

Unlocking Shareholder Value Through Two Transformative Transactions

August 5, 2014

GANNETT
It's all within reach.

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This presentation also contains a discussion of certain non-GAAP financial measures that Gannett presents in order to allow investors and analysts to measure, analyze and compare its financial condition and results of operations in a meaningful and consistent manner. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures can be found in Gannett’s publicly available reports filed with the SEC, all of which are available through the investor relations portion of our website.

Two Transformative, Highly Strategic Transactions



- **Tax-free separation into two focused public companies**
 - Creates two industry leaders with significant scale
 - Increases organic growth opportunities
 - Enhances flexibility to pursue strategic priorities and acquisitions
 - Fuels growth and innovation through tailored capital structures
- **Acquisition of remaining 73% interest in Cars.com for \$1.8 billion in cash**
 - Doubles size of Digital business
 - Adds #2 auto-related site with highly recognizable brand in business we know well
 - Expected to be highly accretive to free cash flow, neutral to EPS in 2015, growing thereafter
 - Strong economic benefits from contractual changes to new affiliation agreements



Right Next Steps in Ongoing Transformation

- **Bold next steps following 2-1/2 year strategic realignment to meet evolving audience needs and compete successfully in digital age**
- **Successful execution of strategy paved way for today's announcements:**
 - Dramatically expanded scale in higher-growth, higher-margin Broadcasting and Digital businesses through acquisitions:
 - **Broadcasting:** Belo/London Broadcasting acquisitions doubled portfolio; now reaching nearly one-third of U.S. television households
 - **Digital:** Cars.com doubles Digital business

- **Revitalized Publishing business:**



- Content subscription model and USA TODAY local editions have attracted new subscribers and increased profitability
- Developed/delivering compelling content across multiple platforms
- Rebranded USA TODAY, now #1 in combined print and digital circulation
- Enhanced digital usability, USA TODAY app now a top news app in U.S. with 20+ million downloads
- Newsquest in the UK marked its fifth straight quarter of circulation revenue growth in Q2

Value-Creating Spin-Off

Summary

- Tax-free spin-off of Gannett publishing business to shareholders
- Initial aggregate dividends at least equal to current \$0.20 quarterly dividend
- Expected to be completed in mid-2015

RemainCo: Broadcast and Digital

- Leading TV broadcaster and emerging digital powerhouse with 46 broadcast stations Gannett owns or services and digital leaders CareerBuilder and Cars.com
- Will retain all of Gannett's existing debt while maintaining strong balance sheet
- Strong cash flow enables debt repayment and return of capital to shareholders

SpinCo: Gannett (Publishing)

- Largest U.S. newspaper publisher with 81 U.S. daily publications and more than 400 non-daily local publications
- Includes iconic USA TODAY brand and UK regional leader Newsquest
- Expected to be virtually debt-free following close
- Flexibility to complete strong accretive acquisitions in a consolidating industry

Compelling Strategic Benefits of Spin-Off



- Tailored capital structures based on profitability, cash flow and growth opportunities at each company
- Greater opportunity to grow organically and pursue value-enhancing acquisitions with fewer regulatory obstacles in two consolidating industries
- Enhanced financial flexibility to drive innovation and further our mission of delivering award-winning journalism
- Greater organic growth potential through enhanced ability to target resources in high growth/in-demand areas that better serve our communities
- More targeted investment opportunities
- Valuations more accurately reflect distinctive business characteristics

Leading Broadcasting/Digital Company

- **Attractive TV station portfolio with 46 stations covering 30+% or nearly 35 million households**



- #4 owner of “Big 4” network affiliates
- #1 household coverage for NBC and CBS, #4 for ABC
- Diversified affiliate revenue and earnings
- Successful integration of former Belo stations



- **Leading digital positions in two major verticals:**



- Recruitment/job seekers through majority-owned CareerBuilder.com



- Auto through full ownership of Cars.com

- **Continued strong cash flow generation with robust balance sheet supports debt repayment**
- **Committed to disciplined capital allocation policy**
- **Led by Gracia Martore and will be headquartered in McLean, Virginia**



