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PRESENTATION

John Janedis - ***MEANY - President***

Thank you all for joining us today. For those of you who don't know me, my name is John Janedis, and I am the President of MEANY. And it's my pleasure today to welcome the Gannett Company this year to the forum.

To-date, 2011 has been a very busy year for the team. Just over the past few weeks, Gannett's unveiled its first national ad campaign. They've also named a new CMO and CDO. And so, there's a lot to talk about. I also hope everyone in the room, at least, enjoyed, for the first time, the demos at back with Captivate, PointRoll, and CareerBuilder. So thanks again, Craig, for doing that.

So, without further ado -- Mr. Craig Dubow, Chairman and CEO of the Gannett Company.

Craig Dubow - ***Gannett Company - President and CEO***

Thank you, John. Thank you very much. Thank you all for being here and good afternoon to everyone. We are very, very pleased that we have the opportunity today to give you another update on the progress Gannett is making with our transformation and a bit about each of our businesses.

I look forward to this presentation every year because it is a unique opportunity to really talk about what's on our mind and answer some of the questions as to what is on your mind as well.

I think most of you are quite familiar with our management team. They have provided the necessary leadership for Gannett through this transformation to-date. And we're very, very happy with that. That alone is quite an achievement when you think about where we were and what all has occurred just over the last few years.

Our company has changed dramatically and I would underline that. We have evolved how we gather and certainly distribute content as media consumption and certainly, consumer behavior has changed in an extremely dramatic way. We continue to evolve on all of the platforms that are emerging to keep up with consumers as they adopt them. We'll discuss quite a bit about that in just the next few minutes.

But the changes don't end with content creation and distribution. To leverage our audience touch points across platforms, we are fundamentally changing our approach to selling locally and nationally to increase and grow that top line. Simultaneously, we are restructuring our cost base which will lead to further expanding of profitability and free-cash-flow generation.

The results of the efforts by this team and our employees company-wide is a Gannett that is now stronger than it was a year ago. We are in a better position to pursue those opportunities that will help us grow into the future.

Let me just take a moment to introduce the members of the senior management team who are here with us today and who you'll hear from throughout this presentation.

First, Bob Dickey, the President of US Community Publishing. Next is Dave Hunke, President of USA TODAY and Publisher. Dave Lougee is President of Gannett Broadcasting. Jack Williams, President of Gannett Digital Ventures. Matt Ferguson, the CEO of CareerBuilder is here with us as well. And Gracia Martore, I think everyone knows – is our President and COO.

We continue to take bold steps to move our company forward. Most recently, we announced several other key appointments John just mentioned as well. We brought three outstanding and proven industry leaders to serve very important roles for us -- Chief Financial Officer, Chief Digital Officer and our Chief Marketing Officer.

They are Paul Saleh, David Payne who's just joined us as CDO and Maryam Banikarim. Unfortunately, Maryam is not here today with us but you will meet her very soon.

By filling these critical positions on the leadership team, I believe that we have a team that has fully come together. And we are now well positioned to continue with the kind of progress that we have been making over the last few years. Hopefully everyone has had a chance to see the demos by CareerBuilder, Captivate, and PointRoll prior to the luncheon and the questions that you had were answered.

I'd like to thank Mike DiFranza for doing that -- Hope Gurion, Cat Spurway-Hepler and Dan Shapiro for their help in pulling these programs together for us.

As many of you know, we launched our company's first corporate brand and national advertising campaign this month to elevate our corporate brand and capture the many benefits offered by our powerful portfolio of products. Our campaign highlights the full value we bring to consumers and business customers across every platform -- broadcast, digital, mobile and publishing.

You may ask: “Why do this now?” And, what do we expect to achieve by making these kinds of investments at this time? Quite simply, our company has changed significantly from the expansion of our business portfolio to how we are serving our customer base. We are moving forward and we need to make our current and prospective customers aware of all that our company provides.

This is a highly targeted campaign. It's integrated in a B-to-B form that's focused on the advertising, marketing and financial communities. Our new logo and tagline, “It's All Within Reach,” emphasizes the benefits that we offer.

For consumers, we provide easy access to the information that they want, when they want it, across the platforms they want it -- in print, broadcast, on smart phones and tablets - in both tethered and mobile markets.

For businesses, we deliver innovative marketing solutions that help put their goals within reach. Each of our brands has established credibility and trust in their communities and industries. Those brands will continue to take the lead in our marketing process.

When people see the linkage between our corporate brand and property brands, they begin to fully make the connection that we're looking for. They recognize that all of these great brands are part of one company, Gannett. This is yet another important step in our total transformation.

Much like our solutions-based selling, we introduced our advertising campaign across all of our platforms -- national cable, local broadcast television, Captivate, print, digital, and social media. One of the great benefits of our company is that we are able to leverage our diverse portfolio significantly to extend the reach of this advertising campaign.

Well, it's only been a few weeks since the launch. The results and the response to date have really been incredible. Our employees and customers have been very positive about what we've done. They understand and recognize the importance of promoting all of our portfolio offerings.

You'll see our brand video and TV spot on the monitors outside this room as you leave today. And you'll be able to view our entire campaign on our website, gannett.com, which has been completely redesigned as part of this overall brand strategy.

The brand campaign highlights our commitment to delivering relevant, reliable and engaging content for every audience that we serve - both locally and nationally. What's more, at Gannett we are customizing content for each key demographic. And as important as content is, how it is delivered and in what context and on what platform, is becoming increasingly important for us.

We have proven our ability to gather and deliver content on any platform. In fact, building on the success of our app, we released a new version of USA TODAY's iPad app in January that included new Tech and Travel sections.

USA TODAY's iPad app made its debut along with the iPad in April and has remained one of the most popular iPad news apps, with more than 1.6 million downloads since launch. And, it's consistently rated as one of the top 30 free apps in the iTunes store. The app also was recognized as the top free iPad news app of 2010 by Apple.

Following that release, we were part of Google's inaugural tablet app with the Honeycomb operating system for Motorola Zoom. With those apps, USA TODAY is on the key major platforms and devices that are available today.

Beyond supporting the multiple platforms, USA TODAY has reorganized the entire newsroom to create smaller, more aggressive teams that focus and create content for all platforms in their coverage areas. These include targeted verticals that go beyond the four original sections of USA TODAY.

Dave Hunke is here to provide an update on all of the platforms and apps that we support. He will provide more detail about USA TODAY's newsroom reconfiguration, including some examples of the customized content. He will also discuss the mobile opportunity and the infrastructure that he has put in place to support that effort.

Dave, can you share with us, please?

