are approximately $68 million of securities used as collateral for letters of credit issued by the Company in connection with the leasing of floors in our headquarters building. Total debt and capital lease obligations were $251.9 million.

Capital Expenditures

Capital expenditures totaled approximately $15 million in the second quarter of 2018 compared with $22 million in the second quarter of 2017. The expenditures were primarily related to improvements at our College Point printing and distribution facility and the ongoing redesign and consolidation of space in our headquarters building.

Outlook

Total subscription revenues in the third quarter of 2018 are expected to increase in the mid-single digits compared with the third quarter of 2017, with digital-only subscription revenue expected to increase in the high-teens.

Total advertising revenues in the third quarter of 2018 are expected to decrease in the low-single digits compared with the third quarter of 2017, with digital advertising revenue expected to increase approximately 10 percent.

Other revenues in the third quarter of 2018 are expected to increase approximately 50 percent compared with the third quarter of 2017.

Operating costs and adjusted operating costs are expected to increase approximately 10 percent in the third quarter of 2018 compared with the third quarter of 2017 as a result of higher marketing costs and growth in commercial printing operations.

The Company expects the following on a pre-tax basis in 2018:

- Depreciation and amortization: $58 million to $60 million,
- Interest expense and other, net: $17 million to $19 million, and
- Capital expenditures: $65 million to $75 million.

Conference Call Information

The Company's second-quarter 2018 earnings conference call will be held on Wednesday, August 8 at 11:00 a.m. E.T.

Participants can pre-register for the telephone conference at dpregister.com/10121617, which will generate dial-in instructions allowing participants to bypass an operator at the time of the call. Alternatively, to access the call without pre-registration, dial 844-413-3940 (in the U.S.) or 412-858-5208 (international callers). Online listeners can link to the live webcast at investors.nytco.com.

An archive of the webcast will be available beginning about two hours after the call at investors.nytco.com. The archive will be available for approximately three months. An audio replay will be available at 877-344-7529 (in the U.S.) and 412-317-0088 (international callers) beginning approximately two hours after the call until 11:59 p.m. E.T. on Wednesday, August 22. The passcode is 10121617.

Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties, and actual results could differ materially from those predicted by such forward-looking statements. These risks and uncertainties include changes in the business and competitive environment in which the Company operates, the impact of national and local conditions and developments in technology, each of which could influence the levels (rate and volume) of the Company's subscriptions and advertising, the growth of its businesses and the implementation of its strategic initiatives. They also include other risks detailed from time to time in the Company's publicly filed documents, including the Company's Annual Report on Form 10-K for the year ended December 31, 2017. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The New York Times Company is a global media organization dedicated to enhancing society by creating, collecting and distributing high-quality news and information. The Company includes The New York Times, NYTimes.com and related properties. It is known globally for excellence in its journalism, and innovation in its print and digital storytelling and its business model. Follow news about the company at @NYTimesPR.

Exhibits: Condensed Consolidated Statements of Operations
Footnotes
Reconciliation of Non-GAAP Information

THE NEW YORK TIMES COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars and shares in thousands, except per share data)