Leading Publishing Company



- Largest and most diversified newspaper company will retain Gannett name
- Best-in-class operator with enhanced strategic and financial flexibility to grow organically as well as participate in industry consolidation
- Opportunities to further capitalize on USA TODAY brand – already #1 in combined print and digital circulation



- Enhanced ability to innovate, grow and better serve local communities through 81 daily U.S. Community Papers
- Portfolio includes Newsquest, a leading U.K. news provider and other related businesses in the Publishing segment
- Well-advanced digital strategy with established portfolio of local marketing solutions
- Ongoing market affiliations with Cars.com and CareerBuilder.com and permissible shared service agreements with Broadcasting/Digital Company enable continued cross-platform advertising and content-sharing opportunities
- Virtually debt-free; expected strong cash flow generation to be used for accretive acquisitions and return of capital to shareholders
- Led by Bob Dickey and will maintain headquarters in McLean, Virginia



Doubling Digital Business with Cars.com

Terms

- \$1.8 billion cash consideration for remaining 73% interest
- New 5-year affiliation arrangements, going to direct sales model thereafter
- Expected to close in the fourth quarter of 2014

Financially Compelling

- Expected to be accretive to free cash flow in 2015, growing thereafter:
 - Approximately \$0.43 to free cash flow per share
- Expected to be neutral to EPS in 2015, growing thereafter
- High-growth, high-margin business with strong cash flow and revenue enhancing opportunities
- Expected to contribute ~\$155 million in annual incremental 2014 pro-forma EBITDA to Gannett⁽¹⁾
- Implies 11.7x 2014E EBITDA multiple and 9.2x 2015E EBITDA multiple
- Better economics to Cars.com with new affiliation agreements

Strategically Compelling

- Growing digital business of substantial scale doubles digital business
- Adds important auto vertical with #2 site
- Opportunities for new products and expansion through full ownership in a well understood business

(1) Assumes Cars.com was 100% owned by Gannett for all of 2014 and new affiliation agreements were in place for all of 2014

Transforming Digital Business with Cars.com



- Secures long-term digital leadership with one of few proven and established digital solutions of scale in most important advertising category
- Doubles Gannett's digital portfolio and is consistent with focus on local media and marketing services
- Full ownership provides greater control over operations and product roadmap in business we know very well
- Plan to reinvest to drive further growth through new product launches and expansion into new or adjacent areas
- New opportunities created by leveraging Gannett's broad footprint
- Will expand advertising to increase brand awareness
- Potential for revenue uplift due to favorable economics of new affiliate agreements and cost reductions from more efficient and focused operations
- New affiliation agreements entered into with Classified Ventures partners for five years, after which business will transition to direct sales model

