

# GUILD LEADER

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## *Staff Cuts Are Just the Start*

# AH Belo Eyes Sale of Providence Real Estate, a Smaller Paper, On-Line Growth and Lower Dividends

The Journal's corporate parent, saying it is applying "the mindset of a start-up company's management team," has outlined a series of long-term cost-cutting moves, including exploring the possible sale of its "Providence real estate."

The statement is on track with rumors that have circulated in recent months that the Journal's Fountain Street building is up for sale.

The announcement was contained in a letter to shareholders that outlined a 14 percent reduction in the AH Belo workforce.

"A request for proposals is being issued to several prominent national real estate firms to help us assess this potential in all the AHC markets, and especially Dallas and Providence," the statement says. The company says it does not expect to finalize any real estate transactions before the middle of next year.

Another cost-saving move involves the introduction of an "Integrated Advertising System" by the end of 2011. This move could affect both billing and accounting workers. Workers in this department have been subjected to on-again, off-again studies of

consolidating financial work in a single corporate location.

The look of the Journal will also change. The company will reduce the width of the paper, a move that will save on newsprint costs as well as make the paper physically smaller.

The AH Belo board of directors also said they will look at reducing the company's stock dividend when they meet in September. "The current yield on (AH Belo's) stock price is unrealistically high and cannot be sustained over time," the announcement said.

On the revenue side, the company is looking to double on-line revenue by the end of 2011. This matches the company's reluctance to offer buyouts of on-line workers.

A factor working in favor of the company is that it carries no debt. When AH Belo split from Belo earlier this year, all the corporate debt was left with the old firm. In recent months large debt loads have placed many prominent newspaper chains in danger of bankruptcy as poor earnings have made it impossible to pay back loans.