TRANSCRIPT

GCI - Gannett Investor Day
(Edited for clarity)

FEBRUARY 22, 2012

FEBRUARY 22, 2012 / 01:30PM GMT, GCI - Gannett Investor Day

CORPORATE PARTICIPANTS

Jeff Heinz *Gannett Co., Inc. - Director - IR*

Gracia Martore *Gannett Co., Inc. - President, CEO*

Bob Dickey *Gannett Co., Inc. - President - US Community Publishing*

Dave Hunke *Gannett Co., Inc. - President & Publisher - USA TODAY*

Dave Lougee *Gannett Co., Inc. - President - Gannett Broadcasting*

David Payne *Gannett Co., Inc. - SVP, Chief Digital Officer*

Maryam Banikarim *Gannett Co., Inc. - SVP, Chief Marketing Officer*

Jack Williams *Gannett Co., Inc. - President - Gannett Digital Ventures*

Tom Beusse *Gannett Co., Inc. - President - USA TODAY Sports Media Group*

Vikram Sharma *Gannett Co., Inc. - Vice President - Retail Strategy*

Matt Ferguson *CareerBuilder - President, CEO*

Paul Saleh *Gannett Co., Inc. - SVP, CFO*

Marge Magner *Gannett Co., Inc. - Chairman*

Paul Davidson *Gannett Co., Inc. - President & CEO - Newsquest,*

CONFERENCE CALL PARTICIPANTS

Krista Ramsey *Cincinnati Enquirer - Media*

Doug Arthur *Evercore Partners - Analyst*

Jim Goss *Barrington Research - Analyst*

Craig Huber *Huber Research Partners - Analyst*

Alexia Quadrani *JPMorgan - Analyst*

Barry Stewart *Omega Advisors - Analyst*

John Kornreich *Sandler Capital - Analyst*

Joan Lappin *Gramercy Capital - Analyst*

PRESENTATION

Jeff Heinz - *Gannett Co., Inc. - Director - IR*

Good morning and welcome to Gannett's first Investor Day. My name is Jeff Heinz and I'm the Director of Investor Relations. There are a lot of things, great things going on here at the Gannett Company and we're thrilled to have the opportunity to talk to you about them today.

We have a pretty packed agenda. You'll be hearing from many members of senior management, but you will have plenty of opportunity to ask questions. Two additional notes, after the presentations the board will be hosting lunch and we have some informal breakout sessions that we'd like you all to attend.

Before we begin however, I need to remind you that a variety of statements during today's presentations constitute forward-looking statements under the securities laws, so please review the safe harbor provision.

With that, I'd like to introduce Gracia Martore, our President and CEO.

Gracia Martore - *Gannett Co., Inc. - President, CEO*

Thanks, Jeff, and good morning to everyone. We're absolutely delighted to have all of you with us here today and all of you who are listening in on our Webcast.

Our entire board and senior management team are here today to share with you our blueprint for returning our great company to growth and also to providing outstanding shareholder value in this dynamic digital age.

Over the last year, the senior leadership team and I, and many others across our company, have been working very, very hard to put together this integrated blueprint for growth. What we are about to share with you is not the end of that process. It's really just the beginning.

Today, we're going to discuss with you several of our more fully formed initiatives that we are putting into action literally as we speak. But there's more to come, and I am committing today to keeping all of you informed on our progress on those initiatives, as well as any more new initiatives that we proceed on down the road.

We hope that you come away today with the same enthusiasm for our future that is currently energizing our entire company and board. So now let me take a few minutes to tell you specifically about the reasons why we believe our company is going to win in this new digital era.

Our blueprint that I talked about starts with a foundation of 106 years of service to the communities and businesses that make up the very fabric of America. We are the trusted news source that consumers depend on and it is this relationship that has allowed us to help local businesses thrive.

We are also the trusted news and information source that consumers have come to depend on in all of those local communities. And it is this relationship that has allowed us to help local businesses in those communities thrive. And along the way, we've built some incredible iconic national brands like USA TODAY, America's favorite news source, and CareerBuilder, the number one place Americans go to for jobs.

This adds up to some very real and very enviable advantages. Our deep, rich relationships that we have in our local markets are what we call our hometown advantage. Our strong, recognizable brands that consumers engage with and advertisers rely on, on a daily basis, are our brand advantage.

Now that rare mix of hometown advantage and mainstream brand recognition is unique and unmatched by any other company. In fact, a lot of companies spend a lot of years and a heck of a lot of money just trying to get one of those advantages, even if they can.

We owned local before local was in vogue. This is the kind of advantage that Groupon and Yahoo and scores of other companies aspire to but just don't have the ability to access and execute on profitably.

So, now let me back up some of those statements with some facts about our company. We are deeply embedded in 100-plus communities locally across this country. We have more than 5,000 journalists living in and an important part of those communities, and I believe that that's the most journalists of any company in this country.

In our markets, we reach three out of four adults in a typical week. We serve nearly 12 million readers and 21 million viewers every single day. And on the digital side, we have over 71 million unique visitors to our community publishing and broadcast Websites. And our Gannett network of mobile-page views were almost 470 million this past January, twice what they were at the same time last year.

And equally as impressive, I think, is the fact that we sit at the very heart of an almost $140 billion local advertising market. And we have relationships, deep, rich relationships, with over 150,000 small and medium-sized businesses and merchants and that number is growing daily.

The fact is, pure and simple, we bring consumers and marketers together better than anyone. If you look back at our history, we've taken every advantage to expand and evolve the way we engage with them, from print, then to television, and now with all of our digital platforms.

We are more than just a newspaper company or a broadcasting company. In fact, we're more than just CareerBuilder. For five decades, we, like most everyone else in our industry, provided consumers news and information on what I call a predictable basis. You got your paper in the morning and you watched your news at 6 o’clock 11 o’clock.

Well, we all know in this room that today, consumers can and do access news and information 24/7. And as a result of what we all are doing at our company, we now play an integral part in consumers’ lives throughout the day, so let me show you what I mean in this video.

(VIDEO PLAYING)

Gracia Martore - *Gannett Co., Inc. - President, CEO*

We've talked about our hometown advantage and we've talked about our brand advantage. Now let me tell you about our financial advantage. Five years ago when I was the CFO of Gannett, a lot of folks were telling us to borrow billions of dollars to pay a special dividend or lever-up the company to do a vast amount of share repurchases.

Instead, at that point in time, even though the credit markets were incredibly exuberant, we made an unpopular and difficult choice and that was to use our strong free cash flow to reduce debt.

In fact, over the last three years, we have reduced our debt by more than $2 billion. As a consequence, we made it through the 2009 financial crisis with investment-grade credit metrics and enviable cash flow. Unfortunately, that can't be said about a lot of others.

Now our ability to maintain this cash flow during that unprecedented period underscores the strength of our financial management. It is this financial advantage that has given us the flexibility to invest in our growth, to continue to pay down debt, and to return increasing amounts of capital to our shareholders.

These three advantages represent the foundation on which we have built our blueprint for growth. They allow us to be bold as we pursue new opportunities in this evolving and complex media landscape.

Now our blueprint or our strategy is based on our purpose and breaks down into three key components. First, we are laser-focused on enhancing our core businesses by stabilizing our publishing business, which remains an essential and profitable part of our portfolio. And we will, of course, continue to grow our broadcast and digital businesses which account for more than 40% of our cash flow now.

Second, we aim to accelerate our growth by entering into and expanding into new high-potential related businesses, which take advantage of that hometown and brand advantage that I talked about earlier.

The third component of our strategy is an ongoing commitment to optimizing our assets and maintaining our strong financial profile, which is tied and integrated into our new capital allocation plan that I'm going to cover in a moment.

As I said at the start, this is just the beginning. But let me point out a couple of things. First of all, this strategy is not a quick-fix. This isn't a one or two quarter solution. Rather, it is a continuous effort, which is going to begin to show results later this year. We build on the impact of it over the next few years and then we will fully realize the benefits of all of this in 2015 and beyond.

As importantly, our strategy is entirely self-funded. We are confident we can achieve revenue growth, continue to invest in our businesses, and return well over $1 billion to shareholders by 2015, all while maintaining a rock-solid balance sheet. Very bold, but very doable.

Now I'm going to take you through some of the details. You know, I can't tell you how often I go to cocktail parties and when people find out that I work for Gannett, the usual question is, oh, newspapers, that's a very, very tough business.

And I always say to them, you know, news in printed form is in secular decline. However, news and information provided the way consumers want it is growing and thriving. Media consumption in this country is at an all-time high and we are in the middle of all of that.

Look, I think about all of us in this room. We rely on local information to navigate our daily lives. If you really think about it, life happens locally. Where do you look for your high school sports news and scores or your kid's picture when they're winning the soccer game? How do you know if you should take an umbrella in the morning, although it's a beautiful day today? And how do you find out what's really going on at your local city council meetings?

All of this speaks to the fact that local news and information will always be a vital part of every hometown. Now, there are three things we're going to do to revitalize our local business, our local community news business.

We're going to reorganize our information centers in line with consumer passions and preferences. We're going to be everywhere consumers are on every platform, and we are going to charge for what is valuable, and that's our content, regardless of the platform, via a new content subscription model. And Bob Dickey is going to share with you in a few moments more details on our plans.

While our efforts to stabilize and grow publishing do not end there, we are also taking steps to revitalize and grow our national news business. USA TODAY, simply put, is an extraordinary brand. It has 99% brand recognition. To me, that's an absolutely staggering thing. There's hardly an American who doesn't know USA TODAY.

Any one of our presidential candidates would be envious of that kind of brand recognition and would probably pay Dave Lougee millions and millions of dollars if they could even come close to that. We have that in USA TODAY.

Now, are there more opportunities for us to do a better job of leveraging this phenomenal brand? Absolutely. USA TODAY was innovative at its birth and in its 30th year this year, we are excited about bringing back its innovative spirit. And Dave Hunke is here today and he's going to walk you through the specifics of our plan for USA TODAY.

And by the way, something you may not know is that we have the leading news app on tablets and the number one app on Kindle Fire, but we're not resting there. In addition to new digital formats, we are also creating new content verticals like sports and travel, where consumers are telling us they want and expect more of that content from USA TODAY.

Now let me move on to broadcast, another important touch point for those community relationships locally. Our 23 television stations allow us to reach one in five Americans in those markets and provide another coveted platform to help advertisers engage with their consumers.

Like our community publishing business, our broadcasting business plays an absolutely vital role in the communities we serve. The engagement they have with consumers and the relationships they have with advertisers are a huge part of our hometown advantage. And as you're going to hear later on, they are a core part of how we are going to build some of our new businesses.