	Second Quarter			Six Months		
	2018	2017	% Change	2018	2017	% Change
Revenues						
Subscription[a]	$ 260,629	$ 250,037	4.2%	$ 521,222	$ 492,412	5.9%
Advertising[b]	119,201	132,234	(9.9%)	244,848	262,262	(6.6%)
Other[c]	34,730	24,803	40.0%	62,438	51,204	21.9%
Total revenues	414,560	407,074	1.8%	828,508	805,878	2.8%
Operating costs						
Production costs[d]	155,857	149,694	4.1%	310,198	302,991	2.4%
Selling, general and administrative costs[d]	203,368	213,788	(4.9%)	411,991	412,925	(0.2%)
Depreciation and amortization	14,081	15,131	(6.9%)	29,122	31,284	(6.9%)
Total operating costs[d]	373,306	378,613	(1.4%)	751,311	747,200	0.6%
Headquarters redesign and consolidation[e]	1,252	1,985	(36.9%)	3,140	4,387	(28.4%)
Operating profit[d]	40,002	26,476	51.1%	74,057	54,291	36.4%
Other components of net periodic benefit costs/ (income)[d]	1,863	(1,193)	*	3,891	(2,387)	*
(Loss)/Gain from joint ventures	(8)	(266)	(97.0%)	7	(93)	*
Interest expense and other, net	4,536	5,133	(11.6%)	9,413	10,458	(10.0%)
Income from continuing operations before income taxes	33,595	22,270	50.9%	60,760	46,127	31.7%
Income tax expense	9,999	6,711	49.0%	15,250	17,453	(12.6%)
Net income	23,596	15,559	51.7%	45,510	28,674	58.7%
Net loss/(income) attributable to the noncontrolling interest	1	40	(97.5%)	(1)	106	*
Net income attributable to The New York Times Company common stockholders	$ 23,597	$ 15,599	51.3%	$ 45,509	$ 28,780	58.1%
Average number of common shares outstanding:						
Basic	165,027	161,787	2.0%	164,581	161,624	1.8%
Diluted	166,899	163,808	1.9%	166,515	163,673	1.7%
Basic earnings per share attributable to The New York Times Company common stockholders	$ 0.14	$ 0.10	40.0%	$ 0.28	$ 0.18	55.6%
Diluted earnings per share attributable to The New York Times Company common stockholders	$ 0.14	$ 0.09	55.6%	$ 0.27	$ 0.17	58.8%
Dividends declared per share	$ 0.04	$ —	*	$ 0.08	$ 0.04	100.0%

** Represents a change equal to or in excess of 100% or not meaningful.*

See footnotes pages for additional information.

THE NEW YORK TIMES COMPANY
FOOTNOTES
(Amounts in thousands)

(a) The following table summarizes digital-only subscription revenues for the second quarters and first six months of 2018 and 2017:

	Second Quarter			Six Months		
	2018	**2017**	**% Change**	**2018**	**2017**	**% Change**
Digital-only subscription revenues:						
News product subscription revenues[1]	$ 93,549	$ 79,300	18.0%	$ 184,125	$ 152,161	21.0%
Other product subscription revenues[2]	5,194	3,243	60.2%	10,030	6,199	61.8%
Total digital-only subscription revenues	$ 98,743	$ 82,543	19.6%	$ 194,155	$ 158,360	22.6%

[1] *Includes revenues from subscriptions to the Company's news product. News product subscription packages that include access to the Company's Crossword and Cooking products are also included in this category.*

[2] *Includes revenues from standalone subscriptions to the Company's Crossword and Cooking products.*

The following table summarizes digital-only subscriptions as of the end of the second quarters of 2018 and 2017:

	Second Quarter		
	2018	**2017**	**% Change**
Digital-only subscriptions:			
News product subscriptions[1]	2,398	2,027	18.3%
Other product subscriptions[2]	494	306	61.4%
Total digital-only subscriptions	2,892	2,333	24.0%

[1] *Includes subscriptions to the Company's news product. News product subscription packages that include access to the Company's Crossword and Cooking products are also included in this category.*

[2] *Includes standalone subscriptions to the Company's Crossword and Cooking products.*

THE NEW YORK TIMES COMPANY
FOOTNOTES
(Amounts in thousands)

(b) The following table summarizes advertising revenues by category for the second quarters and first six months of 2018 and 2017:

	Second Quarter 2018			Second Quarter 2017			% Change		
	Print	Digital	Total	Print	Digital	Total	Print	Digital	Total
Display	$ 60,803	$ 41,443	$102,246	$ 68,499	$ 44,485	$112,984	(11.2)%	(6.8)%	(9.5)%
Classified and Other	7,367	9,588	16,955	8,557	10,693	19,250	(13.9)%	(10.3)%	(11.9)%
Total advertising	$ 68,170	$ 51,031	$119,201	$ 77,056	$ 55,178	$132,234	(11.5)%	(7.5)%	(9.9)%