Dave Hunke *- Gannett Company - President and Publisher of USA TODAY*

Thank you very much, Craig. I'm going to cover a couple of the areas that Craig teed up for us. More importantly, I'm going to try to amplify on these for you. And the first thing is this update on both Apple and Android. We often say if you're running a legacy media company that you're looking for the space ahead of you - digital.

You sometimes have to go and see that the very original designs of USA TODAY, editorially, almost look as though someone was visionary enough to kind of see this mobile environment. They actually were the editing characteristics, the brevity, the color, the navigation.

The things that we were originally criticized as not being very traditional newspaper tend to be the attributes that I think have played so well as we jumped into the mobile space.

You're going to see us find ways to integrate video in a much more rapid contextual basis than we have in the past. We've launched Tech. We've launched Travel -- which were all key parts of our traditional newspaper. But in every one of those cases, those will begin to build out into digital verticals for us beyond what you see in the tablet offering.

And, I also want to touch on one thing that Craig mentioned. We did launch very quickly on Zoom. Honeycomb has tremendous potential. I'm sure our friends at Motorola aren't particularly happy with the initial retail sales. It wasn't the greatest timing.

But, here's what I want to point out to you. We have the design team; we have the engineers at USA TODAY who were able to embed, literally, within weeks because there wasn't a very large window to get in and do these designs. And I think they did a superior job and, in our case, speed to market with a news application that is second to none. We're very proud of them.

Now, I want to talk about one more thing that we started at the very end of last year that I think is going to be catalytic in how we move forward throughout USA TODAY, but more importantly, content-wise throughout Gannett.

We've essentially begun to unbundle the value of our news organization from, as Craig said, a very traditional, section-oriented newsroom into 15 deep-interest, deep-dive content areas with team leads, expertise and everybody aligned to know a particular area that plays very well within USA TODAY.

But, it is also kicking off for us very deep-dive business units or verticals that we'll begin to talk about a lot this year -- Travel, Technology, Diversions, Personal Finance -- again, areas where USA TODAY has very good editorial traction but, we also believe, across Gannett affiliate partners we can build into very strong digital businesses.

You are also going to see us do some very interesting things across the Gannett Company with sports -- not only starting with USA TODAY but all of our broadcasts, all of our newspaper assets and again, beginning to link in potential partners throughout that space. And, we believe that's going to be a very good business for us.

We're run by an API -- a very strong, locally engineered API that has broken apart distribution of news from the content curators and, as Craig said, allow us to move very, very quickly in terms of building out custom content by every individual platform.

The last couple of things that I wanted to touch on were on the infrastructure. We're very, very happy with eight million total mobile downloads across Apple, Android, across tablet, across mobile phones. That number could be bigger.

But the more important thing to us, as we watch very carefully, is going to be the issue of engagement and satisfaction that is often driven by one very fundamental thing and that is stability of that site. So, we spent a lot of time ensuring that our customer experience is absolutely one of the best. And, I think that will ensure that we continue to move very much to the top of the list in terms of everybody's satisfaction level.

Last thing will be advertising communities. I want you to know we're very involved. I listened to a couple of questions, particularly at the PointRoll demonstration today on advertising - movement of dollars from traditional legacy to digital or breaking that apart into other components.

We're going to be very involved in the conversation between agencies, between marketers and trying to find out the systems -- the buying systems -- and the logic in terms of moving advertising across all of our platforms.

Craig Dubow *- Gannett Company - President and CEO*

Thank you, Dave, very much.

Dave Hunke *- Gannett Company - President and Publisher of USA TODAY*

Thank you, Craig.

Craig Dubow *- Gannett Company - President and CEO*

As we expand our content delivery across platforms -- not just at USA TODAY -- but across all of our properties, we are becoming increasingly adept at delivering solutions for all of our business customers. We are reaching far more people than ever before across our print and digital properties.

To maintain and grow our market share, it is absolutely critical that we offer an integrated sales strategy and develop affordable, efficient and integrated media packages on behalf of our advertising customers.

It is also important to note that all of our advertisers have access to our multi-platform solutions. These solutions vary with the size of the account. Local territory representatives sell audience-based or geography-based, pre-set multimedia packages with affordable price points and effective, targeted reach. Classified vertical specialists -- cars, real estate and employment -- sell a mix of pre-packaged and custom packages, depending on the size of the account.

The packages are specialized to the segment -- for example, cars.com, HomeFinder, apartments.com, and CareerBuilder. For the highest potential spenders on key accounts or key prospects, we have created regional Client Solutions Groups that include digital strategists and designers. Our partnership with Yahoo is part of that effort and is yet another digital solution that we can offer our advertisers.

Bob, will you please give us an update on Yahoo and the partnership and the status of the Client Solutions Groups?

Bob Dickey *- Gannett Company - President of US Community Publishing*

Sure -- happy to, Craig. Just a quick update -- about eight months ago, we announced that we were adding some additional staff to USCP to fully focus in helping us to improve the digital sophistication across the entire division. That was tied in with the announcement of our Yahoo partnership. And, I'm very happy to say that the initial 100-day launch has been very successful.

At the end of this week, we will launch the final two or three properties -- some of our smaller properties. But we have exceeded our 100-day sales goals. During that 100-day period, we sold over $18 million in digital. That was across Yahoo and the various newspaper.com sites. So, we're off to a great start. Our new staff members, our digital directors in the field are providing great training.

Our staffs are very, very encouraged and enthusiastic about this training. And, it's paying off with week after week revenue improvements. Currently, we are tracking to meet our overall goals for 2011. And personally, I think we can exceed that with the early success we've seen.

On the Client Solutions Group front, we are operational across all of the groups. We do still have some staff positions that we are recruiting for. We're trying to find the right talent since we are bringing people from outside our industry to help create those solutions that Craig referred to.

To date, in the first two months we have presented a number of proposals to a wide range of clients. We have secured some new business and have worked with some of our key accounts in enhancing and solving some of their marketing problems. And, we have success across all groups in the division.

Over the last two months, our incremental gain with those accounts is at $2.1 million. But I think the more encouraging thing is that we have vastly improved our pipeline management. And, those Client Solutions Groups currently have just over $12 million in the pipeline and that grows week to week.

And we're very, very confident that, again, this, along with our digital sales efforts, are two key initiatives. And, we're on track. And, with the ramp-up we expect from the Client Solutions Groups, and the remaining months ahead of us, we will meet our goal in 2011 there as well.

Thank you, Craig.

Craig Dubow *- Gannett Company - President and CEO*

Thank you very much, Bob. Turning to broadcast, we started last year with some very strong ratings in the Olympics. We ended the year with even stronger ratings for election night coverage at Gannett. And, we had the three top-rated television stations for late news among all stations in the top 25 markets in the key advertising demographic of 25 to 54.