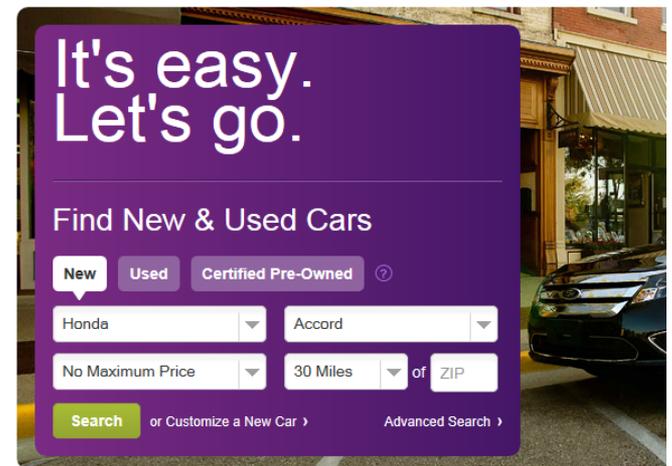


Proven Digital Solution of Scale in Automotive Market

Strong Market Position

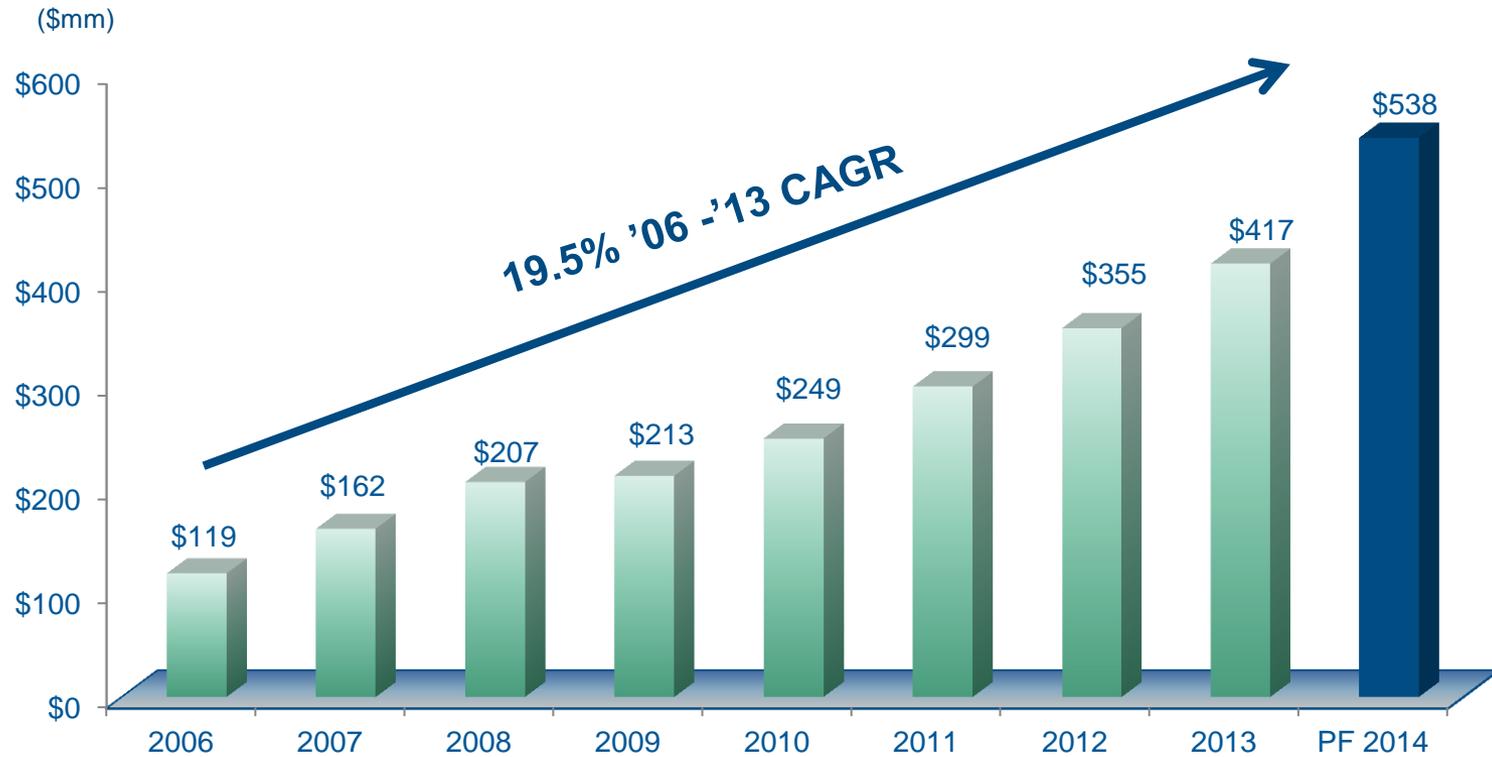
Leading destination for online car shoppers providing credible, easy-to-understand information from customers and experts that affords consumers greater control of the car buying process

- #2 auto-related site with approximately 10 million unique visitors per month
- Provides online ad solution for dealers and original, unbiased content for consumers
- Leader in the fastest growing component of the automotive ad market
- Displays 4.3 million new and used cars from nearly 20,000 dealers
- Strong growth in annual visits with 17% CAGR from 2008-2013