	Six Months 2018			Six Months 2017			% Change		
	Print	Digital	Total	Print	Digital	Total	Print	Digital	Total
Display	$131,608	$ 80,140	$211,748	$140,126	$ 87,461	$227,587	(6.1)%	(8.4)%	(7.0)%
Classified and Other	15,506	17,594	33,100	17,287	17,388	34,675	(10.3)%	1.2 %	(4.5)%
Total advertising	$147,114	$ 97,734	$244,848	$157,413	$104,849	$262,262	(6.5)%	(6.8)%	(6.6)%

(c) Other revenues primarily consist of revenues from news services/syndication, building rental income, affiliate referrals, digital archive licensing, NYT Live (our live events business), commercial printing, and retail commerce.

(d) As a result of the adoption of the ASU 2017-07 during the first quarter of 2018, the service cost component of net periodic benefit costs/(income) from our pension and other postretirement benefits plans will continue to be presented within operating costs, while the other components of net periodic benefits costs/(income) such as interest cost, amortization of prior service credit and gains or losses from our pension and other postretirement benefits plans will be separately presented outside of "Operating costs" in the new line item "Other components of net periodic benefits costs/(income)". The Company has recast the Condensed Consolidated Statement of Operations for the second quarter and first six months of 2017 to conform with the current period presentation. This resulted in $0.4 million and $0.8 million of credits being reclassified from "Production costs" and "Selling, general and administrative costs" to "Other components of net periodic benefit costs/(income)" in the second quarter of 2017 and $0.5 million and $1.9 million of credits being reclassified from "Production costs" and "Selling, general and administrative costs" to "Other components of net periodic benefit costs/(income)" in the first six months of 2017. This recast increased the second quarter and first six months of 2017 "Operating costs" by $1.2 million and $2.4 million, respectively, while "Operating profit" decreased by the same amount. There was no impact to net income.

(e) The Company recognized $1.3 million and $2.0 million pre-tax expenses related to the redesign and consolidation of space in our headquarters building in the second quarters of 2018 and 2017, respectively, and $3.1 million and $4.4 million in the first six months of 2018 and 2017, respectively.

THE NEW YORK TIMES COMPANY
RECONCILIATION OF NON-GAAP INFORMATION
(Dollars in thousands, except per share data)

In this release, the Company has referred to non-GAAP financial information with respect to 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); operating profit before depreciation, amortization, severance, multiemployer pension plan withdrawal costs and special items (or adjusted operating profit); and operating costs before depreciation, amortization, severance and multiemployer pension withdrawal costs (or adjusted operating costs). The Company has included these non-GAAP financial measures because management reviews them on a regular basis and uses them to evaluate and manage the performance of the Company's operations. Management believes 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.

As a result of the adoption of ASU 2017-07 during the first quarter of 2018, all single employer pension and other postretirement benefit expenses with the exception of service cost were reclassified from operating costs to "Other components of net periodic benefit costs/(income)". See note (d) to the Footnotes to the Condensed Consolidated Statement of Operations above. In connection with the adoption of ASU 2017-07, the Company made the following changes to its non-GAAP financial measures in order to align them with the new GAAP presentation:

- revised the components of non-operating retirement costs to include amortization of prior service credit of single employer pension and other postretirement benefit expenses; and
- revised the definition of adjusted operating profit and adjusted operating costs to exclude only multiemployer pension plan withdrawal costs (which historically have been and continue to be a component of non-operating retirement costs), rather than all non-operating retirement costs. As a result of the adoption of ASU 2017-07 non-operating retirement costs other than multiemployer pension plan withdrawal costs are now separately presented outside of operating costs and accordingly have no impact on operating profit and cost under GAAP, or adjusted operating profit or adjusted operating costs. Multiemployer pension plan withdrawal costs remain in GAAP operating costs and therefore continue to be an adjustment to these non-GAAP measures.