Strong ratings, which reflect the strength of our local brands, have always been the centerpiece of our television strategy. That is even more critical as we move through 2011 and are up against the success that we had last year in political and Olympics advertising. It's also important to extend our reach and broaden our engagement in local markets.

We continue to expand our presence by delivering content and advertising on a much more localized basis through hyper-local community websites.

Dave Lougee is here to discuss the strength of our ratings and rankings, as well as our core business. In addition, Dave, would you please give us an update on the retransmission revenue and industry discussions around retrans and spectrum?

Dave Lougee - ***Gannett Company - President of Gannett Broadcasting***

You bet. Thanks, Craig. To the digital engagement, we -- as Bob spoke to -- our division is very focused, and has been, on engagement across platforms. That's begun to sound like a cliché, I think, in our business. But now, we really are starting to take off. We are seeing some enormous increases in video views, mobile impressions, online impressions on the tethered Web.

Our digital revenue in the quarter is up about 28%. A good piece of that is the Yahoo engagement that Bob referenced. We're one of the first broadcast groups to really engage in a large way on that. And, we've booked, in very few months, almost $2.5 million which is very heartening for us to see. And, I think we've got, frankly, the vast majority of Yahoo revenue that's been sold by broadcasters. So, we're forging some new ground there.

Craig also referenced the hyper-local sites. We're partnering with a group out of Seattle to provide us with the back-end technology and the telesales force to give us an efficient business model to focus on innovating around hyper-local content.

We're doing that in eight to nine of our markets now. We may bring a couple more on. And, we're about 65% ahead of our sales goal with that as well - in just five months. We feel good about that in the early stages.

We're also putting a lot of energy into social media. As many of you have read, there is a fascinating relationship taking place right now between broadcasting and social media. All television viewing is up right now, compared to the previous year, which many people don't know. Linear television viewing is up.

The social media activities of Americans are actually growing television viewing. You may have seen, in the first quarter, the Grammy's had the highest ratings in 18 years. That was because of teenage girls talking to each other on a Sunday afternoon. Sunday Night Football had one of the highest ratings in multiple years -- same thing -- fantasy football, all that type of interaction.

Social media tools for our local news outlets are going to be enormous opportunities for us to increase the engagement of our products. Facebook is bringing down foreign governments and it's also transforming how information is being done around this country. And for broadcasting, it's incredibly opportunistic for us. We're putting a lot of energy around Twitter, Facebook and other tools with how we gather and distribute more relevant and engaging news products.

Our local news ratings, as Craig referenced, have remained very, very strong despite, frankly, ongoing challenges with our biggest distribution partner which is NBC. And, I think for the near term, those challenges will continue. However, we feel very good about them -- the leadership group there, in terms of their long-term focus.

That group -- their cable assets are already working. That new leadership team is focused on one thing. That is rebuilding the business model of that network. And, we hear that and know that with confidence. So, we feel good about that relationship long term. And, their sports and news assets remain very strong and important to us.

On the business side, when we factor out, as Craig said, the Olympics and the Super Bowl, which were a February year-to-year of some significance for us, because we didn't have the Super Bowl this year either, as we did on our CBS stations last year, our core business, as defined by spot advertising, excluding political, still remains solidly in positive territory this year -- when you factor out the big Olympic and Super Bowl revenue.

So, we feel good about the core business categories that, hot off the presses, are strong for us right now, in March. On the national side are auto, banking, finance, telecom and home improvement. But the most rewarding thing, I think, on the first quarter is that the majority of our growth has come from the local side over the national side, which is a little bit of a reverse of last year. And, that's a combination of some economic recovery in our markets, as well as some new sales initiatives that we've got in place.

Craig mentioned retrans. Retrans is a very positive development for our company and for our industry. We've said very publicly we believe, long term, in supporting our networks in allowing them to have some of that revenue and sharing in that revenue to invest in new products and new programming to keep those programmed services very relevant.

We're in a nice position in that conversation because our affiliation agreements go out to 2014, '15, and '17 respectively. From a billing standpoint, we'll do $19 million in this quarter on retrains which is up 22% from last year. We'll end the year north of $75 million. And, as we've said in the past, in our case those are all cash deals that flow completely to our bottom line.

And, I think the debate -- what gets lost in that debate is one very important point. There's still an enormous amount of upside in the lack of alignment between audience and subscriber-fee revenue. Broadcasters still do not get what the marketplace would yield when the marketplace works. And, the marketplace is now starting to work.

So, you'll see cable assets getting less and broadcasters continuing to go up. I think NBC will be a very positive player in that space as you see FOX is. And so, it's frankly all good on that particular issue.

Last, a word about developments in Washington around the national broadband attempts to utilize some broadcast spectrum as part of the plan. We -- and our view on that is the same as what the National Association of Broadcasters has said -- we are supportive of a voluntary plan to free up unutilized spectrum, broadcast spectrum for a broadband plan. We think that makes sense if it's truly voluntary. The devil's in the details about how the plan is executed.

So, it has to be executed in such a way that strong local broadcasters, who have good businesses and serve this country well, are not damaged and those incumbents are not damaged by the execution of the plan. That is our focus. I'm confident that we will end up in a position where that's the case because there's a lot of innovation around broadcast spectrum that will be an efficient use of spectrum as part of national policy.

And, as one example of that, I would -- since we met here last year, we signed an agreement -- finalized our deal that we've been working on for several years. We've formed a consortium with eight other broadcast groups called Pearl -- groups like ours that have some spectrum but a lot of local content. And, we signed a mobile DTV deal with NBC and FOX.

And so, we are in the process of really -- behind the scenes -- working on rolling out that business. Mobile digital television is how, frankly, all of Japan, on that Saturday of the earthquake last week, got their information because wireless broadband really wasn't working. So, it would be both good public policy and, we think, a good business for us down the road.

Craig Dubow *- Gannett Company - President and CEO*

Dave, thank you very, very much. We mentioned online and digital a number of times today. And, I just have to say it is an absolutely significant and growing piece of our portfolio. To put it in perspective, we generated nearly $1 billion in digital revenue just this last year. And it represents now just about 18% of our total top line.

Almost 40% of that came from our publishing and broadcasting operations with the balance coming from the digital segment. Digital segment revenues were up about 5.5% in 2010 and a significant contributor to that growth is CareerBuilder.

It returned to revenue growth during the second quarter last year and has been increasingly profitable throughout the economic downturn and shrinking employment market. The revenue growth at CareerBuilder reflects, to some degree, the recovering economy and employment market. It also reflects the ability of its management team to increase market share domestically, as well as expand internationally.

