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PRESENTATION
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John Janedis: All right, great. All right, good morning, everybody. It's my pleasure to welcome the Gannett Company, again with us this year. Today we have Gracia Martore, President and CEO, to my direct left; next in line we have Dave Lougee, President, Gannett Broadcasting; next to Dave is Bob Dickey, President of U.S. Community Publishing; we have Matt Ferguson, who is the CEO of CareerBuilder; and to Matt's left is Victoria Harker, CFO.

So -- there's a lot to talk about today, Gracia, so without further ado, Gracia Martore.

Gracia Martore: Thanks very much, John, and good morning. It's great to be here, and it's hard to believe that this marks our 11th appearance here at the UBS Media Conference. Unfortunately for you, it also marks the 11th time you're going to have to look at our forward-looking disclosure statement on the screen and memorize it. So we'll take a moment for that.

All right, now that we've got it all taken care of, I want to tell you that we really look forward to having the opportunity to present here at UBS every year, because it gives us a great opportunity to provide an update on the state of Gannett.

And so let me start by saying that we are extremely pleased by where we are today and the significant progress that we have made on our strategic transformation.

Now, before we jump into the presentation, in addition to the speakers that John mentioned, I also want to recognize some other folks from the Gannett team here who have been equally responsible for the terrific progress that we've made over these last couple of years.

My colleagues in the audience include Larry Kramer, President and Publisher of USA TODAY; Jack Williams, President of Gannett Digital Ventures; David Payne, Chief Digital Officer; and Maryam Banikarim, our Chief Marketing Officer.

So, what are we going to do this morning with all of you? Well, we're going to cover each of our business segments and provide some details regarding our financial performance and our outlook for 2014.

Now let me say a few words on that because, obviously, Belo will be a significant add to the Company. We have not finalized our budget yet, so what we're going to do is, once we finalize the Belo transaction, which will be very soon, and we have it in the family, then we'll come back and share with you some of the assumptions for the broader company as it will be in existence for all of 2014.

The big news since we were last here with all of you last year is, of course, our pending and we expect soon-to-be-closed acquisition of Belo, which is really a true game-changer for Gannett. Not only does it accelerate the progress of our strategic plan in a very material way, it also catapults us to a position of a more diversified, higher-margin multimedia business; one that is positioned for sustainable growth and success in the digital age.

The combination of Gannett and Belo facilitates a fundamental change in our revenue mix and our margins. Following the integration of our operations, broadcasting will represent about 50 percent of our overall operating cash flow. And on virtually every dimension this combination is a win-win.

Now, Dave Lougee is going to speak in detail about our Broadcasting Segment both today as well as post-closing. But, for now, let me just say that it is one of the largest acquisitions, and I believe it will be one of, if not the most successful acquisition in the history of the Gannett Company, and that's about a 107-year history.

With the acquisition of Belo, we are making major strides towards the achievement of our transformation goals. But at the same time, we have remained relentlessly focused on our strategic growth initiatives, which serve to ensure that Gannett continues to evolve quickly with the ever-changing media landscape and positions us for long-term growth.

Since our Investor Day last year, when we first announced and articulated our strategic growth initiatives, we have made simply remarkable progress. We are stabilizing our publishing business, thanks to the widespread success of our all-access content subscription model and other initiatives including G/O Digital, which is our digital marketing services business.

But in addition to the tangible up-front financial benefits associated with our content subscription model, we have also gained new insights and inroads into what our audience believes is valuable. And those insights are invaluable to us. We continue to apply what we're learning.

And so, one example of that is the exciting pilot that we announced back in early October in four of our local publishing markets. I am pleased to announce today that based on the early successful results that we have seen – that were better than we even expected – we will be expanding the USA TODAY content edition integration with our local publications in 35 total markets during the first quarter.

This enhancement to the all-access content subscription model has been enthusiastically embraced by subscribers in the pilot markets. It provides local consumers with a significantly enhanced news product, and it demonstrates the power and opportunity we singularly have with our unique ability to provide USA TODAY national content while enhancing our ever-important local hometown coverage. This is another step in our reinvention of news and another opportunity for us to delight and engage consumers.

Now, our strategy to grow our higher-margin Digital and Broadcast Segments is also gaining significant traction. Digital revenues across all of our businesses are expected to total $1.5 billion in 2013 and represent nearly 30 percent of our total revenues. And they continue to grow, increasing approximately 17 percent in 2013 versus last year.

So what's included in digital revenues across all of our businesses? Well, it includes our Digital Segment, which we report publicly to you every quarter, but it also includes digital revenues in our Publishing and Broadcasting Segments that are generated from initiatives like G/O Digital, from our local and national advertising like at USA TODAY and other of our brands, and the digital allocation of our all-access content subscription model.

Now let me turn to broadcast for a few moments. Broadcast continues to perform very well, which only adds to our excitement as we near the close of the Belo transaction.