And Dave Lougee is here today to talk with us about how we're growing viewership in broadcast and the many ways that we are taking advantage of digital opportunities to engage consumers and increase that engagement.

Now let me turn to digital for a moment. And I'm sure some of you in this room don't have top of mind that Gannett is a digital powerhouse. But I am here to tell you that we generated almost $1.1 billion in digital revenues last year, and we have double-digit growth and double-digit margins.

We have been involved in building meaningful digital businesses for some time. And as a result today, 21% of our total company revenues are from our digital activities. Now when we talk about looking for new business opportunities, we're identifying high-potential, growing markets that leverage both our hometown and our brand advantages.

We have a proven track record in this area as demonstrated by what we've done with CareerBuilder with Matt Ferguson's help. The breadth and depth of our market position and brands were a critical part of the early success of CareerBuilder.

We then chose to continue to invest in CareerBuilder to gain control, recognizing that a shift was occurring in classified advertising and that CareerBuilder had an enormous opportunity to be a huge winner in this space and it certainly has been. Now Jack Williams and Matt are going to be talking about CareerBuilder and some of our strong digital franchises later one.

Now let me share with you the next two businesses that we're going to successfully build on the foundation of those advantages that I've been talking about. You know, back in 2011 we began envisioning a much bigger, more robust sports business. And through USA TODAY, our local media organizations, and digital businesses such as highschoolsports.net and BNQT, Gannett was already a very solid player in the sports area.

But with the creation of the USA TODAY Sports Media Group, we've brought together and strengthened our local and national sports coverage capabilities under one recognized, and respected brand.

Now you're probably wondering how does Gannett and USA TODAY play in the sports areas? We've got a pretty crowded space. Well, as we all know there's lots of players that have national reach and there are even some that have local reach. But none of them have both national and local to the degree that we have and that's our opportunity.

We have it all. And I can say this here in New York, unlike my beloved Red Sox, we have pitching and we have hitting. We have the whole playbook, so that's a great advantage for the Gannett Company.

We've also recruited a first class team. We've done pooling our resources and have made a number of cutting acquisitions that will move us from just being one of the pack to a leader of the pack. Tom Beusse, who's building that business for us, is here to explain where we are, where we're going with that business, and what we expect its impact is going to be on our top line.

The second new business opportunity that we're pursuing is local digital marketing services. The local digital marketing services area is absolutely exploding. However, we all know that small and medium-sized businesses are absolutely overwhelmed by the marketing options that they face today.

Our hometown advantage makes us a trusted partner to help these businesses make sense of all of that chaos. So whenever I think of this, I think about that furniture retailer in Des Moines, or that auto dealer in Atlanta. They understand their businesses better than anybody else. But their job isn't to try to make sense of all of that and to try to figure out all of the media options and marketing options that are just being thrown at them on a constant basis.

That's where we come in. We are a trusted partner who can help them navigate this complex digital landscape. That way, they can focus on growing their businesses while we focus on meeting their marketing needs.

And do you remember those 150,000 small to medium-sized business I talked about, that we have deep relationships with? Well that's another huge advantage for us as we look to help these businesses.

We believe this is going to be absolutely a great business for us, given those obviously advantages that we have. And Vikram Sharma is here today with us. Vikram ran ShopLocal for us and is now running this effort, and we'll talk about the exciting work that we are doing in this area later this morning.

David Payne, our Chief Digital Officer, and Maryam Banikarim, our Chief Marketing Officer, are also here to talk about the capabilities we are building centrally to accelerate growth at our company.

As an aside, it was clear to me and the rest of our management team about a year or so ago, that in order for us to do what we needed to get done, it was absolutely critical that we strengthen both of these capabilities, marketing and digital infrastructure capabilities. And it was also clear to us that we needed these folks at the table to help us realize that strategy, not just implement it. So you're going to hear more from Maryam and David in a few moments.

Now the third pillar of our strategy is continuing to optimize our assets. Now, that doesn't mean just cutting costs. Gannett knows how to cut costs. We're very good at that as we've proven over these last few years, but we're also looking to create value.

We are identifying opportunities as well to create incremental revenue opportunities as a result of that. In short, what all of this really means is we're going to get everything we possibly can out of every asset that we have.

Okay, so I've reviewed from a very high level several important initiatives that we are undertaking as we speak today. So what you're probably wondering at this point is, what do all these exciting opportunities add up to?

Well, as a result of everything you've heard thus far, we anticipate that these actions will return our company to a growth trajectory. We estimate that this will deliver annual revenue growth of between 2% to 4% and greater earnings growth over the next four years.

This isn't simply reorganizing our company. It is revitalizing our company through some very doable activities where we have clear advantages to succeed. Now I've been giving you the blueprint and I have the team here to fill in the details.

But I want to make sure you understand, I am not describing a hockey stick where results are going to happen three years down the road so you've just got to wait and see. I'm also not calling a Hail Mary pass late in the game. We've signed up for a plan that is deliberate and doable, and most importantly, we are all as a team, committed to deliver these results.

Now the other question that some of you may be asking is, well what does this mean to me as a shareholder other than it would be great if you can stabilize publishing and achieve these revenue opportunities you're talking about?

Well, today we are announcing a new capital allocation policy. It reflects the board and our team's confidence in our strength and in our strategy. Last night, our board approved a 150% increase in our dividend, which brings our dividend to $0.80 per share per year or $0.20 per quarter.

And in addition to that, we are also accelerating our share repurchase program to $300 million over the next two years. Together this means we are on a path to return over $1.3 billion to shareholders by 2015.

Based on our strong cash flow generation, we're going to support these increases in direct share-holder return totally from free cash flow under a wide range of scenarios. We're going to also continue to have the flexibility to pursue both on acquisitions. And we've done some of that as you've probably seen in the sports arena where we've bought a couple of small businesses that have propelled us into the top five of the sports arena.

We believe that as a company we have struck the correct balance for all of our stakeholders and we believe, and I hope, that the rating agencies today are going to tell us that there will be no change in our credit ratings as a result of these actions. Our new capital allocation policy provides an annual payout of around 60% of our net income and it places us in the top 2% of S&P 500 companies for dividends.

Now let me close by reiterating our three key advantages, our hometown advantage, our brand advantage, and our financial advantage. This is the trifecta that will enable our company to win, to go on the offense instead of playing defense, to be bold as we successfully pursue profitable growth.

Of this I am certain; we have the assets, the brand, the financial strength, and most of all, the talent both in this room and across our great company to make this happen and to deliver these results.

Now you're going to hear from the leadership team. Their combined skills, leadership, and vision are going to ensure that we successfully execute on this blueprint. They're going to share key metrics with you so that you and they will know if we are succeeding along this journey, and as they take you through each of their individual plans.

The leadership team, as I said earlier, has been working on this blueprint for the better part of the year. And in the UK, our Newsquest team is in the midst of developing a similar strategy that's tailored to their businesses, but is not dissimilar to some of the things that we're talking about this morning. And I know that Paul Davidson is here with us today and he'll be delighted to take any of your questions about our UK operations.

The entire Gannett team, including the senior leaders, our journalists, and our technology teams are all working hard to implement the blueprint that I've just described, and our organization, starting with me, is enthusiastic about Gannett's future.

We are highly motivated to win. And know this, that we as a team are accountable both individually and collectively to you for producing these strong results. I am tremendously confident that we are going to deliver. So now our plan to stabilize publishing begins with the work that Bob Dickey is doing and his team. And so with that, let's hear from Bob.

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Thank you, Gracia. I attended the same cocktail parties and I say the same thing. Life happens locally. Readers value our content, and they are incredibly loyal to our brand and have been for 100 years.

I'm very excited today to outline for you the path that we're going to take to stabilize community publishing as we redefine local news across our 80 local markets, because our goal is that Gannett will retain and strengthen its place at the center of the communities we serve, because as Gracia pointed out, that is our hometown advantage.

Our strategy consists of three distinct and reinforcing steps. We're going to reorganize our information centers. We're making content available where the consumer wants it, and we're creating a new subscription model for US community publishing that will provide access to our content regardless of the platform and limit access to nonsubscribers.

Our first step in redefining local news is to reorganize our information centers by changing how we allocate our resources. We are changing our approach to news coverage and we will make our communities even more active participants in the news process. We're letting their needs, preferences, and opinions drive our coverage.

Market-by-market we have found which topics matter most. How? We ask them. We surveyed thousands of readers and heard from them loud and clear what matters most. And by doing that it will enable us to tailor our coverage to their community.

For example, in Poughkeepsie, people are very interested in the Mid-Hudson Valley environmental issues. While in Wilmington, a very innovative community, they want to know more about those innovations at the local business level.

This approach allows us to focus on what we will cover, as well as what we won't. And while we know it offers a richer experience for our audiences, it offers our advertisers a great opportunity to engage with them.

So the competitive advantage is two-fold, a better experience for our audiences and a better marketing environment for our business consumers. We refuse to allow these new product offerings and dramatic changes to our content to go unnoticed. Instead, we're marketing our approach with confidence and boldly with ad campaigns that are for our current customers, but more importantly for our future customers.

We have multiple campaigns in place. Here's one example where we utilize our local trusted journalists to share it in their words. This is Krista Ramsey, a columnist in Cincinnati.

(VIDEO PLAYING)

Krista Ramsey - ***Cincinnati Enquirer - Media***

I have notes from readers stuck all around my cubicle. One says, the community is counting on you. Another says, you make the invisible visible. My job is to know this local world so well that I see how it needs to change and then motivate people to change it. Every single day I write to help this community, my community, be its better self. You want to make a difference? Start with me, Krista Ramsey, at the Enquirer.

(END VIDEO)

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Krista is an example of the journalists across our division, who are in fact engaged in their community and care about their community a great deal. In addition to enhancing our content, our second focus is to ensure that we are everywhere the consumer wants us to be. We have seen tremendous growth since July in our mobile audiences. We're up 30% in unique visitors in that time frame.

So as a result, we're going to refresh our Websites and we're going to launch tablets and mobile sites across all of our local markets. These initiatives are already underway and the readers and users like the look and feel. David Payne will discuss how we're going to scale that across Gannett, but from my vantage point it means more engaged readers.

The third and most important part of our strategy is our new subscription model. This model responds to consumers’ needs by offering them full access to our unique and relevant local content, where and how they want it.

By assigning the value of our price squarely where it belongs, on the content and not on the delivery mechanism, we unlock the true value of the investment we make every day in each of the communities we serve.