Cars.com: High-Growth Business

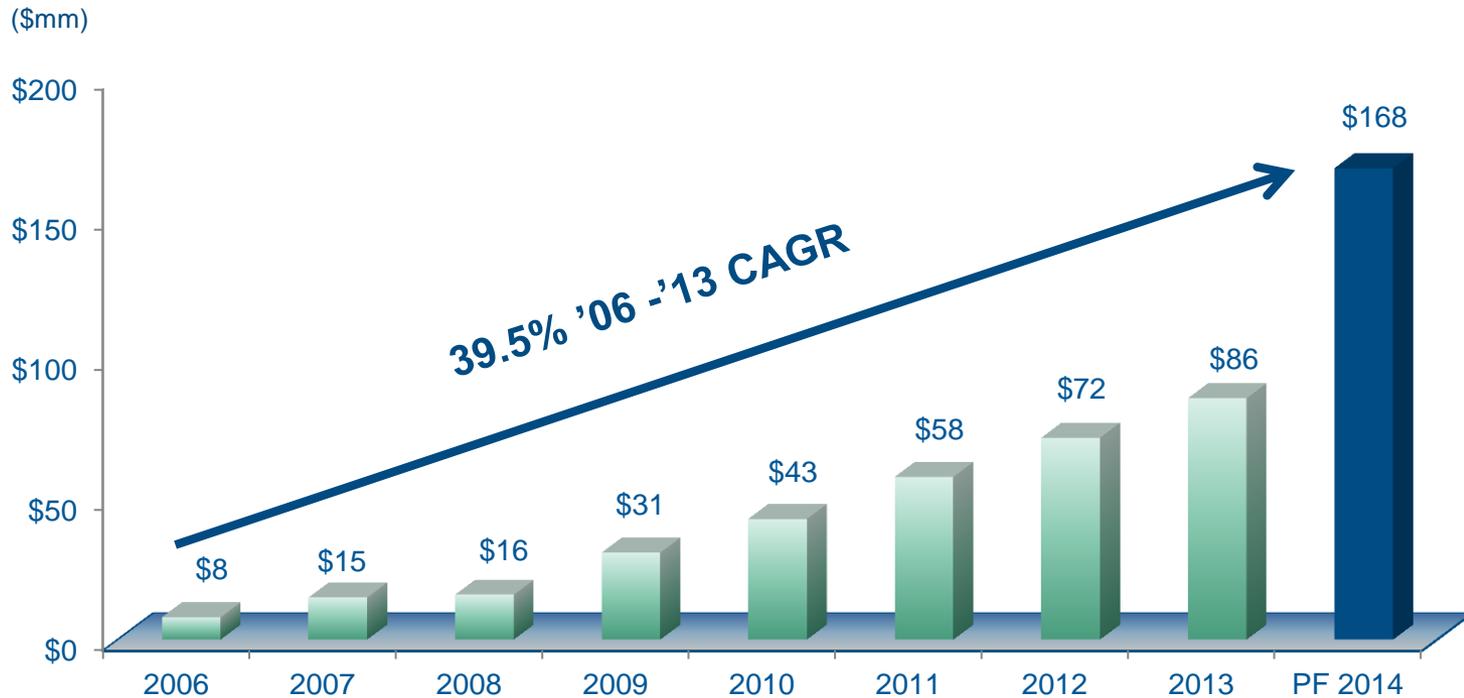
Revenue



Pro forma assumes Cars.com was 100% owned by Gannett for all of 2014 and new affiliation agreements were in place for all of 2014

Cars.com: High-Margin Business

EBITDA



EBITDA Margin

7.0%

9.2%

7.5%

14.4%

17.2%

19.3%

20.3%

20.5%

31.2%

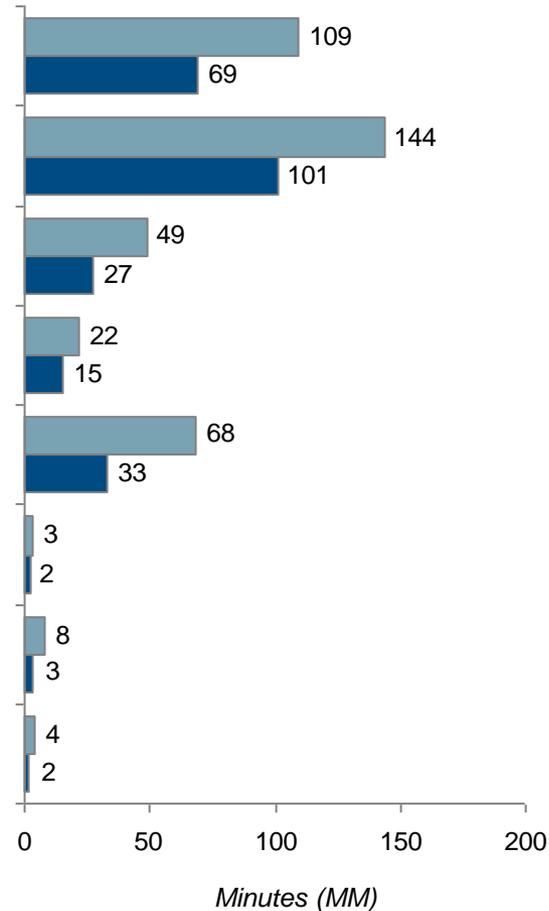
Pro forma assumes Cars.com was 100% owned by Gannett for all of 2014 and new affiliation agreements were in place for all of 2014