Now to provide you with some highlights on our Broadcasting Segment. I'd like to turn it over to Dave Lougee, who is very much looking forward to 2014.

Dave Lougee: Thanks, Gracia, and good morning. Before we discuss our year-to-date performance and our outlook for next year, I want to briefly make a few notes about our enthusiasm for the industry overall and especially for Gannett.

First of all, broadcasting is a high-margin business, now with an annuity-like cash flow, less sensitive than it once was to advertising spikes and falls. Broadcast affiliates and their networks continue to have the broadest appeal in terms of household viewership and viewing time.

Just look at last Thursday night and the live event of the "The Sound of Music." The program did an 11 rating, household rating nationwide, with 20 million viewers and was the largest driver of social traffic that day across the social universe, far out-performing any ratings you will find on any cable or any other medium. And, by the way, Gannett stations were number one in ratings, adults 18-49, and number two and number three, respectively, spanning the market-based upside on retransmission consent revenues.

The few broadcasters in each market represent about 35 percent of the overall viewing despite hundreds of cable channels, but by one recent study, they represent less than 10 percent of all subscriber fees paid out.

The market has finally begun to work in aligning those numbers, but there's a long way to go. And the upside is strongest for strong local broadcast affiliates who invest in strong local news and programming that complement and help drive the network programming.

As you've heard from us many times, we expect retransmission revenues will continue to grow and justifiably so. How big the retrans pie will grow we think should be your focus as well as what those numbers will be and as well as what the level of retrans paid to the networks will be.

As Gracia and I have referenced many times, we're not close to closing that gap, but we believe in a sharing with the networks. That allows us to reinvest together in the programming that drives our business, and there is room for the pie to grow for both of us.

Scale is critical in the broadcast business. Following the close of the Belo transaction, we'll become the biggest independent owner of major network affiliates in the top 25 markets.

Belo allows us to nearly double our broadcast portfolio. It will open up several strong and growing markets, specifically markets like Texas in which we are prepared to immediately begin deploying our G/O Digital marketing services business and other local initiatives, over time.

We'll become a major and unique player in the industry, and we'll be more diversified geographically and by network affiliation. Other than the big four networks who own those stations themselves, as I said, we'll be the biggest owner of big four stations in the top 25 markets. We'll be the number-one CBS affiliate group now, the number four ABC affiliate group, and we'll further expand our already number-one NBC affiliate position.

Perhaps most importantly, as Gracia said, this marriage is a perfect cultural and strategic fit. Like Gannett, Belo stations have strong local news operations built over many years with strong brands relevant to both viewers and advertisers, and we are very excited about it.

Gannett Broadcasting is having another strong year. Removing even-year revenue variables common in our cyclical business, and especially common to us given our NBC portfolio and our political strength, broadcasting continues to be a growth business. Since year-to-year comps are difficult due to last year's record-breaking political revenue and Olympics, a better pure comparison that we look at is 2013 to 2011 where annual net revenues will be up nearly 16 percent.

A big driver of that is retrans, but notably core spot revenues will be up 6 percent above 2011, and local spot will be up 8 percent from 2011, the result of our ongoing successful business development efforts in our local markets.

Our markets have performed well in aggregate in terms of core market share, especially as we lap an Olympic year. We've been gaining market share all year long, netting out the Olympic comparisons in third quarter, and we know we are finishing the year strong in terms of core share in fourth quarter as well, as all comparisons to publishing industry pacing figures are very favorable.

And back to the 2011 comparison, our 2013 market share will be a full point higher than it was in 2011.

Full year 2013 revenues are projected to be minus 8 percent below last year excluding the 53rd week, due to that loss of record political totaling $150 million last year. Excluding that year-to-year variance of political, TV revenues are projected to be nearly 10 percent above last year.

For fourth quarter, political advertising has come in a little less than we had projected, due in part, to the paralysis in spending related to the Affordable Care Act that you are very familiar with. And spending in the Virginia governor's race was a little less than we projected.

So fourth quarter comps, year-to-year, again, are up against the $91 million of heavy political last fourth quarter, versus only $5 million this year. Excluding the 53rd week, net TV revenues are forecasted to be 20 percent, or $54 million below last year despite the $86 million political delta in the quarter.

Excluding that impact of political, net revenue is projected to be up 17 percent in the fourth quarter. And, again, as we referenced earlier, a better apples-to-apples comparison for the fourth quarter is 2011, where net TV revenue will be up 12 percent and core spot revenue will be up 4 percent and local up 5 percent for the quarter from 2013 to 2011.

Turning to 2014 -- we are, needless to say, as Gracia said, very, very excited about the Belo transaction -- the transformative nature of it and our optimism about our ability to perform very, very well with the integrated company.

Obviously, Olympic sales are huge for us in an even year, and our Olympic sales for Sochi are very strong, the result of that new sales process we put in place for the London games that has allowed us to gain a lot of traction with local advertisers. And 2014 will be another very strong political year.