Readers can choose from a wide variety of full access options to pick the one that best serves their needs. What this does mean is we will begin to restrict some digital access to nonsubscribers. This will be a metered approach, which will allow 5 to 15 articles per month to nonsubscribers before they will be prompted to be encouraged to subscribe to our local content.

We believe home delivery volumes will be negatively impacted by our pricing action in the area of single digits from their current trend. And at the same time, in each of these markets, we will be increasing our single-copy prices by 30% to 100%.

Single-copy makes up about 12% of our daily volume and roughly 25% of our Sunday volume. And we believe the impact will be in the 30% to 40% range, negative impact on those volumes. But we know our content has immense value to the communities we serve.

This new model will ensure that Gannett and our subscribers benefit from that value. We've implemented this new model in six markets and are in the process of rolling it out across all 80 markets by the end of the year.

The pricing and number of full access options will be unique in each market, again, driven by consumer input on what they need and what they believe the value of the offering to be. And what is very good news for us and transformational for our business is that consumers in our research repeatedly tell us they believe what we offer is of greater value than our current prices reflect.

It's still early, but we're already seeing very, very encouraging news from our advertisers and our readers. Let me read a couple of examples for you. I love some of these quotes. "I love this. This is a big, bold play that takes a lot of guts." "I like that everyone is paying for what I've been paying for." And "I can't wait how, where, and when can dealerships expect to see tablet ad positions?" Real life quotes from our customers and our readers.

Now I'd like to share the metrics that Gracia pointed out that will measure our success. We are projecting that subscription revenue growth will be in the 25% range. This does include the single-copy pricing actions that I mentioned earlier.

We also believe that Sunday home delivery growth will continue in the 1% to 3% range. We also believe that subscriber growth, total subscriber growth, which will come from digital subscribers, new digital subscribers, will be in that 1% to 3% range.

And we are committed to continuing what we have done since 2007, and that is grow our total audience at the local level. We have done that every year and we will continue to do it going forward. We believe these changes will help to strengthen Gannett's community publishing. And the real impact from these actions, we believe, is in the range of $100 million in annual earnings.

We are transforming our business by ensuring that no matter how news consumption changes in the future, Gannett will be there. We will deliver a highly relevant, engaging, and trusted content along with a great user experience, accessible however the consumer desires.

Before I turn it over to Dave Hunke who will describe how we're going to position USA TODAY for the future, I want to make one important point. Our strategy is to redefine local news so we retain and enhance our place in the communities we serve.

We're giving consumers a more active role in the news ecosystem, taking steps to be everywhere they are and focusing their attention on the value of our content, not the delivery. All of this while maintaining an unwavering commitment to providing hard hitting, watchdog journalism that is at the heart of what we do, both at the community level and in the case of USA TODAY, at the national level.

That is our hometown advantage and we will not give that up. I am confident we can execute this plan and I am confident we will win. With that, I'd like to turn it over to David.

Dave Hunke - ***Gannett Co., Inc. - President & Publisher - USA TODAY***

Good morning and thank you very much, Bob. It's really hard to believe, but it was 30 years ago that USA TODAY was launched. And looking around this room I realize there were a number of you that weren't probably prepared to read it when it came out. But I want to start off by telling you this one simple anecdote about this because I was somewhat involved in this. Some of you may remember a company named Knight Ridder.

I was very, very excited to be a newly-minted manager at Knight Ridder and I was actually on the Stop USA TODAY Team and I was thrilled to have been invited and brought aboard with this great noble endeavor. We were not about to let this newspaper and these kind of spaceship-looking news racks come into Wichita, Kansas from these out-of-towners, sort of thing.

And that was really quite a big deal for me. Until one afternoon, and this is absolutely a true story, I went home and my wife was home. We had our first child and she was sitting there on the couch behind this rather colorful newspaper, you see, and she lowered it just a bit and she looked at me and she said, "You signed up with the wrong team."

Now actually, I actually didn't know how right she was, if we could have looked down the line about 25 more years, but there was a reason for this. And I'll put this one slide up just as I talk to you about it.

One in seven Americans today engage everyday with USA TODAY. This started out as an absolutely counter-intuitive move to traditional American newspaper publishing. It was audacious. It absolutely had the courage to be different. It invented info-graphics, was not afraid to be different. It was called Mac Paper. People made fun of this, just made light of it.

But just going back to my own data point of one as I watched, there was an absolutely emerging reader and audience population who responded to the fact that their time was respected, that brief could actually be concise and informative, and that we would do things that gave them a comprehensive look at this nation and they could get on with their lives.

Every single day at USA TODAY on our masthead is our guidance, and this comes from our founder. It is absolutely as true today as it was when Al Neuharth and a group of highly inventive and innovative journalists and business people crafted this, and probably with a lot of effort.

I will tell you it is more difficult to do today than during Ronald Reagan's first administration. This country, and I don't need to tell a person in here, has greater difficulty finding itself in one common conversation. But trust me, it is the differentiation with USA TODAY with almost any other media and we do not move off of this.

I have the privilege of representing USA TODAY all over this country. And when several different people come to me and say, whether I am in Portland, Maine or Portland, Oregon, or Portland, Texas, when you do your job right I see a picture of this nation that I recognize, all right? And I take that back every day and we don't get off of that.

Now you don't get to the point of being able to assemble an audience of one in seven Americans every day without having done far more than just our newspaper. And we're very happy and we're very privileged to be in a competitive set and here I represent it with the likes of the New York Times and the "Wall Street Journal." And again, it is a privilege to be in that midst, 23 million uniques from our digital assets at usatoday.com. But you know as well as I that competitive set has changed and it changed radically.

Aggregators, cable news networks that got to the forefront of digital news, graphics, embedding video, have soared. So I will always tell you, this is a slide that says there's an opportunity to improve on this. The real message is we must improve on this, and several of us today will talk about this and show you a few examples here.

The most important thing that is underway right now is completely deconstructing and engineering the browser at usatoday.com. We're going to show you just a couple of thumbnails here. David Payne, Chief Digital Officer of the Gannett Company, will be up here and talk more about this, but it is a virtual deconstruction and re-launch of this in our thirtieth anniversary, perfect timing for this.

You will understand that a lot of the tenants from USA TODAY will come through on this. The navigation, the ability for engagement, info-graphics, but again a heavy concentration on visual journalism will be built into this site. And I'll just show you a couple of thoughts here as we go through this. David as always, slipped me a note saying, please remind everybody you're saying reconstruction is underway because these are templates for illustration.

But I also want to take this point to tell you that not even two years ago, again a group of the designers and engineers and journalists at USA TODAY saw a very quick opportunity with the launch of the iPad, instantly jumped into this and took again, the theories on navigation, the theories on contextual graphics, and built them into this iPad, instantly moving to a number one position there.

Today over 2.9 million downloads on the current tablet. I love this one, 100 page views per month per visitor, okay? We see extraordinary usage on the weekends. This is about reading, okay? We see upper demographic movement on this. It's an extraordinary opportunity for us.

It was named iTunes best free app of the year in 2010 and as Gracia mentioned to you earlier, right before the holiday we launched the same theories on the Kindle, the Kindle Fire, and it moved instantly to the top a mere eight weeks ago.

Now, we can't sit on that as well. That starts with the browser but if you're going to redesign the browser, the next generation of the tablet is also on the way. When we really get ready to present this to you and particularly to our advertisers, we're going to find very unique ways of installing and integrating advertising into the tablet environment.

Again, David Payne will talk more about this with you. But just a couple of looks at this, but even as we reinvent this, reposition this, you will always see very, very unique characteristics of USA TODAY, in terms of its design.

I want to talk very, very quickly about two product ideas. The first again, we're going to go back and talk about the USA TODAY Sports Media Group. This is where we take content and permission that we have in a very important part of the traditional newspaper.

It was a great sports section. But it's also a way that we can demonstrate in this room, and frankly across the country, the power of a national brand in overlay and marrying that with local activation. It is a very key cornerstone to how USA TODAY will integrate and play an important part in Gannett's strategy.

Tom Beusse is the President of this organization, joined us just short of a year ago, is already doing very material things with this group. He's going to talk to you about some acquisitions we've made, an extraordinary team he brought in to our company, all with a tremendous amount of experience in this field.

And again, as we mentioned, in the digital space, in sports, we moved from a year ago a very third level rating into number four position on that in a very short period of time due to Tom's thinking strategies on this and a great group of people and a great brand.

The other product I want to talk about and then I'll wrap up on this, is travel. If you travel, if you're in a hotel, you recognize USA TODAY, and I think it's an extraordinary permission for us to go further in that field. We love travel and hospitality and we're going to get bigger in it.

An extraordinary group of people over the past decade have built an almost 90% market share of newspaper sales within hotels. Almost 1 million newspapers a day distributed and sold to travelers, that's hotels, those are transit hubs, those are airports, and soon airlines.

It's also marquee partnerships as we all know with every major hotel group in this country. We're doing a lot of consumer-facing research on this right now, 70% of frequent travelers look forward to receiving USA TODAY. It was built for them.

They also tell us that it's got to be built for a continuum of platforms. It's got to come through across all of their devices. And so I will tell you that we are working very, very hard now on how we will bring obviously national news, but integrate hyper-local news information, entertainment information, local guide information, all a traveler's continuum, all based on our hotel distribution strategy, all under the permission of USA TODAY's brand.

We're going to look very forward to talking to you in the weeks ahead about that part of our business model and some very new partnerships that we have in that field as well. I end up on this one point. All of this is dependent on USA TODAY finding a way to constantly innovate, constantly change, but never forget its heritage, and some of the very first things that I talked about in terms of staying relevant to the mobile, connected, American traveler.

You don't do that by being boring. You do it by being unbiased, but more than anything else, by constantly reflecting the pulse of this nation. That's what we will stay very true to no matter what platform or business that we get into. I promise you we will continue to do that for a very long time to come. Now with that, I want to introduce you to Dave Lougee, President of Gannett Broadcasting.

Dave Lougee - ***Gannett Co., Inc. - President - Gannett Broadcasting***

Thank you, David. It is a privilege to run Gannett Broadcasting because thanks to a group of best-in-class professionals, we are exceptionally strong. And today I'm going to tell you why we're going to be exceptionally strong not just in 2012, but in the years beyond.

I'll talk about our many growth drivers in 2012, but especially the trends and initiatives that will leverage our broad, local reach in the years ahead. Our business is built on great, engaging content, strong local brands, and deep relationships within our local communities.

And they are, of course, a key part of the hometown advantage that Gracia referenced. As we drive adjacent businesses like sports and local digital marketing services, something I'm very excited about when we talk about further optimizing our assets in which we'll discuss later this morning.