Their success is derived from their ability to bring solutions to their clients. They continue to develop products that help extend their market share -- some of which I hope you all saw demonstrated a little earlier today.

Matt Ferguson, the CEO, is here today to provide us with an update on the employment picture. So Matt, why don't you come on up?

Matt Ferguson *- Gannett Company - CEO of CareerBuilder*

Thanks for having me here today. I'm excited to be able to talk about the labor market. What I've seen in the -- basically, the first three months of this year, is that the labor market is improving at an increasing rate over what we saw last year.

The numbers from the February BLS data show there were about 192,000 jobs created in the United States. What I've seen so far on the site in March would indicate we'd see a similar number as we come into the spring. And so, I think that's good news -- not just for CareerBuilder, but for the United States as a whole.

Postings on CareerBuilder from February of 2010 to February of 2011 were up 11%. So, that's a bump up over more single-digit type increases that we had seen in the latter part of 2010. Some areas that have remained very hot about this time are information technology and engineering -- not surprising.

If you talk to any company, they're probably back to where they were in 2007 or 2006, and trying to bring in that engineering and IT talent. Those job listings on CareerBuilder, February to February, were up about 50%.

Manufacturing -- we've seen a significant comeback in manufacturing on the site. That was up 50% year over year. Another industry that continues to hire and have a hard time finding talent is healthcare. That was about 13%. But healthcare also didn't drop that much during the down cycle, especially in the skilled positions in healthcare.

As a functional area, it’s sales which is up 20% when you look at year over year, from February to February. And, not surprising, I think today companies are really looking at how they generate revenue, and they're bringing back salespeople as part of that. Marketing basically was up significantly with that. Customer service was up almost 30% when you look year over year.

Most of the estimates for online recruitment coming from 2010, estimating 2011 growth, we're assuming that the United States would grow about 10% to about $1.7 billion in online spend in the United States and Canada or North America. Europe was expected to grow faster, at 23%, so about $1.1 billion. I don't see anything in the market today that would think that the growth would be inconsistent with that.

We have continued to take share. We've taken share in North America for the last six years. We expect that trend to continue as we get into this year.

When you look at market revenue in North America for CareerBuilder, it's revenue generated by CareerBuilder sales force, as well as Gannett, Tribune, McClatchy. That revenue in 2010 was $556 million in North America, up 3% from 2009. The revenue generated by CareerBuilder sales force was $468 million, or up 4% from 2009.

Our biggest competitor, Monster, in North America -- so you can look -- they were around $400 million in organic revenue or down about 1% in 2010 from 2009. So, we picked up share last year.

Traffic has been a great story for us. We've come into this year with significant traffic growth. In January of 2011, we had almost 26 million unique visitors in the United States. That was up 36% -- almost 37% from January of 2010. February was almost 23 million unique visitors and up 18%. So, we've seen good traffic growth this year in the US property. We expect that trend will continue as we go throughout the year.

Outside of North America, we operate in 18 countries around the globe -- mostly in Europe today. Obviously, we're growing in Asia and we think that will be a big area for us, as well as South America.

Our European traffic -- just looking at January to January was up 36%. And, we expect that that business will have a good year. And, the most important market there, Germany, has certainly firmed up. That's why I think the UK and France are still coming out from an employment standpoint.

We also have a site in India. That traffic was up 30% year-over-year. And, we have a partnership in China and that's triple digits. When you look at traffic and applications year-over-year, it's really growing rapidly as you would expect. And, we'll see how that market evolves with both the government regulations and partnership that we're in.

The company has evolved to be much more than simple job postings. When you look back -- if you go back seven, eight years -- 90% of our revenue came from job postings in the United States. Last year, it was in the 50 percentile. So we've evolved to be a much broader service company than simply giving job postings to companies in the United States. You saw some of those today. So, let me just talk about those three real briefly.

The one I think probably has the broadest-based impact as you look at the next year or so would be Talent Network. What is Talent Network? It doesn't replace the career side of the company. It layers on top. It's software. Software really does three things for a company.

One, it helps optimize their jobs for organic search on search engines like Google, so that their jobs show up higher in the organic listings, which then drives traffic back to their site. It drives qualified candidates back to their site. So, it helps them optimize their jobs for organic search. That's one.

Number two, it's a CRM tool. ATS's are part of the HR process, but what they are not good at doing is providing a CRM management tool for those candidates that don't get a job but might be applicable for a job a month, three months, a year later. This tool allows them to run marketing campaigns to those job seekers that may not have been applicable and hired by the company during this process, but are relevant to the company long term.

And, then it provides analytics around a lot of their sources of traffic to this site. Obviously if you front-end their career site, it will provide you all sources of traffic and the analytics around that, as well as how good they are at retaining interest from these job seekers over a period of time and the company and their things that they're doing.

So, we think that will be big. It'll be big for medium and large enterprises. We've got a lot of interest in the first couple months. We think that will continue.

You saw Work@. Work@ is another software application that allows a company to take their employee referral program and embed it in the Facebook platform. So, very simply, what happens is an email goes out from the company to all employees, if they have an employee referral program, that says: “You want to get a $2,500 employee-referral bonus? Download this application in Facebook and we'll help match your friends against the company jobs.”

So, every time the employee logs into Facebook, we do the matching and we say, “here are eight matches to this company job. Do you want to refer it to Bob, Sue, whoever?” The employee does that. They get the employee referral bonus. We track the whole process from that, as well as do the matching.

We think the Facebook platform will be a significant player for recruitment. We think it'll be a platform, not a specific recruitment tool. And, we think companies like us can leverage that platform long term to be able to build products like that. And, there are several others that we have that we've been thinking about that we think we could leverage Facebook with. So, that's product number two.

Supply and Demand would be product number three. This -- again, we have millions of data points on supply of labor and demand for labor in every city in the United States. This will soon be true in every market where we operate, but today we have longest history and the most data.

We've now released a tool that allows a company to look and see what's the supply and demand for a particular position in Chicago, Illinois versus the supply of labor versus the demand for labor in that particular market.

The initial reaction is strong from staffing firms. They look at it as a business intelligence tool and where they should be focusing for business. We view it as a way that companies could get smart about how they allocate those human capital decisions and just be smarter about where the development of their employee base should be over time.

If you think about it, companies in the United States spend more to find out about compensation and what they should be paying their people because, for most companies, it's the biggest line item -- than they do to recruit people. And, we have more data points on compensation than anybody in the United States.

Now, taking that data, aggregating it and making it useful it's going to be a process. I won't deny it. But we've done a lot of that. It'll be released as part of that one tool that'll be Supply and Demand. We think there's a big market and potential for that in the future for us, not just in the United States, but eventually on that global footprint that I described earlier.

