



Gannett Reports Significant Progress on its Strategic Growth Plan at Goldman Sachs Communacopia

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MCLEAN, Va., Sept. 26, 2013 /PRNewswire/ -- Gannett Co., Inc. (NYSE: GCI) President and Chief Executive Officer Gracia Martore today provided an update on Gannett's progress in executing the company's strategic growth plan at the Goldman Sachs Communacopia Conference.

"Gannett has made tremendous progress on its transformation plan since it was launched in February of last year, and we remain relentlessly focused on its successful execution over the long term," said Martore. "In fact, in just the last few months, we have taken a number of significant steps to position the company for the future, including our pending acquisition of Belo which was approved by its shareholders yesterday. In addition, we are building on the momentum of our all-access content subscription model with the launch of an exciting new pilot program next month. The pilot will integrate the strengths of USA TODAY with enhanced local content in four markets, leveraging our unique platforms to continue to provide innovative news and information products to our consumers."

Added Martore, "As we continue to advance our strategic plan, we remain committed to maintaining our strong balance sheet and a disciplined approach to our allocation of capital. To support these important new initiatives, we have taken steps to raise capital over the past several weeks, including a \$1.0 billion senior note offering announced this morning, as well as a \$600 million senior note offering completed in July. These transactions are expected to result in an increase to interest expense, which will impact the third quarter of 2013 by approximately \$6 million."

Martore also provided updates on specific business initiatives, including:

- Belo Corp.'s shareholder approval of the proposed transaction, which is expected to meaningfully accelerate Gannett's transformation to a more highly diversified, higher margin company with a projected two-thirds of pro forma EBITDA generated by the Broadcast and Digital segments upon close. The transaction is expected to close by the end of 2013 and is subject to antitrust approval, Federal Communications Commission approval, and customary closing conditions.
- The planned launch of a four-market pilot extension of the all-access content subscription model, beginning in early October in Indianapolis, IN, Rochester, NY, Appleton, WI, and Fort Myers, FL, in partnership with USA TODAY. The pilot will incorporate a new daily national and world news section from USA TODAY, among other enhancements, in the print editions and related e-Newspapers in these locations.
- The expansion of the company's digital marketing services, which now operates under the brand name G/O Digital. These investments ensure that G/O Digital will continue to have the strong sales support it requires in existing Gannett markets, and is ready to hit the ground running in Belo markets immediately upon the close of the transaction.

Investments associated with the pilot program and the expansion of digital marketing services are expected to be in the range of \$2 million to \$3 million in the third quarter and \$4 million to \$5 million in the fourth quarter this year. The company expects to provide an update on the progress of the implementation of these important product initiatives on its third quarter earnings call.

About Gannett

Gannett Co., Inc. (NYSE: GCI) is an international media and marketing solutions company that informs and engages more than 100 million people every month through its powerful network of broadcast, digital, mobile and publishing properties. Our portfolio of trusted brands offers marketers unmatched local-to-national reach and customizable, innovative marketing solutions across any platform. Gannett is committed to connecting people – and the companies who want to reach them – with their interests and communities. For more information, visit www.gannett.com.

Forward Looking Statements

Certain statements in this press release may be forward looking in nature or "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The forward looking statements contained in this press release are subject to a number of risks, trends and uncertainties that could cause actual performance to differ materially from these forward looking statements. A number of those risks, trends and uncertainties are discussed in each company's SEC reports, including their annual report on Form 10-K and quarterly reports on Form 10-Q. Any forward looking statements in this press release should be evaluated in light of these important risk factors.

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