First, the near-term, it is early in 2012, but the trends are positive. One category worth talking about is auto. It's early, but as unit sales recovered we've seen continued growth in the first quarter from last year and we expect this growth to continue as unit sales go from 13 million to 14 million. Yes, the Japanese tsunami disrupted the supply chains both foreign and domestic last year, but the real story is the battle for market share is back on and the battle is on TV. Why? Because it works.

And it's now moving to another topic. Despite recent challenges in prime time, NBC gives us some tremendous platforms this year. The Super Bowl, three weeks ago on our 12 NBC stations had 25 million viewers. They gave us strong revenues and audiences and a promotional push for the new show, The Voice, which has turned out to be a breakout hit, something our NBC stations have been looking for some time.

And then later this year, we'll have the Summer Olympics from London for 16 days and 17 nights. Because of our strong local brands, our local stations always over perform the national average on these big ticket events, and this year we have new sales initiatives in place to further leverage the Olympics.

Now let's talk about something what's on everybody's mind, political advertising. While primary spending is active in the first quarter as we all know, it is always, frankly, a modest piece of our full-year spending.

The main event, once the Republican primary is done is the general election. Now we don't have as good a footprint as we have in the past in the senate and gubernatorial races, and we won't see quite as much spending there.

But to offset that, our footprint on the main event is as good as ever, with strong stations in swing states like Colorado, Ohio, and Florida. That combined with this being the first presidential race since the Supreme Court ruling on PAC spending and record levels of candidate's fundraising should mean this will be a record presidential year. Spending on House races should be consistent with previous years.

Under the heading of 2012 and beyond, let's talk about retransmission consent. It is essentially our paid content model, long overdue, well deserved and the market place is beginning to work. We're projected to receive $90 million this year, up 13% from 2012 and that's without any new deals from our largest distributors whose renewals come up in the years ahead.

Since these are all cash and non-advertising trade deals like some of our competitors, 100% of these revenues fall to the bottom-lines of our stations, stations that produce some of the very best margins in the entire industry.

There's more to come on retrans. Our percentage of subscription fees has yet to align with the size of our valuable audiences. And yes, the networks do expect to get some of this. But we suggest the focus should be on the size of the pie as opposed to the split of it.

We don't disagree with the network sharing concept to the extent that the networks use those dollars to reinvest in competitive programming and sports content acquisition. We see that as an absolute win/win for the industry. And for a while, it's an academic issue for us. Our network affiliation deals go out for some time, early 2014 for our three ABC stations, late 2015 for our six CBS stations, and 2017 for our 12 NBC stations, our biggest percentage of our revenue.

Now let's talk about the future, both for the industry and Gannett. It's about engaging relevant content, local and national across our platforms. On the national side, by far the most valuable content is the NFL. And the NFL and Broadcast has just cemented their relationship for another nine years, meaning that our 17 NBC and CBS stations will have the broadest reach vehicles possible to market themselves and their advertisers well into the next decade.

Same too, with the Olympics, Steve Burke and the team at Comcast NBC re-upped, as you all know, just a few months ago. We will now have, with London, the next five Olympics on our NBC stations going into the next decade. Combined with our strong local content, our stations stand out more than ever as a broad reach vehicle for advertisers in an increasingly fragmented world. Now let's use our core medium to show you a little more about Gannett Broadcasting.

(VIDEO PLAYING)

Dave Lougee - ***Gannett Co., Inc. - President - Gannett Broadcasting***

Lights, camera, action? Thank you. As the video showed, our engagement with our audiences on digital platforms was up tremendously in 2011 and will continue to be this year. On the revenue side, Yahoo is one of our partners. Yahoo just named us the top performing broadcast group amongst their partners and our station in St. Louis, KSDK was named top performing station.

But what I want to talk about more this morning is social media. This phenomenon is an enormous opportunity for us and our advertising partners. Going back to the Super Bowl, in just the past three weeks the Super Bowl had the highest level of viewership ever, 111 million people, and the Grammys did too.

They were the number two and number one events respectively in terms of English speaking social media events, and that is no accident. TV is the biggest driver of social media, and social media is an enormous driver of TV, a virtuous circle, as I like to call it, and this is especially true at the local level.

Most of our viewers have an Internet enabled device within a few feet of them while they consume our great local products. That gives us a golden opportunity to make our journalism and our advertising way more engaging and impactful than ways we had ever imagined before.

For example, through social media our station in Atlanta learned that a particular airline was charging returning US servicemen from the Middle East an exorbitant baggage fee as they came home from their service. We aired the story. It went viral nationwide on Facebook and Twitter, and within hours that airline and others had reversed their policy, and as an aside, they reversed their policy via Twitter.

For our clients we can now leverage this relationship in a way that we had never imagined before as well, bringing them a suite of local products and services that we referred to this morning that take advantage of this enormous relationship of TV and social media.

In one market last month, and Vikram will talk about this particular deal in a little more detail in a few minutes, we sold a car dealer a $260,000 package of social media consulting, search engine optimization, and search engine marketing services on top of their existing budget.

We'll help them grow their business in a model that we're going to replicate across our division. Within a few days after that we sold a similar suite of services to an oral surgery clinic in Cleveland, and yesterday, because I didn't have time to get it on the slide, another quarter million dollar deal in another market of this same type.

We're also innovating in this space. ConnecTV, an investment born out of our partnership with nine other broadcast groups, is a social engagement with television as it grows further. We think of this as a second screen app that will drive new connections with our audiences, and hence our advertisers.

It allows users to enjoy an interactive viewing experience through their social circle. The app has been launched in beta form, and in the early stages we're excited about its progress. We're also innovating in mobile. We're part of an eleven group joint venture with NBC and Fox in mobile digital television.

The consumer-facing name will be called Dyle. At the Consumer Electronics Show in January we just announced our first distribution partner with MetroPCS and we now have Belkin producing an add-on device for tablet devices.

These innovations and more combined with deeper local engagement and through new media, put our local products in a position to create new and deeper consumer and marketing experiences all to both our advantage. Across our regionally diversified 19 markets, 23 stations in Captivate, we are poised to grow.

And not only will our brands, contents, and relationships continue to benefit broadcast specifically, but it's a key part of our company's unique advantage for our foray into digital businesses across Gannett's 100 local markets. And with that, let me turn it over to Chief Digital Office David Payne.

David Payne - *Gannett Co., Inc. - SVP, Chief Digital Officer*

Thank you, Dave. Good morning everybody. It's been a long morning so far, so I appreciate the patience that we have here. You heard about all these different divisions that we have, and you heard from each of the division presidents, Bob and Dave and Dave.

Really what digital is doing and the digital capabilities that we're enabling, if you will, are creating the connective tissue to stitch together all of these various organizations. And it's the first time really in Gannett's history that we're looking at ourselves as a holistic company and creating the software that will allow us and enable us to stitch that together.

This is the reason that I came to Gannett. I saw in Gannett a unique opportunity with the national properties that we have with USA TODAY and Captivate and those and the other properties with the local activation, there was no company like that, frankly, in the country.

I put this up not to bore you with another graphic that you have in here, but it's central to the point that I'm talking about. Over the last nine months since I joined Gannett, we have centralized our product group into one single product development and shared services organization.

Our focus is really twofold, and this is the point that I wanted to make for you. It's not just on the product front. And so you're going to see some pictures about some of the product development and we're going to talk about that, but it's also on the enabling systems, because if we build the enabling systems underneath and leverage those up, we have a tremendous advantage at Gannett if we can bring together all of our properties.

Here's what we know at Gannett. We have more journalists and we create more original content than just about any other company in the world. Okay, so our challenge is getting these journalists the tools that they need on the front end to create, distribute the content, and create sharing tools that will allow us to stitch together Gannett into one holistic company, so it's not a broadcasting division.

It's not a print division. It's a digital company. And we're building these platforms right now and creating the tools that the journalists need across the company. This is why we're committed to a services architecture, and again, this slide makes me cringe and probably makes you cringe, but I do want to make one point about what this all means underneath. Critical to being efficient and distributing our digital products across all these form factors, is creating a services architecture that will allow us to take the inputs and the outputs from our existing form factors. What does that mean?

We still have to create shows at 6 o’clock and 11 o’clock. We still have to put out a newspaper. What we need to do is tie in and create an architecture that allows us to create the content once and push it into digital formats and push it across the company.

One other point about that, we're building right now or a good example, I should say, about that, is we're building out right now, and these are pictures from a former control room that was at our WXIA station that we're building as a digital hub for our video.

This is going to allow all of our properties, so all of our newspaper properties, to look and feel and act and have the capabilities of a broadcast group. What a concept. So that'll be the digital hub that we will use to bring in, ingest, and distribute out all of our video across all of our properties, and that's an investment that we made and it's being built right now at WXIA in Atlanta.

The last point I want to make about infrastructure, because that is a really, really dry topic, but it is important for this organization to understand and this group of people to understand. We're making significant investments this year to simplify our sales process, migrating to a single ad server for the company, migrating to a single order management system. This will enable us to sell cross-platform as we move forward.

All right, so with that out of the way let's talk about what that looks like to the consumers, how that's going to impact our future revenues and how that really goes into our strategy. We are well underway on a roadmap right now to re-launch over 100 new sites for desktop, mobile, and tablets in the next 24 months.

In the last 12 weeks alone, we've launched over six native iPhone applications for broadcast, six for community publishing, six new HTML5 tablets for community publishing, a new desktop subscription service that we talked about, that Bob Dickey talked about, a Facebook Canvas application for USA TODAY and a Kindle Fire application. That is the last 12 weeks alone.

We are on a roll and we are continuing to rock this thing forward through our central group. But it's really -- what I want to talk about is the browser. Dave mentioned this a little bit, but I think this is a really important point on how we're thinking about engagement, how we're thinking about product as we move forward.

What you should expect to see in all of our products going forward in the coming 12 to 6 months is a new engagement model that is formed and based on and informed by, I should say, the tablet, and not the browser. If you think about the browser experience that you all experience in news sites today, it's page load, page load, page load, sometimes wait and get a page load.

We're really reenacting and trying to replicate the tablet experience inside the browser. So what does that mean? That means lateral navigation as you navigate through sites, and as we're seeing, touch really changes everything in the interaction, and it creates for us some really new opportunities.

These are not the new designs for USA TODAY, but they're informative of what I'm talking about. So when we talk about lateral movement, you see the wings on the side, lateral, okay. You will be able to scroll up and down, but really what we want to replicate is that experience inside the tablet.