Some recent changes at the company that I think would be worth mentioning to all of you is Microsoft had a 4% interest in the company. The company purchased that back. We had internally-generated cash that we used to do that. So that accrued back to the ownership structure -- the existing ownership structure.

We also, because the partnership with Microsoft has been strong, extended it for another year. It goes now three more years and we think that partnership will continue.

One of the original reasons why they took the small equity stake was to get alignment as we rolled out in Europe. Now that we're rolled out in Europe, I don't think that alignment is as important. Our existing shareholders, including Gannett, were happy to own more of the company. And again, that was all from internally-generated cash.

And so, thanks for all of your time today. We're excited about what we're doing, not only in the United States, but around the globe and it's going to be a good year.

Gracia Martore - ***Gannett Company - President and COO***

As you've heard from the team, we've done a great deal to position Gannett for the future. We put a lot of pieces in place -- some key management additions to our team; a new brand and ad campaign to really fully reflect the dynamic Gannett that we are today; infrastructure to support multiple platforms; and a sales culture to match those platforms with the needs of advertisers.

So, as Craig noted, we've made a lot of progress towards our strategic aspects of our transformation. And, we are well positioned and have tremendous financial flexibility to build on the progress we've already made.

With that backdrop, I'm going to spend a few minutes and focus on our current results and our outlook for the quarter. But before I do, please take a look at the forward-looking statements disclaimers so our lawyers will be happy. I think you've absorbed it now so I'll move on. I'll cover our revenue overall and focus on each of our business segments with a little bit of help from Bob Dickey.

Certain sectors of the economy here in the US are showing signs of growth. And, that's reflected in our results. Our domestic publishing numbers continue to reflect strength in auto and in employment. Firming employment ad demand also impacted our digital segment results, where significant revenue growth reflects, in part, solid results at CareerBuilder as Matt has just talked about.

Our cross-platform sales efforts continue to take hold as digital revenue company-wide was 12% higher through February, reflecting solid growth across the board. Overall, through the first two months of the first quarter, total company-wide revenue is down about 4%. Digital-segment revenue is up over 11%. And, that's a good achievement in this backdrop.

However, publishing experienced a decline of about 6% and broadcasting a decline of about 5%. And as we've noted and as Dave mentioned, our comparisons in the first quarter are incredibly difficult due to the absence of Olympic, Super Bowl and political spending which actually totals about $24 million in the first quarter of last year alone. I'm going to cover those numbers in a little bit more detail in a few minutes.

So, let me focus first on our publishing segment where total advertising revenues through February were down 7%. And, classified was down a similar level. But, domestic results were significantly better than our UK results in this category.

Auto, as noted, remains a bright spot within classified -- up 3% company-wide with US auto up almost 6%. Employment, overall, lagged by about 9%. But US employment classified was up, mirroring what Matt just was talking about although that gain was masked by a very difficult economy in the UK.

And, let me mention a word on the economy in the UK. Clearly, the recovery there has stalled -- in part because of the significant austerity measures that the new government has put in place, as well as a result of the VAT tax, the value-added tax increase that took effect in February.

We saw this morning that sales at department stores were reported to have dropped the most in two years. And, consumer confidence is waning a bit. Inflation there is running about two times as much as wage growth so clearly a lot of cyclical headwinds in the UK. But, as always, our management team there does a great job. And they will, again, manage through these difficult economic headwinds.

The one thing I would say is that given the austerity measures that they're taking in the UK, while in the short term that clearly has cyclical impact on our results, we believe that actually will portend for a better intermediate-term outlook for Newsquest as that economy, we hope, will pick up more sharply in the intermediate term.

Let me look a little more closely at classified advertising in our domestic operations. As I mentioned, both auto and employment were up in the first two months of the quarter which extends the positive year-over-year comparisons for both categories that began almost a year ago. The increases were almost 6% for auto and about 4 and a half % for employment. Both categories had very solid results in February -- both up about 8% in that month alone.

Real estate company-wide through February, reflected what we all know is a continuing difficult housing market both here and in the UK and was down about 15%. You all saw the existing home sales data yesterday which was obviously reflective of the very difficult state of housing in this economy.

Bob is here to add some additional detail to the advertising trends in US Community Publishing.

Bob?

Bob Dickey - ***Gannett Company - President of US Community Publishing***

Sure, Gracia. Across USCP our best results are coming from our West and Midwest groups. We remain challenged out East with the harsh winter at the beginning of the year and they continue to work their way out of that. What's interesting is -- despite a continuing tough real estate marketplace, we are seeing improved results in Arizona, California, Nevada and Florida. So, we're encouraged that our folks in those markets have adapted to what has certainly been a major change to their local economic base.

As we look at segments of business -- some of which Gracia has touched on already -- retail ROP and national have started the year below our expectations. Real estate trends remain unchanged. We're very pleased with the positive growth we continue to see in auto and employment. As Gracia pointed out, that's been going on for a number of months.

Encouraging that our pre-print revenues have stabilized and some of that had to do with the circulation initiative we put in place last year. As a result, the circulation revenues, at this point, are in line with our expectations and, we are retaining those Sunday home delivery subscribers at a very good rate.

When you look across all platforms, the categories that are hardest hit for us at this point, and we're working closely with, are in the areas of telecom, grocery and the health segment.

In the area of local controllable segments, we are outperforming the results that we're seeing from our major retailers so the time and effort that we're putting into training in the various sales initiatives, we believe, will continue to pay off.

And, we've been talking a lot about digital. We're very proud of our growth. At this point, we should finish the quarter somewhere in the mid teens year over year. As Craig noted earlier, this includes sales across CareerBuilder, cars.com and apartments.com, as well as newspaper.com and the partnership with Yahoo. So, it's multiple products that are out there.

Overall, revenues will finish somewhere in the -- down in the 6% range for the quarter but they've improved since the slow January start. When you factor out the Easter switch, March is performing very much like February.

Thanks, Gracia.

Gracia Martore - ***Gannett Company - President and COO***

Thanks Bob for the update. Let me turn for a few minutes to national advertising which was approximately 10% lower through the first two months of the quarter. But, that masks the volatility in this category that occurred within the quarter.

Domestic national advertising was up slightly in February after lagging in January, primarily due to higher ad demand at USA TODAY. We saw some substantial increases in several important print categories -- auto, telecom, and retail -- and that drove the growth for USA TODAY in February. And, online advertising at USA TODAY was up over 14% as well.

Let me now fill out the picture on Newsquest’s results. Through the first two months, total revenue was down approximately 7% in pounds. I've already mentioned some of the trends in various ad categories. On the circulation front, their revenues are actually up slightly. And, the other revenue category, which now actually represents about 9% of their total revenues, is up almost 29%.