While it's too early to know exactly which races will be the hottest, our geographically diverse portfolio of Gannett and Belo markets, a mutual fund, if you will, of regions, will yield very, very strong results. For first quarter it's too early to give much guidance on 1Q overall, as a lot of the quarter is going to get booked in the next two to three weeks but, again, we will have that beachhead of the Olympics across our strong, large NBC portfolio that gives us a leg up.

Thank you.

Bob Dickey: Good morning. Community Publishing remains, without a question, a cornerstone of Gannett's business. As Dave and Gracia have indicated, it will be a smaller percentage of the overall revenue pie as we move forward. But we have a strong future as we build our local business across our 80 markets.

We've made great strides in stabilizing our publishing division despite secular pressure on print. The transition to our all-access subscription model sets a foundation. Investments to strengthen our content and expand digital products help deliver circulation revenue gains.

We have approximately 1.5 million digitally activated subscribers, and we are making strides in acquiring digital-only subscribers as well. In some markets, particularly those with younger demos, digital-only subscribers are approaching 10 percent of all accounts -- and growing.

Only by responding to consumer expectations can we continue to grow subscription revenues and lessen the traditional dependency on advertising. In recent weeks, we've introduced a major enhancement to subscriber value. The digital relaunch piloted in Rochester updates the user experience and expands our digital portfolio. Response has been very, very positive.

All key metrics have shown significant growth, and we're very excited by the latest comScore reports showing that the Democrat & Chronicle has created greater distance from its competitors. As a result, we will move forward with all U.S. Community Publishing markets over the next several months.

In another exciting pilot, a USA TODAY edition was integrated into four local newspapers as a test. We truly believe USA TODAY's unique reporting delivers great subscriber value, and it allows us to focus local reporters on creating unique local coverage.

On average, the integration has resulted in 70 new pages of content per week in our print and e-editions. Our customers have enthusiastically welcomed the USA TODAY local edition. In fact, we're seeing positive trends across the board. We're seeing new starts are up, stops are down against our previous trends, and well better than our earlier projection. And what's very exciting is that we're seeing retention improve in all four markets.

As part of the project, we recently surveyed customers in Indianapolis about their satisfaction and the perceived value of their subscription. We are very encouraged that the percentage of customers who said they feel the subscription is a good value for the money was up 5 full percentage points versus the previous three quarters' average.

And nearly 70 percent of the respondents scored local coverage at excellent or very good, and 60 percent cited the edition of USA TODAY content as a clear improvement in quality. The pilot tests are showing us that we are on to something that delivers clear value to our consumers.

As we enhance and add new products, our customers tell us they are willing to pay for the added value that we are providing. And based on these results, as Gracia announced, we've decided to expand the USA TODAY local edition to an additional 31 markets in the early part of next year. Consumers spoke to what they valued and we are responding.

We are also building training and toolkits to ensure our journalists understand and respond to readers' interests in their daily coverage decisions. We have great data on consumer behavior, and we have created personalized dashboards for all journalists -- customized to the specific metrics that we believe they should use to track customers. It's driving subscriptions; it's driving activations and access.

This consumer focus has us undertaking significant changes to our subscriber acquisition and retention efforts. We have reassessed lifetime value and are aligning our resources to prioritize the most profitable consumer segments.

Our focus optimizes the right mix of channel, payment method, subscription type, and offer -- all to improve response rates. We are also restructuring our consumer marketing team to bring greater focus to our retention efforts, including the creation and testing of a number of membership and loyalty programs.

Now turning to revenue -- in USCP, our advertising business is segmented into the major retailers and national advertisers, which account for 24 percent of our total ad revenues, while local constitutes 76 percent. And that is where our local management teams are focused with the goal and the desire to grow local market share.

With our robust digital portfolio, our credible local brands, and our well-trained salesforces, we improved the local revenue trend in 2013, and we will again in 2014. We're seeing trend improvements in the key verticals of retail, automotive, and real estate.

In automotive, we've changed the conversation with local franchise dealers. Our automotive strategy is centered on using market data including buying patterns, current inventory levels, and model launches. We develop individualized solutions that best drive leads to their dealership based on market demand and available inventory. Dealers have reacted positively, and we're seeing many new six-figure deals daily.

In 2014, we will see positive growth in the auto category and digital revenue will constitute 55 percent of our total local automotive results.

We have a number of initiatives next year to meet the needs of our advertising customers. Among them is a new print pricing strategy. The pricing program will incent customers to run campaigns with significantly greater frequency to achieve stronger audience penetration and, of course, better results. The pricing will be highly competitive, and it will reinforce that we know how to produce results in a dynamic multimedia world.

We will also continue to invest in our digital marketing services portfolio recently rebranded G/O Digital. Small to medium businesses need our help managing their media and marketing investments. We sell marketing services such as search, e-mail, social marketing, alongside media solutions like print or digital display.