It's when you're holding the tablet and swiping through. This is what's driving that 100 page views per user in the tablet. It's that smooth product. It's that (inaudible). All of our products are going to be informed by that behavior.

We're going to be much richer in the interactive, so that we see going forward. You'll start seeing the integration. In fact you can see it right now in the Facebook Canvas application, the integration of our video products, what a concept, inside our newspaper products. We'll be bringing live breaking news to you through the desktop browser from our 23 broadcast stations.

You'll start seeing a much deeper integration with social, so right now we've just launched Facebook commenting across all of our properties. You're going to see a much, much, much richer personalization strategy that's embedded into these products going forward.

And what I get excited about, too much so sometimes, the editorial team tells me, is the advertising. Because when you create an experience like the tablet, we can move away from banners on pages, and that's been a missing link in our product strategy for almost every digital product, as we see.

So we're going to be able to create much deeper, richer, engaging advertising, rich media. So you all probably know we own PointRoll, which is one of the leaders in the rich media category, and we'll also be able to deliver in this experience video advertising, which is the highest CPM product.

One area where we have had tremendous growth already and I think it really is indicative of where we're going, is in the mobile side. So we talked about how the iPad app is the number one news and information app, but really what I wanted to talk about was the Kindle Fire, because although it's new, so it's only been out for two months, it really is instructive of our mindset and our approach.

So first, I couldn't be more proud of the team. This app has, I think, only one rating that's below four stars, and the vast majority of them are five stars, a significantly high rated app, and it is the number one news app in the space. But really what's more important to me, underneath the covers here, is how we constructed it.

So first of all, we have a content management architecture that allows us to develop new products based on those outputs that we talked about in the content management system, right? So we have APIs coming out of our content management system that allow us to quickly iterate and develop products specifically for a platform.

So we didn't take an Android application that we had on the shelf. We actually did new front end development against this application, and that's a really important point, but it's not enough, okay. And we know it's not enough to develop fee-based products specifically programmed for that platform or specifically developed for that platform.

We're also building the tools that let us do a really important thing that no other news organization really has done before, and that is enabling us to program specific devices for specific people at specific times. Okay, so if you look at the arc, and we didn't show you a clock of how our information is consumed right now.

Someone mentioned it's predictable at 6 o’clock -- it used to be at 6:00 a.m. you got your paper and then at 6:00 p.m. and 11:00 p.m. you got your daily news. Right now with our digital products, if you look at how they're being consumed, you've got the paper in the morning. At about 9.00 a.m. people are using their smartphones.

These aren't our products what the data shows, 9.00 a.m. to 9.00 p.m. is a pretty consistent thing. Desktop peaks at about lunchtime. So people come in at 9.00 o'clock, it peaks at lunchtime and then drops down. And the new phenomena that we're seeing right now is that at 8.00 p.m., at 8.00 p.m., people are picking up the tablet.

So our prime time with our USA TODAY tablet app, and soon to be with our other tablet apps that we're just launching, I predict will be from 8.00 p.m. to 10.00 p.m. That requires a different programming mentality, right? That requires being proactive about programming. So we're building a set of tools that is going to enable us and enable the editorial team, quite frankly, to program against that.

The last thing I'm going to say about Kindle Fire, because I do think this is instructive, our users have already figured this out and I'd be happy to hand out my Kindle Fire if you don't have one -- our users have already figured out one thing. It is possible. It really is possible in digital to create a great user experience and a great ad experience.

It takes a little work. It's takes more engagement in the product, but right now what you're going to see in the tablet app, and I encourage you to download the Kindle Fire app if you can, we have started to crack that code, and I believe firmly we're going to crack that code all the way across.

Lastly I wanted to talk about partnerships, because I think any digital strategy requires you to look beyond the borders of your own company, and it's not really enough to think about the walled-in garden. In the last 12 weeks alone we've partnered with Facebook on the Super Bowl ad meter.

If you didn't see it, for the first time in history we allowed users and people to vote on the ad meter instead of just a panel. We partnered with them on the Facebook Canvas app that we developed. We partnered with Microsoft on the new Windows 8 tablet, which is in development now, and it's really an exciting evolution forward.

And when we talk about touch, if you don't know, Microsoft 8 is building in touch into the new operating systems as they move forward. So again, that's going to create the opportunity for a new advertising experience and new engagement model.

And then lastly we partnered with Flipboard. If you don't have Flipboard, it's one of the leading applications in the Apple environment, both on tablet and iPhone. And I'm proud to say again we're the most read news source. So what does that tell me and why am I encouraged and why did I come to this company?

We have terrific content in this company, right? So the companies that are going to win in this space are not only the ones that have terrific content, but they're the ones that can create that elusive combination, if you will, of that content with a great user experience, great ad experience, because that's the important way that we're going to make money in this, and blend that all together into one unique experience. And we are a hair's breadth away of doing that.

And in the coming weeks I'll show you the actuals as we start rolling this out to our various constituents, if you will. The last point I want to make in conclusion is just to say thank you to our board and our management team, because really what we're doing at Gannett, and part of this blueprint, is really investing in Gannett's future.

We're really building some software and engineering talent and databases, or database management talent that will enable us really to iterate and create new products quickly. We have the right team, we have the right strategy going forward, and we have the support of the board who is here today to answer any questions about that. And with that I'm going to turn it over to our very first Chief Marketing Officer, Maryam Banikarim.

Maryam Banikarim - ***Gannett Co., Inc. - SVP, Chief Marketing Officer***

It's nice to be here. David and I actually joined Gannett in the same week, hard to believe, almost a year ago, and what was immediately obvious was that we actually shared more than a start date. Both of us have jobs that span the Gannett portfolio, and both of us were brought in to build centrally best in class capabilities, he in digital and me in marketing, with the goal of supporting all of the Gannett businesses.

At Gannett marketing is about more than an ad or a promotion. It's about driving growth, with four specific objectives, to align us around our purpose, to champion all of our audiences, be they our customers, our advertisers or our consumers, to focus on innovation and to identify opportunities for growth.

As you heard from Gracia, we're fortunate at Gannett in that we share a common purpose, to serve the greater good of our nation and the communities we serve. This is not a tagline. This is about the DNA of our organization. It's what inspires, motivates, and energizes us every day, and as a result it's what aligns us as an organization.

Since March, I've had the privilege of visiting many of our sites, Greenville, Asbury Park, Bangor, St. Louis, just to name a few. Finally, I'm getting to go on that road trip across America I had always longed for. Up until then I'd just had a bicoastal experience. But at every site what I'm struck by is the passion and the commitment of that community of those employees to that community, and what I'm struck by is the impact that we have on that community. There are so many stories that you hear when you actually go on the site visits.

This past Christmas in Phoenix when a real life Grinch, there are actually those kinds of people, stole toys that were slated for a children's hospital, AZ Central immediately mobilized. Within 24 hours they were able to collect 3,500 toys, bringing Christmas back to those children.

In August when at the state fair the stage collapsed in Indianapolis, Indy Star was there. They broke all digital records. They had 4.7 million page views the day after the tragedy, because they were the source in their community for breaking news.

It's this commitment that leads us to have incredibly powerful and trusted brands, iconic brands like USA TODAY, which you heard both Gracia and Dave Hunke talk about, a brand with 99% awareness. You'd be hard pressed to find someone who doesn't know it, as you heard from Gracia. I'd say you'd be hard pressed to find somebody who doesn't actually love it.

But we have more than that. We have iconic local brands, the "Burlington Free Press," KARE, "The Courier Journal," just to name a few, all with deep and legendary roots in their communities. But what happens when you pull the power of our portfolios together? This past year Susan Page, our esteemed Washington correspondent, partnered with the "Des Moines Register" around the 2012 Iowa Caucus, clearly a sweet spot for the "Des Moines Register."

By leveraging their respective strengths they were able to deliver richer content for their respective audiences. When we come together our power as a portfolio is actually exponential, and this local to national play that only we at Gannett can deliver is incredibly valuable. In fact, it's this local to national play that brought American Express to us this past fall.

You may be familiar with the American Express Small Business Saturday Initiative. In its second year their goal was to generate awareness, but also to drive mobilization locally, which is why they came to Gannett. Together we developed an idea around shopping Main Street. We harnessed the power of USA TODAY both in print and digital, that of Captivate, and 20 of our local media properties.

We created custom content, online maps of small merchants, local gift guides, and social feeds that told you about deals and events in your marketplace. The program was incredibly successful. We generated 72% awareness in Gannett markets compared to 65% in non-Gannett markets, but most importantly we actually got people to go in and shop Main Street, and the client was delighted, as you can see from this quote.

As a marketer I can tell you that our goal is to generate awareness, but really what matters is mobilizing people locally, because yes, I need you to know my brands, but what's most important is getting you to go in the store and actually buy my product or service.

At Gannett our impact is real. It's local and it's national and it's a distinct advantage. But before I pass on to Gracia for Q&A, I just wanted to end on a personal note. David and I joined here from media companies that were growing, he from CNN and me from NBCUniversal, and when we arrived people often asked us why we had actually joined Gannett, and really there were three reasons.

We believed in the company, we believed in the management team, and we believed in the blueprint that was here under development. What I can tell you at year end is that that opportunity was, in fact, real. It's why we continue to be able to attract best in class partners and talent to join the formidable Gannett family.

What I can tell you is that the combination of the advantages that have been laid out, the content that we cannot live without means that together we can win, and we hope you do, too. With that, here's Gracia.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Thanks very much. I know we've given you a lot of good stuff this morning. We're at about halftime. So what we're going to do is we're going to take a few questions, and anyone who's spoken so far will be happy to take your questions. And then we're going to give you a well deserved break, a little comfort break, to get some more food and refuel, and then, as the rest of the presenters have told me, we saved the best for last. So happy to take any questions you have at this point. Yes?

QUESTION AND ANSWER

Unidentified Audience Member

When you talked about stabilizing the publishing business, what does that assume about the secular trends on the print side? You've also talked about digital being 21%, how much of that -- how much is digital in the publishing side itself?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Sure. When we talk about the growth rate that we have shared with you, we assume, because we can't -- we don't have a crystal ball to identify where the economy is going, whether it's going to get much, much better or it's going to remain as it is today.

So what we have done for just simply our planning purposes for our strategy is to assume that current trends in our print business remain about where they are today. So if the economy gets better, obviously we're going to do better than what we shared with you today, but for planning purposes that has been our assumption. And your second question, I think --

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Yes. Bob, do you want to mention what percentage of your revenues are coming from digital at this point?