At Newsquest, as Bob has mentioned, we've seen some sequential monthly improvement in advertising trends during the course of the quarter and they expect that to continue in March despite the economic headwinds.

So, at this point, we expect the percentage of decline in total publishing revenues company-wide for the quarter to be in the 6% to 7% range and total advertising revenue to be down in the 7% to 8% range.

Now, those percentages are based on restated results for the first quarter of 2010 as we sold the Honolulu Advertiser and its associated assets, and also a small directory-publishing operation. So, in short, total publishing revenues in the first quarter of 2010, on a restated basis, totaled about $991 million. And, that's the number we would compare against in the first quarter of this year.

As mentioned earlier, broadcasting revenue growth in the first quarter will be challenged by very tough comparisons as we're working against our own great success in garnering substantial advertising revenue associated with those several events we've talked about in the first quarter of last year.

So, results there reflect those comparisons as broadcast revenue was up over 10% in January and down about 18% in February when we didn't have Olympics or Super Bowl spending.

As Dave noted earlier, core advertising remained solid both for local and national with several categories contributing to strength in March. Based on current trends, we expect a percentage decline in total television revenues to be a little over 2% for the quarter. But, if you exclude the incremental impact of Olympic, Super Bowl and political spending in the first quarter of last year, the percentage increase in television revenues would be about 6% to 7% for the quarter.

As Matt noted, CareerBuilder continues to expand its market share and is benefiting from a firmer employment market. While the first quarter is seasonally the smallest quarter and is impacted by higher marketing and promotional spending, we anticipate the percentage growth in our digital segment revenues for the quarter to be in the very high single digits.

Let me turn quickly to expenses. We expect the percentage decline in expenses to be in the low single digits for the quarter. The decline will be driven by lower operating expenses in our publishing segment despite an increase in newsprint expense both here domestically, as well as in the UK.

And, regarding newsprint prices, domestic market prices have been stable since June of last year. We think that reflects the outcome of weaker demand both here as well as offshore. We anticipate that that will continue to be the case going forward.

As the first quarter is seasonally our smallest revenue quarter, the impact of fixed expenses will be greater this quarter, relative to the rest of the year. One additional note on expenses, and I was asked this at our table, furloughs last year in the first quarter -- actually, this year -- were about $10 million of savings versus about $13 million in the first quarter of last year.

Turning to the balance sheet, we expect to reduce debt by about $150 million in the first quarter from our substantial free-cash flow. And, we'll end the first quarter with about $2.2 billion of debt. So, what does all of that mean for our first-quarter results?

Based on our current trends and expectations for revenues and expenses, and assuming a tax rate similar to the tax rate in the first quarter of last year excluding special items, we believe that we will achieve the consensus of First Call earnings per share of $0.41.

Overall, as we've said, our quarterly results were impacted by severe weather both here and in the UK. The health of the UK economy has been clearly a headwind as has continuing softness in the real estate markets. But, we continue to make solid progress as core advertising in television, domestic auto and employment and digital revenues company-wide were all positive in the quarter.

We continue to create efficiencies and the result has been strong profitability despite these economic challenges. The strategic progress we've noted combined with our financial flexibility have us very well positioned for the future.

I'll turn it back now to John, who will start the question and answer period.

QUESTION AND ANSWER

John Janedis - ***MEANY - President***

Great, thanks. And thanks, again, for coming in this year. Obviously, there was a focus today on digital across the platform. Can you just talk broadly about what types of assets or technologies you're focused on going forward, from an acquisition perspective? And is there a certain size you're looking at, or kind of low-end and the high-end range for us?

Craig Dubow - ***Gannett Company - President and CEO***

Yes, thanks. Hopefully, you got a good sense of the offerings that we have that were outside on the demonstration today. As we take a look at this, we want to look at complementary things that are going to fill any void as you heard from Dave Hunke earlier.

We're looking on the vertical side so that we can match up opportunities, much like we did with CareerBuilder, with the same kind of results. You can play really, in both arenas if you will, from the core side, as well into the digital space.

So size -- again, it's going to depend on what's available and what is out there. But that's going to be the primary direction that we look. The marketplace is kind of interesting right now with a number of things going on, but then further impacted by so many of the world events right now. So, we're just being very cautious at what we're looking at, but that's generally the direction that we're headed.

Unidentified Audience Member

Thank you. A question of -- roughly six months ago, you guys started test marketing paywalls in three different newspaper markets. Can you give us some metrics on how it's going so far?

Craig Dubow - ***Gannett Company - President and CEO***

Yes. Bob, do you want to answer that? It's been fascinating what we've learned.

Bob Dickey - ***Gannett Company - President of US Community Publishing***

We, of course, experienced some falloff on the traffic side. But in all three markets, we have started to see month-to-month build back of the traffic. In one of the markets, we've actually experienced year-over-year gains in traffic -- some of that driven by some extraordinary news events which I think leads to just another point about the consumer looking to our trusted brands for those types of news events. And, we were able to keep that traffic.

From an overall subscription basis, on the print side, they operated at about the same level -- one market slightly better, the other market at about the same level we had seen in the past when we were doing just a straight print price increase. So, the consumers are seeing value in the total package.

And financially for the two markets, it generated some very nice revenue gains on the circulation and revenue side that came at a good time, considering the advertising market.

Craig Dubow - ***Gannett Company - President and CEO***

I would go even a little further on the engagement side because, on the free site Craig, what we had originally seen is roughly two-to-four-page engagement from a unique standpoint. And, that has grown in the subscription side to eight to ten.

So, there is truly a differentiated advantage with the offerings from that kind of perspective. So, with content that we can make real differences with and non-commodity based if you will, we are seeing some real opportunities that we're taking a serious look at.

Unidentified Audience Member

But what percentage increase, or -- of your daily circulation on print -- did you actually get on the paywall side -- on the digital front? So just a few percentage points, or what was it so far?

Bob Dickey - ***Gannett Company - President of US Community Publishing***

Say that again. I'm not totally following you.

Unidentified Audience Member

I'm just trying to get a sense of how much online subscribers have signed up or are paying now? What percent is that of your print-based subscriptions?

Bob Dickey - ***Gannett Company - President of US Community Publishing***

Oh, just digital only?

Unidentified Audience Member

Yes.

Bob Dickey - ***Gannett Company - President of US Community Publishing***

In a couple of the markets it would run 2% to 5%. That would be the net gain on just digital only. Of course, those are on a monthly basis so it comes and goes, depending on the need -- what the consumer is looking for. The daily passes have not been as attractive to folks. They've been signing up for the monthly $9.95 subscription.

Does that answer the question, I hope?