This integrated approach is delivering greater impact for our customers. I'd like to show you a brief video of describing G/O Digital's impact.

(video)

Both the digital marketing services and all-access subscription model are helping us diversify our revenue stream. In 2011, prior to the launch of the all-access model, circulation revenues accounted for 29 percent of the division's total revenue. In 2013 after cycling the launches, circulation revenues will account for 35 percent.

And as we add value enhanced by the digital relaunch and USA TODAY integration, our goal is to grow circulation revenue to 40 percent of total revenues over the next 18 to 24 months.

As you've come to expect, we continue to operate efficiently as possible while still investing where it makes sense. Despite increases in 2013 for G/O Digital, we reduced total expenses by just over $30 million and given current economic realities we plan to continue our cost containment efforts. This will mean substantial year-over-year reductions when you exclude the incremental expense for the pilot projects in 2014. Excluding those, we will reduce total expenses by 2 percent in 2014.

As we constantly build new value for customers, we see revenue tracking upward. Circulation revenues growing, local advertising continues to gain ground, our ad revenue initiatives are aligned with the needs of local businesses, and we are confident they will support our objective to grow local market share.

Our deep local connections provide a unique relationship with advertisers and readers to make us very confident we will have a strong 2014.

Thank you.

Gracia Martore: Thanks, Bob. I want to take a moment to cover two other components of our publishing segment -- Newsquest and USA TODAY. At Newsquest, in the UK, we completed research and piloting to determine how to best reposition our publications for readers there.

What we learned, no surprise, was that readers valued and wanted increased engaging content, which we implemented late last year and early this year. And as a result, we were able to implement price increases as we've done in the U.S. across the portfolio reflecting the added value we were providing, and that helped boost circulation revenue at Newsquest by about 10 percent last quarter in local currency.

In addition, online revenue grew 13 percent in the third quarter compared to the prior year driven primarily by retail advertising. The economy in the UK is improving a bit, and we expect to fully take advantage of that.

Now let me turn to USA TODAY. I am very, very pleased to say that as a result of the hard work of Larry and his team, USA TODAY recently returned its position as number one in total daily circulation with 2.9 million. The win is due, in part, to our increased focus on digital offerings. Total digital, non-replica circulation numbers were nearly 1.5 million including USA TODAY tablet and mobile usage.

Let me also share with you that USA TODAY for the iPad is the number-one free news app in the Apple Store, another testament to our increasing engagement with on-the-go consumers.

USA TODAY's total unduplicated monthly audience number across all of our platforms -- print, desktop, mobile and tablet -- is now over 44 million, surpassing many other national news outlets.

These rising audience numbers prove for us that we are engaging with more and more consumers every day, and the upward trajectory of USA TODAY's digital growth matches the shift in habits of consumers wanting their news in different ways.

Now, Bob talked about the way that G/O Digital offerings are increasing Gannett's visibility among digital players like Facebook and Google. I'd like to turn it over to one of our very own digital players, Matt Ferguson, who runs CareerBuilder for us.

Matt Ferguson: Thank you, Gracia, good morning, everybody. Today's job market is stable and is poised for growth as we head to 2014. According to a recent study from CareerBuilder and Economic Modeling Specialiststhe workforce is projected to grow 4.4 percent between 2013 and 2017. Now, that's down from pre-recession levels, but that's faster than the growth between 2009 and 2013 for the labor market, which was 3.5 percent.

And barring any major economic upsets, we should see better job growth in 2014 and see high-wage occupations grow faster, which will create more demand for middle wage and lower-wage occupations in the United States.

And at CareerBuilder we're well positioned to be able to take advantage from this anticipated increase in demand in the labor market. Today we have more traffic and more revenue in North America than our largest competitor, and we're quickly expanding our global footprint.

We've gained market share for the last nine years, and we're on track to capture more in the New Year. In addition to growing our job posting business, CareerBuilder has been aggressively building out our talent management software and data business. These are already experiencing rapid growth.

We turn to customers to help enrich their existing human capital data in the software as a service where we pull that talent pool in, extract skills and competencies from that talent pool, and make it more searchable, thus increasing our clients' ROI of their recruitment spend.

We've also made significant investments in improving the job seeker experience through interactions that are both more meaningful and engaging. Today about 42 percent of CareerBuilder's traffic comes from mobile devices. We expect that in 2014 that will go above 50 percent. And that's why we've been investing more than any other site in that mobile job seeker experience.

We are also changing the way companies source to engage and re-engage their talent. Our talent network software solution is an always-on recruiting engine that uses SEO and all the companies marketing to get people to join the company's talent network and then use our proprietary data and matching system to match any opening from the company, going forward, against that talent network. This pipelining technology allows companies to reduce time to hire and cost to hire.