Non-operating retirement costs include (i) interest cost, expected return on plan assets, amortization of actuarial gains and loss components and amortization of prior service credits of single employer pension expense, (ii) interest cost, amortization of actuarial gains and loss components and amortization of prior service credits of retirement medical expense, and (iii) all multiemployer pension plan withdrawal costs.

These non-operating retirement costs are primarily tied to financial market performance and changes in market interest rates and investment performance. Management considers non-operating retirement costs to be outside the performance of the business and believes that presenting adjusted diluted earnings per share from continuing operations excluding non-operating retirement costs and presenting adjusted operating results excluding multiemployer pension plan withdrawal costs, in addition to the Company's GAAP diluted earnings per share from continuing operations and GAAP operating results, provide increased transparency and a better understanding of the underlying trends in the Company's operating business performance.

Adjusted diluted earnings per share provides useful information in evaluating the Company's period-to-period performance because it eliminates items that the Company does not consider to be indicative of earnings from ongoing operating activities. Adjusted operating profit is useful in evaluating the ongoing performance of the Company's business 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 multiemployer pension plan withdrawal costs. Total operating costs excluding these items provide investors with helpful supplemental information on the Company's underlying operating costs that is used by management in its financial and operational decision-making.

Management considers special items, which may include impairment charges, pension settlement charges and other items that arise from time to time, to be outside the ordinary course of our operations. Management believes that excluding these items provides a better understanding of the underlying trends in the Company's operating performance and allows more accurate comparisons of the Company's operating results to historical performance. In addition, management excludes severance costs, which may fluctuate significantly from quarter to quarter, because it believes these costs do not necessarily reflect expected future operating costs and do not contribute to a meaningful comparison of the Company's operating results to historical performance.

Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are set out in the tables below.

THE NEW YORK TIMES COMPANY
RECONCILIATION OF NON-GAAP INFORMATION
(Dollars in thousands, except per share data)

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)

	Second Quarter			Six Months		
	2018	**2017 (1)**	**% Change**	**2018**	**2017 (1)**	**% Change**
Diluted earnings per share from continuing operations	$ 0.14	$ 0.09	55.6 %	$ 0.27	$ 0.17	58.8%
Add:						
Severance	0.01	0.12	(91.7)%	0.03	0.13	(76.9)%
Non-operating retirement costs	0.02	—	*	0.05	0.01	*
Special items:						
Headquarters redesign and consolidation	0.01	0.02	(50.0)%	0.02	0.03	(33.3)%
Income tax expense of adjustments	(0.01)	(0.06)	(83.3)%	(0.03)	(0.07)	(57.1)%
Adjusted diluted earnings per share from continuing operations (2)	$ 0.17	$ 0.17	— %	$ 0.34	$ 0.27	25.9%

(1) *Revised to reflect recast of GAAP results to conform with current period presentation and the revised definition of non-operating retirement costs. See Impact of Modification of Non-GAAP Measures for more information.*

(2) *Amounts may not add due to rounding.*

Reconciliation of operating profit before depreciation & amortization, severance, multiemployer pension plan withdrawal costs and special items (or adjusted operating profit)

	Second Quarter			Six Months		
	2018	**2017 (1)**	**% Change**	**2018**	**2017 (1)**	**% Change**
Operating profit	$ 40,002	$ 26,476	51.1 %	$ 74,057	$ 54,291	36.4 %
Add:						
Depreciation & amortization	14,081	15,131	(6.9)%	29,122	31,284	(6.9)%
Severance	2,244	19,254	(88.3)%	4,633	20,854	(77.8)%
Multiemployer pension plan withdrawal costs	1,791	1,808	(0.9)%	3,895	4,081	(4.6)%
Special items:						
Headquarters redesign and consolidation	1,252	1,985	(36.9)%	3,140	4,387	(28.4)%
Adjusted operating profit	$ 59,370	$ 64,654	(8.2)%	$ 114,847	$ 114,897	— %