Jack Williams - ***Gannett Company - President of Gannett Digital Ventures***

Let me take a little bit of that for a minute, too, and realize that these initial tests that we've done don't include iPad apps and don't include some other pieces that we think are essential as we move down the road. So, we've not expanded our iPad applications at our local papers because we think that makes more sense to do that as part of some kind of paid strategy.

So, the products that we were testing were basically print and online use through an iPad, as an example, but really not essential iPad apps. As we move forward at this point with some more tests before we really decide where we're going to head, we'll take the learnings of this, do product improvements and then try to figure out what the right mix of products and services are.

And, I think we believe that the right mobile apps and the right iPad apps, from what we've learned, would enhance the digital-only subscribers in this package.

But the other thing we've learned is subscribers basically want, unlike the Wall Street Journal program, they want a single package. They want to be able to buy cross platform in a single-subscription basis. So, we've got some really positive results. But we've got to do some more testing before we're sure what the right model is for us.

Unidentified Audience Member

Would you mind repeating the year-to-year decline in retail national classified? I think I missed that.

Gracia Martore *- Gannett Company - President and COO*

We're anticipating that on the retail side -- actually, we said just total advertising revenue, we thought, was going to be on the publishing side down between 7% and 8%.

Unidentified Audience Member

Yes, I have a question. We're into the economic recovery. I don't know if it's the third inning or the fifth inning, or the first inning, but we're into it. And your advertising revenue is still declining. No, maybe it's not 10% anymore. Maybe it's 6%. But it's still declining, even as the economic recovery takes hold.

In your five-year financial planning, are you now conceding that advertising revenue in your community newspapers is on a secular, long-term, irreversible decline?

Craig Dubow *- Gannett Company - President and CEO*

You know John, I wouldn't say that it's irreversible but definitely there is a secular decline in what we have seen. However, what we are seeing overall -- and Bob touched on it just briefly -- there are certain initiatives -- and you can maybe expand on this -- with the Sunday.
We are seeing circulation volumes, on average, show an increase. So, when you take a look at that, I want to be real careful how we say this because I believe there is opportunity. The opportunity, again, is going to be in an expanded offering because we are in a situation now that it is not just television and newspaper.

We have a fragmented environment that we are playing to that audience in cum. And, that becomes really important that why we're doing the projects that we are so that we can serve those consumers in the form and manner in which they believe is most important. So irreversible -- I don't want to say because I think we're showing that progress.

But I think the other factors we have to consider -- the economy has been very unsteady, as we know, across all of this. Two, other events that are taking place, just from an employment standpoint that Matt has touched on here I think is also, particularly on the consumer side, that is quite a big concern. So, there are a number of factors in this that we're looking at going forward.

And the opportunity, I believe, is going to be there longer range for us, for all -- the blend, the mix of the product lineup that we are putting in place because it's truly representative of what the demand and use is of the consumer.

John Janedis *- MEANY - President*

If you look at retail sales in the national economy now versus two years ago, I'm going to guess -- this is a wide definition of retail. It probably includes auto and whatever. It's probably up 10% from two years ago. And you're down 10% from two years ago. I mean, the power of the newspaper as a retail vehicle, as seen by retailers, is declining.

Craig Dubow *- Gannett Company - President and CEO*

Let me put it this way, I think what we're seeing, John, is a redistribution in the way people are reviewing and looking at all of this. As the Internet has picked up so rapidly, people are also beginning to realize it's an expensive format to pursue. And by doing so, I think what we are seeing coming back is opportunity, if positioned properly, can position us for the longer range.

What we are doing again is really redefining. So, there's a lot that is happening here. It's not just a straight-line mix. It really is, component by component, across the board in how we're pursuing it. And, you're going to see some ups and downs along the way as we go forward. But I think, as Dave Lougee was talking about in the television area, that overall aggregate audience is up. And, I think we're going to see more and more of this.

It is really about differentiated content. It is about the definition that it is not a commoditized opportunity that you can just pick up almost anywhere. There really is strong relevance that is being developed in these products. So, that's what we're looking at and we're quite excited by it.

Anything else that either of you would like to offer?

Gracia Martore *- Gannett Company - President and COO*

The only thing I can say, John, is that we're looking at our local franchises as not just simply one distribution platform. We're looking at it as the totality of the reach in that community, and our ability to absolutely engage audiences - whatever platform we engage them on.

And, I think a lot of the things we've been talking about today -- a lot of the initiatives that we're talking about today -- a lot of the things that we're going to do on a digital basis in looking at those local products and creating more opportunities for advertisers. And, for us to take a bigger share of the marketing spend from those advertisers, such as through the Client Solutions Group, is actually going to bode very well for us.

We do have some categories that other advertisers, other companies, other parts of the media world don't have. Housing is a big category for us and we all know that that is an economic issue. It isn't just the economy is booming in housing and we're not getting our fair share.

So, I think you have to be careful when you parse the categories and also understand that we have the opportunities -- through all the distribution platforms we have in those local markets and building additional products there -- to really make a significant change in our future in those local markets.

Craig Dubow *- Gannett Company - President and CEO*

One other point, John, to comment on and that is truly the value of local. I think, by other products that are out in the marketplace right now, are really showing people that value. The difference that we have is that we already have the infrastructure, the people on the street and the ability to leverage and take advantage of all that is moving in that direction. I think it's pretty significant when you take a look at it. And, that is going to continue to evolve.

And, as Bob, Dave and everyone have key initiatives that are lined up really to address these opportunities on a forward basis. So that's where a lot of the excitement is coming from. Thank you.

Unidentified Audience Member

Can you guys just comment on any potential plans you have to return cash flow to shareholders? And then, separately, there's been a lot of talk on Wall Street about breaking up the Company and what it could be worth. Any comment you have on that would be great, too.

Craig Dubow *- Gannett Company - President and CEO*

Sure. If you want to start, Gracia, and I'll finish up.

Gracia Martore *- Gannett Company - President and COO*

Sure -- happy to. The Board and management are constantly reviewing capital allocation and what we should do with the tremendous amount of free cash flow that we generate. We always do that through the prism and lens of wanting to be prudent around our balance sheet because, as you know, there are world events and other things that can have an impact on the economy in the short term that can be a little bit more cyclical and problematical.

That being said, we have been paying down a fair amount of debt. We'll have about $2.2 billion of debt at the end of the quarter as I said. And it's something that the Board is very focused on, as are we, and looking at combining the opportunities to invest that free cash flow in other opportunities to further enhance our growth prospects, as well as to deliver back some of that cash to shareholders.

And that's something I think you'll see, as we get further clarity on the economy in the second half of the year, that we will be very focused on in that approach.