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Yes. It varies by markets within 18% to 20% range.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

So not inconsistent with the totality of our company. Yes Doug.

Doug Arthur - ***Evercore Partners - Analyst***

(inaudible question - microphone inaccessible).

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Well, at this point, Doug, there is still a lot of people across this country, over a 1,700,000 readers, who love to receive USA TODAY content in the printed form, and it's still a profitable business for us. So what we're going to do is we're going to follow the consumer.

And right now the consumer is telling us that they still love us in print, and as importantly, they love the digital offerings that we're providing, the new platforms that we're providing. So we're going to be, as we said, anywhere consumers want to access our content. And the business model continues to be a profitable one as we stand today. We're going to obviously continue to watch that, and we'll go where consumer preferences take us. Yes?

Unidentified Audience Member

Related to the first question on the growth profile, so if I try to tie that into the 2% to 4% revenue growth, and just thinking through, so whatever your assumption is for digital in broadcasting, quick math would imply that you keep total paper revenue maybe flattish to up slightly on revenue.

You mentioned on the subscription, online subscription, that that could be an incremental $100 million per annum. I think from '10 to '11, paper revenue was down $250 million. So I'm just -- and so you mentioned some other growth objectives. I'm just interested to see how -- whether it's USA TODAY sports or different areas, how you get from the down 250 to flattish. You mentioned one, but (inaudible) or just think about just some of the other opportunities.

Gracia Martore - *Gannett Co., Inc. - President, CEO*

Well there have been a couple of initiatives that we've already talked about, which is with regard to, as Bob said, on the content subscription model side that we believe is going to contribute annually in 2013 about $100 million to the bottom line, so that would suggest a higher contribution from a revenue standpoint.

We talked about some of our other initiatives in terms of optimizing assets, and Paul Saleh and Vikram and others are going to talk to you in a little bit more detail and give you a framework to quantify those other aspects. And so then we'll be happy to come back and kind of deconstruct that for you.

But when you say print, we're talking about our publishing segment, and in that segment, as Bob just indicated, we already have about an 18% or so digital. So it's really all the platforms that are in our publishing segment we will return to a growth trajectory. Yes?

Unidentified Audience Member

You've been NBC-handicapped for a long time it looks like, at least with The Voice, NBC is looking better. How do you leverage The Voice, number one and looking forward how do you leverage the Olympics, which lasts a couple of weeks and are you able to sort of leverage that to help the fourth quarter. And lastly, how do you manage the onslaught of political advertising dislocating your local business?

Gracia Martore - *Gannett Co., Inc. - President, CEO*

Well fortunately we've had a lot of experience with a tsunami of political advertising in the past, so I think Dave Lougee is here and he's going to address those questions for us.

Dave Lougee - *Gannett Co., Inc. - President - Gannett Broadcasting*

Let me take those in order. You're right The Voice is a hit, but it's the first one NBC's had in prime time in a long time. In fact, it had a very bad fall. In fairness to the new guys that was not their development season that had been put together by the previous regime but it was really a record low.

But yes, we were able to hang on and in some cases grow our market share, so we survived that. The Voice, we will leverage. In fact, to tie in your question with the Olympics, we've brought in some outside sales consulting to be able to do a better job on selling big event numbers locally.

We do well nationally but with events like The Voice or The Grammys or the Olympics we think we can do an even better job of taking more dollars out of the local marketplace using some of these other platforms that we talked about.

Remember the Olympics are a third and not a fourth quarter event because they will be in August and as it relates to the displacement of our regular advertisers, it is a long standing issue that we have dealt with for many, many years.

A vast majority of our political advertising will come between Labor Day and Election Day, so the ecosystem is used to it. It will be, to your point, probably historic this year in terms of the percentage of displacement, but we will deal with it as we always have and talk well in advance with our good local advertisers.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

I also added -- Dave you may want to comment on this, that we have consolidated all of our traffic operations, which obviously represent all of our advertising, availability and inventory in one place where we expect them to be able to manage that even more effectively than when it was a distributed model, but Dave you may want to comment on that.

Dave Lougee - ***Gannett Co., Inc. - President - Gannett Broadcasting***

That's a great point. We centralized all of our traffic operations, saved us a little bit of money, but the real benefit was having a central look at analytics so we could see if a contested Senate race in Missouri all of the sudden goes cold, we know that revenue is going to leave that state in a hurry. We can change pricing quickly and maybe we can take a little look in and help St. Louis make a decision a little faster than they might on their own.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Jim?

Jim Goss - ***Barrington Research - Analyst***

(Inaudible question - microphone inaccessible).

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

On the single copy side. Let me begin and then I'll ask Bob to add on. As you, many of you know we had three pilots that we did in St. George, Utah and Greenville, South Carolina and Tallahassee, Florida. And so we gained a lot of learning as a result of what we did in those three locations in terms of the content that people were most passionate about, the content that people where absolutely engaged in.

And so one good example of that is in Greenville, South Carolina where Clemson Tigers are the be all and end all of that community. When we put that behind and started charging for that content there were incredibly passionate people who were hugely engaged in that content, so that a lot of learnings from those three first test markets. Secondly, we have done an enormous amount of research, as Bob pointed out, in about 14 or so of our communities.

Very in-depth research about what consumers are willing to pay for, what they see value in and how we can provide that value to them across all platforms. And so a lot of that has formed the basis for the work that we are now doing and bringing this new content subscription model out, but Bob, why don't you comment more specifically.

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Sure, Gracia. You actually touched on most of it but what I referred to when a consumer has told us in our survey that they put a higher value on our content than our current prices, and we've asked the question to see how far we can leverage that consumer position.

And we're using that data to help set and that's why the market prices will be different by each and every individual market. And on the single copy side we launched those prices in the six test markets the first of February and I'm happy to say early a couple weeks into it our projections were actually doing slightly better than what was projected in the plan.

So we're confident, particularly on the Sunday side, consumers continue to really value that Sunday newspaper. So we are, we're absolutely taking a very scientific approach to this with surveys in our largest markets and Gracia pointed out that our team will be doing more as we go forward.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

It's very early and we wish we had more metrics to show at this point but we promise that we're going to continue to keep you updated as we progress and reach those targets. Yes, Doug. Craig. Close enough. You two worked together for so long I can't help myself. At one point somebody called me Gannett the other day so, you know. I know I've embodied the Company.

Craig Huber - ***Huber Research Partners - Analyst***

That's not your middle name, huh?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Exactly.

Craig Huber - ***Huber Research Partners - Analyst***

This $100 million dollar target you talking about picked up on this subscription revenue side, circulation side talked about raising pricing to 80% like you said on single copy I think you also said subscription rates and those as well. Can you talk about the potential impact to advertising rates and your print newspapers? Is that netted in that hundred million dollar number? There should be some impact I would think.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Yes. When we indebted to that number we took into consideration all of those impacts, the impact of the circulation situation that Bob talked about, as well as the impact on audience and advertising rates. But I think the positive thing is that in each one of these communities we are actually providing more platforms. We have new apps in every one of these communities. We're building. We're revitalizing our websites and browser experiences in all of these communities.

So what we haven't actually taken into account is the opportunity for additional ad revenue and other revenues on those additional platforms and the improvement of those platforms we already have in place. So we've tried to be very thoughtful, very deliberate and very conservative in what we are -- in the number we've been putting out there. But we do have this other revenue stream that I think we haven't even factored into the equation but Bob, if you wanted to add anything.

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

That's absolutely correct. One thing that our test markets did show us in the three markets that Gracia outlined, we were able to deliver every local digital campaign we sold. We did not -- that did not impact us with the change in traffic that we saw, and that was not a metered pay wall approach, like we have metered system like we have today.

So we're very confident on that side. The other side is that a lot of people ask about the weekly circulars pre-print program, we have a very strong Sunday select program in place. We're talking to customers about expanding that and we're very comfortable that we can navigate a great deal of that from where we may have areas where the paid subscriptions fall off we have good programs in the non-subscriber side that we can make that up. So that's baked into the plan and we feel really good about those numbers.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Why don't we take one more question now and I know we owe you a break. Alexia.

Alexia Quadrani - ***JPMorgan - Analyst***

Thank you. Can you guys talk about if there are any plans also for a price increase in the home delivery, and also staying on the home delivery, I think, you mentioned what your circ outlook is from the Sunday volume. Do you have I guess any kind of what we should expect on the daily? And the last question, I may have missed this but when you talked about the pay wall for your papers are you also including USA TODAY or just the local papers?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

At this point we are number one we don't refer to it and we don't think of it as a pay wall. What we think of it as is universal access to all of the content that we provide in that local market no matter what the distribution platform it's on. At this point, USA TODAY is doing some things with regard to their website and iPad app and a lot of other initiatives. So for the moment USA TODAY is going to pursue those activities.

We are thinking at this point talking about a content subscription model for our local US community publishing papers. As part of that, there is going to be a subscription price in total for access to all of our content, so there isn't going to be just the print part of it or just a digital part of it.

Although, there are going to be options when you can get digital only. So it really is charging for all of the great content that engaging content that we've all been talking about this morning. That local content that is where we all spend a lot of our time and charging for the value of that content however we provide it in that community, but Bob, do you want to add anything?

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Yes, on the circulation impact, we do believe that Sunday will on the home delivery side with the combination of the digital offerings and such, we should be able to hold our Sunday home delivery in the 1% to 3% growth. On the daily side we do believe somewhere, five, six, seven percentage points, depending on the market will be the impact to the current trend. And then on the single copy side that was the loss in the 30% to 40% range. Again, on the daily side that's only 12% of our total circulation so it has a minor impact on the single copy.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

And just let me reiterate, we have approached this not as just a cookie-cutter across all of those 80 markets. We have really spent a lot of time and energy looking at each one of those individual markets, and pricing will vary market to market. The kind of content that people prefer and are passionate about in each one of those communities may be different and so we're looking to customize that content for that community.

But I will tell you the one universal type of content that everybody wants from us is that local watch dog investigative reporting because that is so important to the fabric of those communities. That's something that we do and no one else does as well as we do in those local communities. Okay, why don't we take a break and then we'll come on back and the rest of the team will present and then we'll be happy to take some more questions.

(BREAK)

PRESENTATION

Jack Williams - ***Gannett Co., Inc. - President - Gannett Digital Ventures***

Good morning. This second segment today is all about accelerating growth and my role is to kind of introduce you to that segment. As you heard from Gracia this morning, one of the keys of our integrated strategy is to pursue new related businesses.

Now these are businesses that are based on our core businesses or assets, but importantly they also can be based on the skills or the capabilities that we've developed as a result of those core businesses. This is not a new concept for us. We've done this successfully in the past and we can do it again.