In the last two years we have globally signed 1,300 talent networks, and these talent networks today have over 11 million members and have produced 13 million applications, so far.

At every stage of the employee lifecycle big data today is helping companies make smarter decisions about their workforce in what is becoming a market, especially at the high end that has a larger skills gap.

We have developed several workforce big data applications that help companies be smarter about this, and today there are about 3,000 customers worldwide using these workforce analytic solutions from CareerBuilder.

I also want to articulate how CareerBuilder is different than other job sites -- for example, LinkedIn. We've been serving the market for almost 20 years and have more customer relationships. The large customers we have, have very big fulfillment needs, and a lot of those positions are in bellwether positions. That is something that newer sites lack.

When you look at Monster, their careers revenue has declined year-over-year for eight consecutive quarters. We have diversified our business with those game-changing solutions that I've been talking about well before others recognize the need to do so, and that is evident in our respective results.

CareerBuilder outsold Monster in North America by nearly $200 million in 2012, and we continue to outpace them significantly in 2013. And while LinkedIn is growing, it has largely been at the expense of contingency recruiters for higher-end positions. There's a lot of speculation about LinkedIn's impact on the recruitment space, but the reality is CareerBuilder works better for clients for those bellwether positions.

We have a highly engaged user base, and we can deliver applicant flow whether you are looking for 10,000 jobs or 10 jobs and better than anybody else in the marketplace.

We also offer the human capital data, software, and advertising solutions in a bundle that no other competitor in the marketplace has. CareerBuilder will remain the most effective return for customers in the global marketplace in both terms of cost per applicant and cost per hire as we head into 2014.

Thanks for your time TODAY.

Gracia Martore: Thanks, Matt. Now, I know that many of you are interested in our balance sheet, our capital allocation plan, and the value we are returning to you, our shareholders. Before I turn the presentation over to Victoria, however, I just want to note a couple of things.

First, I want to emphasize that we continue to generate substantial levels of operating and free cash flow, and that will only be enhanced by the addition of the Belo Company.

We are committed to achieving the right equilibrium among a strong balance sheet, investing in our existing businesses, making opportunistic investments in other businesses, and returning value to our shareholders.

Now, since our Investor Day in February of 2012, we've invested substantially in our strategic initiatives, many of which are showing meaningful impact to our bottom line. We've successfully issued or raised approximately $1.9 billion to fund the Belo transaction as well as other potential corporate uses.

Although we've taken on additional debt, we have manageable debt maturities, and we've maintained an extremely healthy balance sheet, which we believe will be even stronger after we close Belo.

At the same time, we've continued to actively repurchase our shares because we think they are a great investment. And we continue to pay a strong level of dividends.

Now to provide you with some additional details is Victoria Harker, our CFO.

Victoria Harker: Thank you, Gracia, and good morning, everyone. As Gracia has said, we continue to make significant strategic investments in our business, driving meaningful progress on our transformation launch just 18 months ago. As you've already heard this morning, over the past year, we've made significant strides in several areas of our business including the Publishing Segment where we are working hard to stabilize the top line and, in fact, expects 2013 circulation revenue to be up for the second consecutive year, reversing a six-year trend.

As we look forward to 2014 and beyond, we also expect to see growth across additional areas of our business that will contribute meaningfully to both incremental revenue and contribution while expanding further into new local content as well as broader digital products and even richer features.

We are looking forward to 2014 as a year of great growth and opportunity across a variety of venues within our portfolio of businesses. The upcoming Winter Olympics in Sochi and increased advertising spending connection with upcoming election cycles are expected to drive substantial demand.

We also anticipate a substantial increase in retransmission revenues. We have one large deal and a few smaller deals due to be renegotiated at year-end. We'll update you on all of those as they are finalized.

In addition, many of our strategic initiatives are still ramping toward their full potential. We expect them to gain increased traction throughout the year driving revenue growth while allowing us to tap into the evolving demands of our consumer and our commercial audiences.

Before we look ahead to next year, though, I'd like to briefly summarize our expectations for our financial results for the fourth quarter.

While we won't close the final chapter of 2013 until later this month, I'd like to give you a bit of color on the drivers of trans-generating those results, which gives us comfort that we'll be at the higher of most estimates for earnings per share, which are in the range of $0.63 to $0.67 of earnings per share.

As I do, please keep in mind that all comparisons exclude special items and the extra week in 2012, which did not recur this year. As Dave already noted, excluding the incremental impacts of political spending, this quarter's total television revenue as compared to the fourth quarter last year are expected to be up by about 17 percent.

Within the digital segment, we expect our revenue growth to be up 3 percent to 4 percent compared to the same quarter last year. That is slightly below year-over-year growth in the third quarter as fiscal uncertainty led to constraints on hiring and recruitment in some sectors, which impacted CareerBuilder's typically stronger seasonal trends.