(1) *Revised to reflect recast of GAAP results to conform with current period presentation and the revised definition of adjusted operating profit. See Impact of Modification of Non-GAAP Measures for more information.*

Reconciliation of operating costs before depreciation & amortization, severance and multiemployer pension plan withdrawal costs (or adjusted operating costs)

	Second Quarter			Six Months		
	2018	**2017 (1)**	**% Change**	**2018**	**2017 (1)**	**% Change**
Operating costs	$ 373,306	$ 378,613	(1.4)%	751,311	$ 747,200	0.6 %
Less:						
Depreciation & amortization	14,081	15,131	(6.9)%	29,122	31,284	(6.9)%
Severance	2,244	19,254	(88.3)%	4,633	20,854	(77.8)%
Multiemployer pension plan withdrawal costs	1,791	1,808	(0.9)%	3,895	4,081	(4.6)%
Adjusted operating costs	$ 355,190	$ 342,420	3.7 %	$ 713,661	$ 690,981	3.3 %

(1) *Revised to reflect recast of GAAP results to conform with current period presentation and the revised definition of adjusted operating costs. See Impact of Modification of Non-GAAP Measures for more information.*

THE NEW YORK TIMES COMPANY

RECONCILIATION OF NON-GAAP INFORMATION (continued)

(Dollars in thousands, except per share data)

Impact of Modification of Non-GAAP Measures

In connection with the adoption of ASU 2017-07 in the first quarter of 2018, the Company modified its definitions of adjusted operating profit, adjusted operating costs and non-operating retirement costs in response to changes in the GAAP presentation of single employer pension and postretirement benefit costs. For comparability purposes, the Company has presented each of its non-GAAP financial measures for the second quarter of 2017 and first six months of 2017 reflecting the recast of its financial statements for such periods to account for the adoption of ASU 2017-07 and the revised definitions of the non-GAAP financial measures. The following tables show the adjustments to the previously presented metrics.

Adjustments made to the reconciliation of diluted earnings per share from continuing operations to adjusted diluted earnings per share from continuing operations

	Second Quarter			Six Months		
	2017 Previously Reported	Adjustment	2017 Recast	2017 Previously Reported	Adjustment	2017 Recast
Diluted earnings per share from continuing operations	$ 0.09	$ —	$ 0.09	$ 0.17	$ —	$ 0.17
Add:						
Severance	0.12	—	0.12	0.13	—	0.13
Non-operating retirement costs	0.02	(0.02) [1]	—	0.04	(0.03) [1]	0.01
Special items:						
Headquarters redesign and consolidation	0.02	—	0.02	0.03	—	0.03
Income tax expense of adjustments	(0.07)	0.01	(0.06)	(0.08)	0.01	(0.07)
Adjusted diluted earnings per share from continuing operations [2]	$ 0.18	$ (0.01)	$ 0.17	$ 0.29	$ (0.02)	$ 0.27

[1] *Reflects the inclusion of amortization of prior service credits in the definition of non-operating retirement costs.*

[2] *Amounts may not add due to rounding.*

Adjustments made to the reconciliation of operating profit to adjusted operating profit

	Second Quarter			Six Months		
	2017 Previously Reported	Adjustment	2017 Recast	2017 Previously Reported	Adjustment	2017 Recast
Operating profit	$ 27,669	$ (1,193) [1]	$ 26,476	$ 56,678	$ (2,387) [1]	$ 54,291
Add:						
Depreciation & amortization	15,131	—	15,131	31,284	—	31,284
Severance	19,254	—	19,254	20,854	—	20,854
Non-operating retirement costs	3,040	(3,040) [2]	—	6,543	(6,543) [2]	—
Multiemployer pension plan withdrawal costs	—	1,808 [2]	1,808	—	4,081 [2]	4,081
Special items:						
Headquarters redesign and consolidation	1,985	—	1,985	4,387	—	4,387
Adjusted operating profit	$ 67,079	$ (2,425) [3]	$ 64,654	$ 119,746	$ (4,849) [3]	$ 114,897

THE NEW YORK TIMES COMPANY
RECONCILIATION OF NON-GAAP INFORMATION (continued)
(Dollars in thousands, except per share data)

(1) Recast as a result of the adoption of ASU 2017-07. See footnote (d) to the Condensed Consolidated Statements of Operations for more information.