Businesses like ShopLocal, HighSchoolSports.com, cars.com, apartments.com, and of course CareerBuilder. Now make no mistake, all of those examples I just named were initially successful because of our ability to sell products to contribute content to promote and importantly to build brand in our local markets.

Today we're going to present two new initiatives that have significant revenue potential for us. We have the assets to generate that revenue. We have strong, credible, local media brands. We have quality local sales forces, great customer relationships, high quality content, and the ability to leverage promotional clout. That is our hometown advantage.

We also have a very strong national brand and content in USA TODAY. There is really no other company that has this profile, a national brand with a national footprint, plus local brands, local customers and relationships with advertisers spread throughout the country. And what's more, these adjacent business opportunities complement and enhance the transformation of our core newspaper and publishing business strengthening our relationships with the clients in all of those local markets.

Now these businesses have three things in common. First, they leverage common scalable, digital infrastructure as you've already heard. Secondly, they leverage our local assets, our content, and our sales, where Gannett really excels, and third, they all target growing revenue markets.

In this next segment we're going to highlight those two exciting businesses and we're going to discuss CareerBuilder, which we've heard from some of you you're always interested in. The first is USA TODAY Sports Media Group targeted at the large attractive sports news and digital audiences. Now we've been promising you several times that pretty soon we're going to tell you about this and shortly, Tom Beusse, the President of USA TODAY Sports Media Group is going to tell you exactly how we're going to do that.

Tom was formerly the CEO of Westwood One, and he's a seasoned media executive with extensive experience in radio, magazines, and the agency business, and particularly in the sports segment. We're really fortunate to have Tom and his entire management team to lead this effort.

Now, the second initiative is to consolidate what we already have and aggressively expand the products and efforts targeted at the marketing services base particularly in our local markets. This business is going to leverage our key relationships at the local level to move much more rapidly into that expanding marketing services space.

Vikram Sharma is going to tell you not only how we're going to do that but why we can win in that space when we have lots of competition. Until last year, Vikram was the President and CEO of ShopLocal. He grew that business, which is our major retailer focused marketing services business.

And among their customers, they serve virtually all of the top 50 retailers in the United States today. Now last year he became Vice President of Retail Strategy for Gannett and he is now going to build and grow this new business for us as president of Gannett's digital marketing services group. You're also going to hear from Matt Ferguson, President and CEO of CareerBuilder, the market leading employment services businesses, which we own almost 53%.

Now each of these businesses is a key part of our strategy to return Gannett to a healthy growth trajectory and for three significant reasons. Each segment again, has very significant and growing revenue that we can target. Secondly, with our assets we feel that we can greatly get a larger share of that -- of those monies than we're getting today, and third, they fit extremely well where we already have a track record of execution and results.

And you should know these are only two new initiatives. We're already in the process of developing additional new business initiatives. You may be able to guess what some of those are. And they'll also be in adjacent businesses. We also know that we need to iterate constantly on all of the products and services we have, whether they're core products and services, or new products and services in order for us to continue to grow.

And I want to summarize by saying again, we feel we have the capabilities, along with the right core assets to be successful with all the plans you've been hearing about today. In this segment I think what you're going to see is in addition to that we have capable, strong, and extremely passionate leaders who can build these businesses as well. And with that I'm finally going to turn you over to Tom Beusse who's going to give you the details on the sports business.

Tom Beusse - *Gannett Co., Inc. - President - USA TODAY Sports Media Group*

Thank you, Jack, and good morning everybody. It's a particular pleasure to run this sports business at Gannett, where the only employee in the company who is a bigger sports fan than I am is our CEO. There's one challenge, I have to try to figure out how to get her away from this Boston affiliation but I don't think it's going to happen, so I'm just going to live with it and move on.

So let me tell you a little bit about what we've been doing at the sports group for the last year. I arrived here almost exactly a year ago today and what attracted me was really three things. One was ferocious content being created around the country, two was a tremendous distribution footprint, and three was this big giant national brand that was very, very resonant with sports fans around the country.

What I originally did when I got here was I began to conduct sort of a forensic exercise, for lack of a better way to describe it, as to what is in this massive company that I can use to create a meaningful vertical within sports. What I started to find along the way was really astonishing, the number of assets are incredible and it really became how do I marshal all of this stuff towards a better end from a sports standpoint.

As I was doing that internally, I was also outside, trying to understand the market opportunity. We spent a lot of time for the first six months in my time being here with people like advertising executives and sports executives and media executives, mostly in New York, but in a whole lot of other cities around the country, trying to understand what was going on in sports and where was there an opportunity, because sports is a rapidly changing platform just like news is and just like any other platform we've discussed this morning.

What was interesting is the same three things continued to pop up in all of those conversations that I had. Unbelievable distribution, people were not aware of how broad the local distribution was. Nobody realized how much local content we were creating on a daily basis. And when I started to talk about the USA TODAY Sports brand, everybody responded the same way. In fact, not only were they excited about the USA TODAY Sports brand, they were actually sort of wishing that we would succeed.

It was remarkable to me and it still is. So with all of that, it was fairly clear we had an opportunity. We had a right to play if you will. What we started to do from there was begin to assemble a team. We knew we needed to if you're going to participate in the sports business there are competitors with very deep pockets and really sharp elbows, so you really have to get in there and understand what it is you're doing. You have to have a great staff.

We put one together very quickly, I'll tell you about it a little bit later on. While we were building a staff, we were also looking at two things, creative acquisitions and strategic partnerships. Those two things were going to be the things that were going to speed our development, and I'll tell you all about many of those over the coming minutes. So let me move to the first slide, which talks to you a little bit about the vision.

In order to be a leading cross media sports platform, we knew we had to do a handful of things and that we could do a couple of things that were unique to Gannett. First, we had to be a top five digital sports property. The reason for that is to gain our fair share of the top 100 sports advertising dollars that were being spent in the country every year. Secondly, we believed that we had an opportunity to elegantly integrate local and national content in ways that others had tried to but only failed to before.

We also thought we could employ a syndication model to be very disruptive in the sports space, and I'll talk a bit about that later on. We knew we'd have the opportunity to acquire some scale and some content and some additional distribution where it could be accretive to our efforts and we wanted to move quickly on those things. We absolutely knew we needed to assemble the best in class talent and we've done a lot of that.

And lastly, we knew we needed to establish strategic partnerships with the biggest entities in the sports business to ensure our place among them. So starting with that relationship, that brand, that big USA TODAY brand. USA TODAY Sports has had a relationship for 30 years with the American sports fan. That relationship is really based on excellent content being delivered through the nation's newspaper and the nation's news source more recently every day.

It has enabled us to amass a 46 million audience across all platforms. In fact, the visitors on USA TODAY click twice as often on sports as they do on anything else on the site, so we know that these folks are coming to us for a sports experience. And it's not surprising, given the fact that we've got 34 national sports reporters around the country producing content every day for the USA TODAY. That's an astonishing number.

Then we move to local, which I said was one of the other three. So as I was producing this document last week, preparing for today, it was fashion week here in New York and I was inspired that local is in fact the new black, right. It is remarkable. Everybody who isn't local wants to be local. The folks that are trying to get into local are everywhere. (Inaudible) desperately trying to become the new local.

ESPN and the sports page is trying to crop dust into local from national and figure out how to get in there, none of them terribly effectively. The good news for Gannett is we are local. Let me explain what I mean by that. The broadcast group, we have 23 local sports broadcast stations and related digital properties around the country. We have 23 regional television production studios, 46 on air personalities, and dozens of video editing bays.

So put simply, we are firmly in the local sports broadcast business. If you look at the newspaper side of the business, we have 82 daily newspapers and again, related digital properties. We have 300 plus local newspaper sports reporters around the country and over 50 local sports columnists. This is just an astonishing amount of content being created everyday that's incredibly important to the local community.

When you combine that with our HighSchoolSports.net business, which right now is the number one high school sports web property and serves over 7,000 high schools, with a software as a service product, which is really about scheduling for athletic directors and coaches at the high school level and captivate the experience you had in the elevator on the way into the building today where we have thousands of screens in the top 25 markets sharing our news and information with the population of the country.

When you put those together, it's remarkable, the local distribution. If you plot our local television stations and newspapers on a map, it looks like this. Effectively, all those dark spots behind those little circles are where the population lives, so we are where they are, which is important for us. 100 markets through a purely sports prism – we have 600 people in those 100 markets producing sports content every day. That's remarkable.

There is nothing like it in the country I can assure you. Looked at even more deeply through the sports prism, we're in 24 of 30 MLB markets. We are in 27 of 32 NFL markets. We're in every single SEC markets, every single SEC market, and we're in 10 of 12 Big 12 markets. That coverage enables us to produce content specifically for those audiences and we intend to do that.

Additionally, because of the predictability of sports every year, and actually in fact out some number of years, we know that we're going to be producing hometown coverage of three of the four next -- the next Final Fours, all three of the next three Super Bowls, and the Kentucky Derby and Indy 500 where we have properties and produce some of the best content in every single year.

So again, the footprint is astonishing. I spoke a bit earlier about a syndication approach. So let me use an example and then I'll explain what I meant. Earlier this year, right around the BCS football tournament, USA TODAY produced a piece that was about college football coaches and how they had in fact gotten in some cases bigger than the program that they represented. It was a fantastic piece, very in depth journalism.

And what we were able to do, maybe for the first time quite as broadly, is we syndicated that content across every single Gannett asset. It showed up in digital format. It showed up in newspaper format, and it showed up in broadcast format, and it was customized by market as you can see here, specifically for those markets. So not surprisingly the Democrat and Chronicle puts Jim Boeheim on the cover because he's a Syracuse coach to Rochester with a big fan base up there.

As we did that, what occurred to me along the way was that one of the premises I had originally coming in was right. We are in the syndication business already. We have the opportunity to expand that business significantly. What I mean by that is at its best, USA TODAY tells the country what is happening in the USA TODAY. We should be curating the content that we are producing around every single market locally and bringing it up to the USA TODAY level.

At the same time, the local markets are fiercely interested in what's happening at the national level and who better to tell them than the USA TODAY. So we're going to start to make that virtuous circle happen much more often within Gannett. We've also been approached and have reached out to others about syndicating the USA TODAY national sports product outside of Gannett.

There are a number of people who need that kind of resource who don't have it who are producing local content the way we are but don't have the luxury of the national brand like we do. And I think we can do some interesting things with those folks. What does that ultimately mean to us? If you look in the sports business right now and you go across the brands that you're aware of, I'll take ESPN for a moment just as an example.