In the publishing segment, top line is expected to be down about 4 percent to 5 percent, with advertising down 6 percent to 6.5 percent. Advertising trend comparisons were strong in both October and in November, and we're very pleased with the progress we saw through that period.

However, several factors impacted advertising demand during the month of December including a lack of consumer and commercial confidence related to government shutdown and a shorter-than-usual sales cycle between Thanksgiving and Christmas. But we are confident in our momentum going into 2014 based on the factors that we've just discussed.

Circulation revenues are projected to be lower, in the low single digits. Our publishing results continue to be driven by the all-access content subscription model, which will beat our target of $100 million of contribution by year-end.

Likewise, our cost reductions and efficiency efforts in production distribution operations as well as global sourcing and real estate optimization continues to generate significant savings for the Company, which will carry forward into 2014.

Importantly, we are purposefully reallocating those savings to our growth initiatives, real time, and showing that our initiatives continue to receive the support they need to be successful.

Turning now to our full year results. Total company 2013 projected revenue of $5.1 billion will be approximately 3 percent lower than last year with growth in Digital Segment revenues offset by the expected off-year declines in the broadcast and publishing segments.

Excluding the incremental impact of record Olympic and political revenue last year, total revenues would have been flat compared to last year on a 52-week basis. Publishing segment circulation revenue, as I noted, driven by the second year of gains with the all-access content subscription model will finish up 3 percent for the year.

We are also projecting digital revenues, companywide, will be approximately $1.5 billion for the year now comprising nearly 30 percent of total Gannett revenue, a historic high.

Our projected operating cash flows of approximately $1 billion continues to be very strong, reflecting the annuity-like benefits of our broadcast and publishing businesses. Our capital expenditures during the year reflected these same business priorities – balancing investments and opportunities in the medium and longer term with returning enhanced value to our shareholders in the near term.

Clearly, the most significant investment commitment we made during 2013 was our acquisition of Belo Corporation. The pending transaction was supported by $1.2 billion in financing raised earlier this year at historically low interest rates in the range of 5 1/8 to 6 3/8.

During the same period, we also extended our $1.2 billion revolving credit facility with very favorable terms. All of these actions contribute to our financial flexibility and to our stability, going forward.

We expect to finish this year with $3.2 billion in long-term debt including the $600 million we also raised earlier this year for general corporate purposes.

Throughout the year, approximately $110 million was invested in capital projects, as budgeted -- 72 percent of which drove digital product development -- new features and support platforms both within the segment as well as within CareerBuilder and now accounts for over 10 percent of our capex budget in 2012 reflecting the changing face of our business needs as a digitally driven company.

We know that our capital allocation strategy is important to you, and we're very pleased to report that we've been able to return almost $300 million to shareholders this year. As of year-end, we will have repurchased approximately 5 million shares, or $117 million at an average price of $23.57 per share despite some limitations on our ability to access the markets during several transaction-related blackout periods.

In addition, we remain committed to our $300 million buyback program previously announced and extended it. We also distributed $0.80 a share in dividends this year, as we had previously committed.

Now looking forward to the drivers of our 2014 financial results. As Dave and Bob already noted, we have several initiatives underway and also expect significant growth in this broadcasting segment driven by Olympic and political spending as well as the substantial increases in retransmission revenues.

One reminder -- our assumptions for 2014 exclude the impact of our pending acquisition, as Gracia has already noted, reflecting only our current ongoing business projections.

On the expense front, we expect total cost to be up very slightly, reflecting higher expenses associated with increased revenues in the broadcast and digital segments. As well as Bob noted, we are projecting lower expenses within US Community Publishing.

We will continue to invest in our digital initiatives but expect those investments will be partially funded by continued cost efficiencies.

Capital expenditures are expected to be approximately $120 million to $125 million in 2014, slightly up from the $110 million estimated to be spent this year.

Once again, we expect, roughly, two-thirds of our capital expenditure will be invested in online digital infrastructure products and feature development as well as real estate optimization.

Depreciation is projected to be up slightly next year to approximately $162 million due to our prior capital investments in strategic initiatives including digital infrastructure and mobile relaunches across all segments and G/O Digital.

Amortization will be down to $30 million in comparison to our estimate for 2013 of $34 million, once again excluding Belo.

Overall, we are very pleased with our financial results, and continue to make progress on many fronts. We see significant opportunities for long-term sustainable growth on the horizon.

With that, I'll turn the presentation back to Gracia for some closing remarks.

Gracia Martore: Thanks very much, Victoria. We've provided you with a lot of information today, and I'm sure you're all asking yourselves, "So what does all this mean to me as an investor?"

Well, as you've heard, we are continuing to execute on our long-term transformation but we'll take advantage of Gannett's key differentiators. The Belo transaction fits squarely into our strategic plan to generate more of our revenue and operating cash flow from businesses that we believe have strong tailwinds.

Our USA TODAY local edition that Bob described is just one more example of the unique opportunity that we have to leverage our USA TODAY national coverage and local focus as we build on our very successful all-access content subscription model.