Proven Leader in Driving Consumer Engagement

Unique Visitors
2014 YTD Monthly Average



Time on Site
2014 YTD Monthly Average

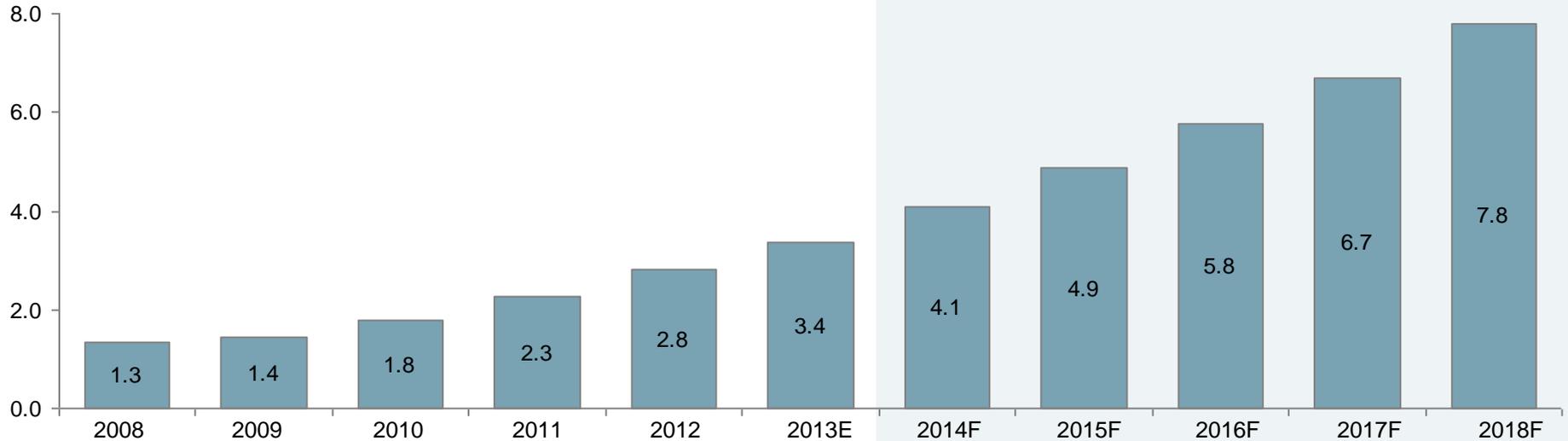


#2 Site for Combined Unique Visitors and Time on Site for Mobile and Desktop

Desktop
Mobile

Strong Growth in Automotive Online Ad Spending

U.S. Automotive Digital Marketing Spend (1)
(\$ in billions)