(2) As a result of the change in the definition of adjusted operating profit, only multiemployer pension plan withdrawal costs, rather than all non-operating retirement costs, are excluded from adjusted operating profit.

(3) Represents amortization of prior service credits, which historically were a component of operating profit but not an adjustment to adjusted operating profit. As a result of the adoption of ASU 2017-07, amortization of prior service credits are now a component of other components of net periodic benefit costs/(income) rather than operating profit. For the second quarter and first six months of 2017, $(2.4) million and $(4.8) million, respectively, of amortization of prior service credits have been reclassified out of operating profit thereby reducing operating profit and adjusted operating profit.

Adjustments made to the reconciliation of operating costs to adjusted operating costs

	Second Quarter			Six Months		
	2017 Previously Reported	Adjustment	2017 Recast	2017 Previously Reported	Adjustment	2017 Recast
Operating costs	$ 377,420	$ 1,193 (1)	$ 378,613	$ 744,813	$ 2,387 (1)	$ 747,200
Less:						
Depreciation & amortization	15,131	—	15,131	31,284	—	31,284
Severance	19,254	—	19,254	20,854	—	20,854
Non-operating retirement costs	3,040	(3,040) (2)	—	6,543	(6,543) (2)	—
Multiemployer pension plan withdrawal costs	—	1,808 (2)	1,808	—	4,081 (2)	4,081
Adjusted operating costs	$ 339,995	$ 2,425 (3)	$ 342,420	$ 686,132	$ 4,849 (3)	$ 690,981

(1) Recast as a result of the adoption of ASU 2017-07. See footnote (d) to the Condensed Consolidated Statements of Operations for more information.

(2) As a result of the change in the definition of adjusted operating costs, only multiemployer pension plan withdrawal costs, rather than all non-operating retirement costs, are excluded from adjusted operating costs.

(3) Represents amortization of prior service credits, which historically were a component of operating costs but not an adjustment to adjusted operating costs. As a result of the adoption of ASU 2017-07, amortization of prior service credits are now a component of other components of net periodic benefit costs/(income) rather than operating costs. For the second quarter and first six months of 2017, $(2.4) million and $(4.8) million, respectively, of amortization of prior service credits have been reclassified out of operating costs thereby increasing operating costs and adjusted operating costs.

THE NEW YORK TIMES COMPANY
RECONCILIATION OF NON-GAAP INFORMATION (continued)
(Dollars in thousands, except per share data)

The following table reconciles other components of net periodic benefit costs/(income), excluding special items, to the comparable non-GAAP metric, non-operating retirement costs.

	Second Quarter of 2017	Six Months of 2017
Pension:		
Interest cost	$ 17,550	$ 35,100
Expected return on plan assets	(26,135)	(52,270)
Amortization and other costs	8,441	16,882
Amortization of prior service credit [1]	(486)	(972)
Non-operating pension income	(630)	(1,260)
Other postretirement benefits:		
Interest cost	470	940
Amortization and other costs	905	1,810
Amortization of prior service credit [1]	(1,938)	(3,877)
Non-operating other postretirement benefits income	(563)	(1,127)
Other components of net periodic benefit income	(1,193)	(2,387)
Multiemployer pension plan withdrawal costs	1,808	4,081
Total non-operating retirement costs	$ 615	$ 1,694

[1] The total amortization of prior service credit was $(2.4) million and $(4.8) million for the second quarter and first six months of 2017, respectively.