And the great news for all of you is that the market has noticed our efforts, and our total shareholder return year-to-date has substantially outpaced the S&P. And we believe that our successful transformation will continue to create strong shareholder returns for all of our investors.

As we've said before, our growth strategy is one that will continue to play out, over time, and it isn't going to happen evenly every quarter. We believe we have made truly remarkable progress in 2012 and 2013 in transforming our company, and we believe that 2014 will be just a terrific year for our company.

With that, we'll stop, and we'll take your questions. John?

John Janedis: I'll ask a couple and then open it up, Gracia. So you were talking about the transformation, so why don't I start there. We're getting closer to the closing of the Belo deal. Can you give us an update on your expectations and has anything changed in terms of timing of the recognition of synergies?

Gracia Martore: Yes, you know, with respect to the timing, I don't know of anything currently or today that would keep us from realizing on the timeframe that we indicated when we announced the deal.

Obviously, we've had some government shutdowns in the middle of it, we've had two snow days on Monday and Tuesday, so that always, you know, makes things a little exciting. But I know that the DOJ and the FCC are working very diligently on all the deals in front of them.

I never thought I'd say this, but I hope that the weather permits us to move expeditiously to a close of the transaction.

With respect to the synergies, I think that both Dave and I would tell you that as we learn more and more, and we work more and more closely with the folks at Belo, we are even more enthusiastic about our opportunities to achieve that $175 million of synergies as an annual run rate in 36 months.

So we feel very confident that we should realize that if not tweaked a bit better, Dave.

John Janedis: So, Dave, you mentioned the retrans pie growing. It's been an important driver of your TV growth over the past few years. It's more than doubled since 2010. You mentioned a couple of deals coming up over the next, I guess, month or two. But, at the same time, the MVPDs have been fairly vocal about programming cost increases.

Before contemplating any kind of reverse retrans, how many years until we see a more steady state of growth?

Dave Lougee: I don't know, that's a great question, John. I think -- as I pointed out, there's still a massive gap. The MVPDs obviously are making a lot of noise and a lot of the reasons regarding us as they to try to get changes in the legislation, but that's not going to happen because the just policy is on our side. The amount of money that networks and their affiliates invest in programming both nationally and locally, and the kind of results they give the consumer are such that the more transparency that exists in the programming market, the better off we are.

If the consumers all knew what they were paying for ESPN versus what they paid for broadcast affiliates that get a lot more viewing, we actually sort of win out in that comparison. So I think the marketplace and the policy marketplace are going to come out in our favor.

It's a longwinded non-answer to your question of when it will even out, but we've got a lot of headroom to go.

John Janedis: Maybe one for Bob, and then I'll open it up. So, Bob, you talked about the goal to grow circulation revenue to around 40 percent of the total. What's the roadmap vice versa subscribers. I'm assuming, knowing Gracia, you're not going to say advertising is going to be down. And so how do you get that number to move from that 35 to 40?

Bob Dickey: Well, I touched on it. We're going through a very extensive review of our consumer sales and marketing activities right now, and there are clearly opportunities for us. Our team has, over the years, operated at a very high level when it comes to newspaper subscriptions, and we need to, and we will, and we are expanding how to utilize the digital marketing channels.

And our experiments, to date, are very positive, and so that's one area where we believe.

We also think that our further integration with USA TODAY is a key part of that. Our consumers are telling us, our readers are telling us, that they really value when we bring the local and national partnership together. And we see real good upside on that side.

And, at the end of the day, our consumers in all of our research are telling us that if we continue to provide them with a value -- a product that they value -- they will continue to support us. They believe in their local journalism and local products, and by bringing USA TODAY onboard in a bigger way, it's a win-win for the consumer, and we will be able to leverage that in favor for growing that circulation subscription revenue.

John Janedis: Anything from the audience?

Unidentified Audience Member:
As you look across your businesses, could you give us a sense as to now that you've made the integrations, you've done the changes of digital, what do you see as your target operating income margins in each of the divisions, and how might that change as we move forward with Belo?

Gracia Martore: With respect to our broadcast division, we've always enjoyed, frankly, the highest margins in the industry. Dave alluded to the fact that we have a lot of good upside with respect to retransmission fees. And, for us, it's a bit of a reverse retrans is a bit of an academic exercise until you really get into 2016, 2017.

We're going to be integrating the Belo properties. They have, frankly, a lower margin than we do. So I think we're going to combine. We recognize that we're going to have significant synergies, so I think what you'll see is the broadcast margin continues to be very strong, flattered by retransmission.

With respect to the digital side of the business, we've been investing in G/O Digital that we talked about a little bit earlier. We have been extremely excited about that opportunity because what we're finding is that as we're talking to small and medium-size businesses, there is a hunger and a need for a full suite of products, one-stop shop with trusted -- with a partner who has a trusted relationship with them.