Automotive Online Ad Spend is Expected to Double in Next Five Years

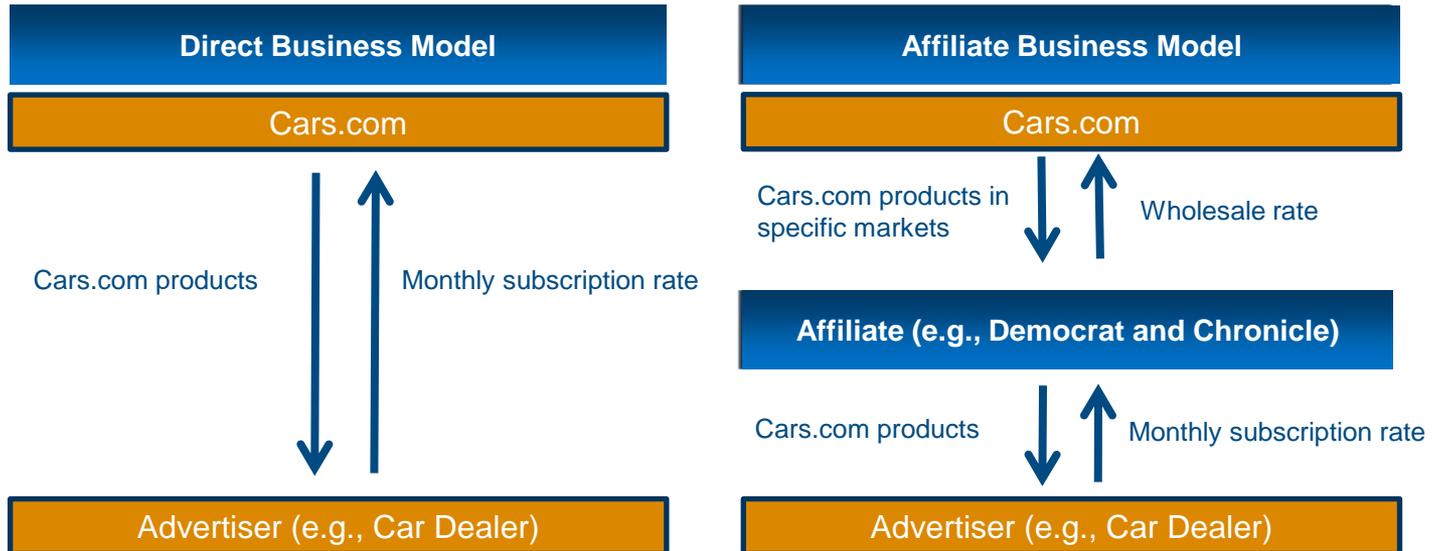
(1) Per the 2013 NADA Report

Source: Forrester

Key Direct and Affiliate Agreements

- **Sells products through two primary channels:**

- Direct sales to advertisers with revenue recognized at retail rates, currently accounts for 78% of total revenue
- Sales to advertisers by affiliates' sales force (e.g., Tribune Media, McClatchy, A.H. Belo, and Graham Holdings), with revenue recognized at wholesale rates



New affiliate agreements following acquisition will increase Revenue and EBITDA

Compelling Financial Impact of Cars.com

- **Gannett expects Cars.com to be accretive to free cash flow per share by approximately \$0.43 and EPS neutral in 2015, growing thereafter**
- **Cars.com is expected to contribute approximately \$155 million in incremental annual pro forma 2014 estimated EBITDA to Gannett, and implies a multiple of 11.7x pro forma estimated EBITDA**
- **Will generate increased contractual revenue from new affiliate agreements and laser focus on operations**
- **As a result, expect multiple to be even lower at 9.2x, based on 2015 estimated incremental EBITDA**

Approximately \$155mm of annual incremental EBITDA, based on economics of new affiliate agreements
Incremental EBITDA is equal to Cars.com pro forma total EBITDA less Gannett's existing Cars.com EBITDA

Transaction Financing

- **Current debt paydown is ahead of schedule and EBITDA is stronger, resulting in better leverage ratio position prior to transaction financing**
- **Anticipate issuance of approximately \$650-\$675 million in new senior notes**
 - 7 and 10 year tranches
- **Will use \$575-\$600 million in cash on balance sheet**
 - Maintain minimum cash balance of \$175 million
- **\$600-\$625 million draw on existing revolver**
 - Currently undrawn
- **Plan to calibrate current capital return program with business results**
 - Maintain and monitor quarterly \$0.20 per share dividend

Key Takeaways

- **Key next steps in successful ongoing transformation of Gannett**
- **Spin-off creates two industry-leading companies of scale**
- **Both companies will have strong, flexible balance sheets and capital structures tailored to their individual businesses**
- **Cars.com doubles rapidly growing digital business**
- **Financially and strategically compelling transactions that unlock significant shareholder value**