Unidentified Audience Member

(Inaudible question - microphone inaccessible)

Gracia Martore - ***Gannett Company - President and COO***

I think we've always been a company that has been very opportunistic. In the past, there have been times of exuberance in the market over a particular set of assets, as there was in 2000 about cable assets. While we loved our cable business at that point -- it had tremendous margins, had a great management team -- there were some folks that wanted to pay us a very, very high number for that cable business.

And so, we looked at it, ran the math, and took that to the Board. And, we sold our cable business. So, we will always look at the portfolio of assets we have, down to a single asset or division or whatever, in the prism of what makes the most sense for ultimately, intermediate-to-long-term value for the shareholders.

We're very proud of the fact that in all of our businesses that we operate, we operate them very well. The management team here has created businesses that have great opportunities by the work that they've done and the discipline that they've brought to them.

But, if we thought that there was a tremendous value that could be unlocked -- not just as a one-time opportunity, but really for the short-to-intermediate-to-long term -- then we certainly would look at those opportunities.

Craig Dubow - ***Gannett Company - President and CEO***

Yes, just to finish with it, it is something. The Board and I, in particular, spend a lot of time on at each session. And, as we go forward, we're looking at all the pieces. Right now, when you look at media in general, there are pieces that are in such flux right now that I see that opportunities may arise one direction or the other as we move down line.

Our opportunity is one for shareholders. We always want to figure out what is the right and the most proper thing that we can do. And, as Gracia commented, I think through all of the time that we have just crossed, what we have done with the balance sheet, number one, was incredibly important.

Unlike some of our competitors that unfortunately chose different paths, we want to be very prudent in what we do but as fair and balanced in returning value as possible. So, that's truly the direction that we're after.

And, we watch and look at this marketplace day in and day out. And, I think if other opportunities might present themselves, it's always something that we consider and listen to. Thanks for the question.

Unidentified Audience Member

Gracia, could you talk about the UK -- how that contrasts with the US -- the difficulties you're experiencing? And what are you doing over there as opposed to what you're doing over here?

Gracia Martore - ***Gannett Company - President and COO***

Sure. Given the fact that the UK economy is significantly more dependent on public-sector jobs and advertising and the like, that will have a disproportionate impact on UK results versus in the US where the private sector is a bigger part of the equation. So, that's clearly a difference.

And, the austerity measures and the VAT tax increase -- they have really taken seriously putting through the austerity measures -- that has been less pronounced across the US. So clearly, a difference there in what's happened: their economy contracted in the fourth quarter. Obviously, our US economy didn't do that.

As to what we're doing in the UK: many of the things that we're doing here in the United States, we're also doing in the UK. We're very proud of the fact that, just recently, CareerBuilder and Newsquest have partnered. And, we've already seen uplift from that in the very short-term days that that has been in place. They're very focused on other digital initiatives there, not dissimilar to many of the things that we're doing here.

They have to take into account cultural and regional differences compared to here in the States. But overall, they are aggressively going after digital dollars. At the same time, they are doing the same things we've done here, which is to make sure that their expense structure is in line with their revenue opportunities.

Unidentified Audience Member

Yes, it's a question for Dave in Broadcasting. Can you be a little bit more granular on first-quarter auto ad trends? And are you sensing any wobble in the marketplace from potential supply disruptions out of Japan and related inventory levels at the lots?

Dave Lougee - ***Gannett Company - President of Gannett Broadcasting***

We don't have any visibility yet into any impact. As it relates to first quarter, auto has been good. It's been very good for us and we have the February Olympic issue. But, again, excluding that, it's been very good, which has been especially good news given that it was very good last year. It's good upon good.

As we're talking at the table, it was lead by national last year -- brand advertising -- as the local guys -- their dollars are really more of a function of sales. We're seeing a little better pickup on the local side this year, but it's still -- it's a very good brand advertising overall.

The questions you ask about Toyota's supply chain -- don't know, frankly. And, they're a big piece of the auto piece out there. But we've seen in the past-- when they had problems last year on the safety issues – other guys, domestically went after share at that moment. So, whether some of the domestics or other foreigns will go after share from Toyota as a result of their issues, we don't know.

It's a good question but we don't have much insight into the second quarter other than early pacing prior to these developments is strong.

Unidentified Audience Member

There's obviously been a lot of talk in recent months about these so-called daily-deal websites -- Groupon, LivingSocial and so forth. How concerned are you about that competitive threat in your local markets and what are you doing about it?

Craig Dubow - ***Gannett Company - President and CEO***

Sure. I'll call on Bob because we've got a very big program that's going as we speak. We have done quite a bit of testing on that. When he finishes, I will wrap it up.

The bigger opportunity with Groupon that we would see is they're going to be able to come into a marketplace and make their offering. The advantage we have really becomes the feet on the street, the infrastructure that we have and the tie-back to step two. And, that's what we are finding great opportunity as we move forward.

Bob, do you want to talk just for a minute about the structure and what we are doing competitively with that?

Bob Dickey - ***Gannett Company - President of US Community Publishing***

Sure. A few months ago, we beta tested our version of group buying in Phoenix. It was our intention to prove out that we could do this without having to partner with a third-party vendor. And, early results in Phoenix have been very promising.

As a result, a cross-divisional team has been looking at a very intense rollout plan. In the next two to three weeks, senior management will be getting the final review of that plan. It's focused on both broadcast and newspaper markets.
The initial draft would include probably the top 50, top 60 markets between our two divisions. We're proud of the fact that we've created this within Gannett, in Phoenix, in a very short period of time. I'm talking three to four months.

Groupon and LivingSocial both had an incredible lead on us. We have quickly become the number three player in that market. We're closing the gap on the number-two slot. And, that's part of why we're so encouraged. We believe we can, with the plan we're about to review, have a very successful launch and control it ourselves.

Dave Lougee - ***Gannett Company - President of Gannett Broadcasting***

If I could just add to that -- Bob brought up cross-divisional -- but to the split-up question, when you look at the small-business opportunities that are out there, broadcasting as an industry doesn't play in those traditionally. Now, when we look at going forward with the ability of our two divisions, as opposed to 19 television markets and 80 newspapers, we're operating our strategy around 100 local markets.

And, there's no other media business in America that's got feet on the street, relationships and brands with 100 local markets. So, the ability to scale products like that is pretty exciting for us and transformative in our thinking in the organization.

Craig Dubow - ***Gannett Company - President and CEO***

We're excited. There's a lot here. And, a lot has been done through Phoenix and what they're testing. It's an exciting opportunity.

John Janedis - ***MEANY - President***

I think we'll wrap it up there. Thanks so much for coming.

Craig Dubow - ***Gannett Company - President and CEO***

Okay. Thank you all very much.