So we have accelerated our investment in that particular initiative. And then, as well, we talked about the fact that we have invested ahead of the acquisition of Belo in putting in place sales resources and training of those resources in the fourth quarter with the idea that we're going to hit the ground running at the very beginning of next year.

So we see an opportunity clearly as we morph out of the intensive investment period with G/O Digital to expand those margins in a fairly meaningful way. So we would expect that our digital business, we should see ultimately expanding margins over the next two to three years as we do all of these things that we're talking about.

From a publishing perspective, I know that Bob and Larry and others are very committed to finding ways, and I think some of the great examples we talked about TODAY of our all-access content subscription model and then building on top of that with the integration of USA TODAY national content with our local papers.

And really not a lot of incremental investment dollars other than, obviously, for some intensive marketing up front as well as newsprint expense of adding those, roughly, 70 pages a week of content. But we see that as another opportunity to gain additional -- realize additional value as we're providing value to consumers.

So we look at opportunities very seriously, I know, across all of our publishing businesses to try to stabilize those margins. And we've done a lot, as Victoria mentioned, on looking at our expenses and looking at opportunities there to be much more efficient and much more effective using technology to drive efficiencies across.

So that kind of gives you a global sense of where we anticipate that our businesses will go over the next three to five years.

Unidentified Audience Member:
In addition to the $175 million of synergies you see rolling forward from Belo, you had also said you expect accretion of $0.50 a share next year. Is that still the case, or is there any change there?

Gracia Martore: I mean, based on where we stand TODAY, we fully expect that. In fact, there are going to be some pluses and minuses. I think we did some great work on the financing side, and that's giving us a little bit more window of opportunity. There are some other pluses that we see, but overall I think that $0.50 based where we stand TODAY is a very, very realizable number.

Unidentified Audience Member:
In one industry where you collect a lot of ad dollars, and that's retail. The market, in its wisdom, allows the competitor to exist without the necessity to show profits. That's, of course, Amazon.

I understand Amazon is growing about 40 percent this year. How worried are you about the significant financial fallout in conventional retailing a la what we had maybe 20, 30 years ago as a number of department stores went extinct? And how do we get out of this dilemma, because it looks like it's going to have a bad end somehow or other, as long as the market gives Mr. Bezos a blank check.

Gracia Martore: Why don't I ask Bob and Dave to comment, and then --

Dave Lougee: Obviously, there is a transformation taking place in the retail space as there are in many different industries. I would just say there are -- the one thing about our G/O Digital services is that our dependency on large retailers is now going to be somewhat diluted as we get into smaller and medium businesses, which will continue to be a foundation in the American economy.

As the economy recovers, notwithstanding what impact Amazon may have on some players on Main Street, there will be local businesses, and many of those local businesses, those very small local businesses, especially in broadcasting, we don't have any monetization path today until this digital marketing services efforts.

So in our case, it's a way to be able to, frankly, get into a part of retail that we haven't been in and be a little more hedged against the large national retailers and the impact they have.

Bob Dickey: Yes, for publishing is similar for broadcast in terms of how G/O helps us expand. Also, I noted we're -- our total revenue is about 24 percent coming from those major retailers and national advertisers, and our focus is growing at 76 percent of our revenue that is generated in each of those local markets. So -- that will continue to be our focus and be less reliant on those major retailers.

I will say, though, that we're creating some products, and our national sales team is having vastly different discussions right now with those retailers because unlike a couple of years ago, they are very, very open to now sitting down with us because they share that same concern.

They are concerned about how do we keep getting customers into the actual store? And we're having some early success where we're actually showing that we can bring consumers into the store. And so it's upon us and our national sales team and our classified venture, our digital partners, actually continue to develop those solutions.

We've tested some things with a couple of merchants, to date, that have actually seen store lift, and we need to do more of it.

Gracia Martore: You know, I'd add one other thing, and it isn't just specific to retail, but it speaks to some national advertisers. You know, we all have heard about print dollars going to digital dimes. And what's been interesting, and this is very anecdotal, and it's a very recent phenomenon, but we have seen specifically at USA TODAY, where several large national advertisers have reduced their print spend but, at the same time, have taken that exact level of dollars and asked us to redeploy it into our digital products.

And I think that's, one, a testament to the fact that we talked a lot about the metrics around digital that USA TODAY is experiencing. Their ability to engage with a much broader audience than they ever could when they were simply a print product.

And I think that's true of all the products that we have here. Our ability to really search out those opportunities, to expand audience, and to become more relevant to those larger audiences, be it in print or in digital or in mobile or on the iPad.

So -- I think there's going to be pluses and minuses but, at the end of the day, our ability as a company to have that national scale and local reach, I think positions us perhaps better than most anybody I can think of.

John Janedis: Great, thank you. It looks like we're out of time. Thank you very much.

Gracia Martore: Thank you.