If I want to go find out what Chris Mortenson, the NFL expert at ESPN, has to say about the lockout of the NFL, I've got to go to ESPN.com to go get that information. It's a destination model. They force me to come to them to go get that information. What we're going to do is flip that model, and maybe we can do it just because we have the luxury because we are who we are. But we're going to take the USA TODAY sports content and put it everywhere.

We're going put it everywhere within Gannett, and we're going to put it everywhere where others will have it, and I think the opportunity to be disruptive there is significant. We spoke about some acquisitions we were going to make and in fact have made. We've made three in a very, very short time. All of them are accretive in their own way. The first is the US Presswire, the first acquisition we made. It's a leading sports photography wire, like a Getty Images or an AP, only it's exclusively for sports.

They have 200 photographers in that network and more importantly, or as importantly, they boast 10 million digital images in their library, history, sports history sitting there in the library. We are making them the primary source for sports photography in all of Gannett. They provide national and local coverage of professional, college, and local teams. There's a significant commercial opportunity with the league that we're going to explore.

And lastly, there's an equally significant opportunity on the B2C front. As consumers and sports fans continue to turn more and more to the Web to buy things that range from tickets to memorabilia, we believe we can sell photographs directly to these folks. Photographs are important in telling the stories of sport.

In fact if you look at this one, I know that there's a more recent Giant victory that we could have centered on here, but in fact we looked at that great Justin Tuck catch with -- I'm sorry Justin Tuck -- David Tyree catch with his, with the football against his helmet. Images are powerful, so let's spend a moment just to share some powerful images with you.

(VIDEO PLAYING)

Tom Beusse - ***Gannett Co., Inc. - President - USA TODAY Sports Media Group***

So there's no argument, sports is about passion. I can't help but when I look at the Michael Phelps picture to -- I keep on telling my kids if I were six five I'd be playing professionally somewhere. And boy if I had his body it would be a different story entirely. In any event, the images that you just saw, make it very clear just how passionate sports is whether we're talking about your favorite professional team, your favorite local team, your country during the Olympics, or your child in your hometown.

So it's important and passionate to all of us. The second acquisition we made after US Presswire was MMA Junkie. MMA stands for mixed martial arts for those of you who don't know it. It is one of the most rapidly expanding sports in the country. MMA Junkie is one of the most popular among a number of sites that have emerged around this sport.

We acquired it because its rabid fan base is responsible for over 12 million page views a month, which is astonishing. It provides us as a company with expanding coverage of a rapidly emerging sport. Maybe most importantly, it delivers for us this younger audience that is so critical to all of our futures.

In fact, MMA is now the second most popular spectator sport among men 18 to 25 second only to the NFL, so this is critical. This is a critical asset for us to acquire as we begin to re-introduce the USA TODAY Sports brand to another generation of sports fans. The third acquisition we made and most recent acquisition occurred in January. The company we bought is called Big Lead Sports. With over 17 million audience it gave us immediate scale.

More importantly, or as importantly it gave us best in class independent, unique content. In a world that has become more and more about neutral content, the same content, unimportant content we actually have an independent voice consistent with the independent voice of our Gannett brands. It serves passionate vertical audiences, an important thing to consider for a minute when you think about what we've been discussing all morning.

National coverage, local coverage, and now this gives us vertical coverage. So in the sports area when somebody says to me, I want -- when an advertiser says to me, I want to get involved with the Final Four, I can cover the Final Four from a national level with USA TODAY, I can cover the Final Four from probably 10 of the 16 regional sites because we'll have properties there, and then I can cover the Final Four within some of the sites that specifically are dedicated within this BLS network to the college basketball fan.

So it really is just surrounding the fan. Last but not least, the fantasy sports business is some place that we want to get in to and the was the entre into that place. Big League Sports has about 100 fantasy sites. More importantly, they have 500,000 subscribers to their sites, paying subscribers.

Now, they haven't had the opportunity to market to the kind of breadth that we have the opportunity to market to, and I have no doubt that that number is going to grow significantly under Gannett supervision.

Moving off of acquisitions for a moment let me tell you about another exciting thing we're doing at Gannett Sports. HighSchoolSports re-launch. Our business, HighSchoolSports.net is already the top destination among high school sports sites. It's currently serving, as I mentioned, about 7,000 high schools as a scheduling tool.

What we're doing over the coming months, is we're adding scores, social platforms, enhanced photos, video sharing tools, things that are important to teens, things you see on YouTube sites and things like that to really cater to this audience, this teen audience. We're also enhancing content to include things like training, nutrition, and instruction. Lastly, or not so lastly, we want to establish an event marketing program and broadcast partnerships. And we're in discussion with an awful lot of folks in the marketplace about exactly those things.

What does this look like in the end? It looks like a re-launch in Q2 of this brand. The re-launch is exciting, everybody is geared up to beta the thing in about a month and I can tell you that we have every intention of winning and dominating in this space. So when I first got here and I looked around at all the local assets, I thought, boy high school could really -- we might have a chance at high school.

And now that I look at it more, from a different perspective now that I'm inside the company, we don't have a chance to participate in high school we have a chance to own it. It's a giant, untapped market. Nobody has really gotten into it to the degree that we intend to. And largely the reason they haven't is because there's 8,000 football games on a Friday night across the country. There are only 12 NFL games on a Sunday.

It's daunting to people except us because in 100 markets we already cover most of those games, so we're actually deeply involved in this thing. We'll tell you more about it as we go forward, but we think it's a huge opportunity for us. We spoke a bit about how important it was to become one of the top five sports sites at the beginning of the discussion. Let me tell you why. When I got here in January of last year, USA TODAY -- to put this in perspective -- USA TODAY Sports was number 17 among the top 20 sports sites.

And when we looked at the landscape, what we realized was the top five which you're staring at here, were really commanding most of the ad revenue that was being spent in the United States. And we also knew through research and reading a bunch of reports that the ad spend within a space was likely to double between 2010 and 2015, so the mean ad revenue for these sites would go from about $100 million to about $200 million.

So it was the pig in a python. This is where it's going, we'd better get there, right. So we pretty quickly started focusing on getting there. And what we did first to get there was we began to do the obvious, which Yahoo has done before us and ESPN has done as well, began rolling up our assets and tagging all of our sports pages USA TODAY Sports Media Group, so that ComScore would recognize us as one entity.

Pretty quickly we ended up going from 17, we cracked the top 10. We actually got as high as number eight late this past year. So it was good traction, but we were hell-bent on being in the top five for all the reasons we've discussed. So in January we bought Big Lead Sports.

The acquisition didn't occur early enough for our combined entity to appear in this month's ComScore, but as of March 8th it will. And had it appeared in this past month's ComScore, it would have shown up as number four right behind FOX and right ahead of Sports Illustrated and CBS Sports.

So the mass that we were seeking is now ours. We have the right to go out, talk to advertisers about not just how big we are but how different we are. We're not just a big, giant national sports enterprise like everybody else you see on that list. We're national, we're local and we're vertical and most importantly, we're passionate.

So with all of that done, we're desperately engaged in creating strategic partnerships with other sports entities. It's important when you're in the sports business to play with the rest of the sports environment, and we've been doing an awful lot to make that happen. Over the last few months, probably six, we've established partnerships with the PGA Tour, NASCAR, the NFL, the UFC, which is the centerpiece of mixed martial arts and most recently Major League Baseball.

In fact, this morning, we put a press release out about a joint venture that we've established with Major League Baseball. And it makes me very proud because Major League Baseball is -- they have a group called their advanced media group, which is a group that builds their digital product.

And if you're familiar with sports digital product, there's nobody better in the universe at producing digital product in sports than MLB. So for that group, for them to partner with us is a big deal. What they're interested in about us is all of the content and all of the local distribution and this big brand that resonates.

So what does the partnership look like? What we're going to do is we're going to produce unique digital product across all three platforms. When I say all three platforms mobile, tablet, Web. They will be multi-sport in nature, not just focus on baseball.

And our job at Gannett is to provide the content and some of the distribution. Their job is to provide exclusive product. And ultimately both of our jobs are to co-brand and co-market these products to a broad array of sports fan.

I look forward to the partnership. You can read about it in today's press because it's out as of this morning, and it's really very, very exciting. The popularity of Major League Baseball across the country and the amount of time it takes up in a calendar year is important for us to be in that space.

Lastly, as you look at this slide, what it reminds me is that we have taken our place among the top sports brands in the United States, which is exactly where we should be and need to be. So clearly the team has been hard at work. I would be remiss if I didn't spend a moment talking about the team. The team comes from a lot of places. It's been assembled pretty quickly.

As we all know businesses are built with people. So our people come from places like NBC Sports, CBS Sports, ESPN, Sports Illustrated, everywhere that you might imagine. It is an absolute top-shelf class of senior executives from the sports business, and they've been doing great work.

So with all of that behind us, there's an awful lot of execution ahead. SO let's just talk about the progress we made first before we talk about how we're going to gauge our future. We are now a top five sports digital property, which was critical.

We are now creating very quickly a true 24/7 organization. What I mean by that is we shifted from a focus on newspaper and some digital to now producing digital all day, every day, from about 4:00 or 5:00 in the morning, until 4:30 or 5:00 the next morning. And right around 8.00 or 9.00 every night, we're going to produce the highlight reel, which is the newspaper.

It doesn't sound like a big shift but it's a significant shift, and it's under way as we speak. We've begun to leverage the USA TODAY brand across all Gannett assets very effectively as you saw with that coaches piece. We're also expanding our content and distribution to some of these accretive acquisitions that I've outlined and new partnerships and a number of other ways we can do that.

Lastly, we're establishing key strategic partnerships with those leagues that I mentioned a moment ago. So we've really built a platform on which to succeed. And we're excited about what we've accomplished so far, but we're really, really focused on execution and metrics for success. So let me share those with you for a moment.

From the top down here, we know that we need to remain laser focused on what looks like success for us. Execution is strategy. So the good news is if you look at this list, the very first number we've already made it. I wish that was all I had to do this year. Gracia expects a few other things. But we've nailed the top five, which was a critical, critical deliverable. We're in it now.

The second piece talks about unique visitors, and while we're not quite at 35 million, we're well on our way, and we're excited about where we are and where we sit. And we're within striking distance of those guys ahead of us, and we believe we can climb that ladder.

The next two are really about audience engagement, average visits per day per unique and time spent per visit. As we begin to infuse our product improvement plans into the actual experience with David rebuilding the platform and us adapting that for sports, we have no doubt that all of the growth that you see projected here is available to us and then some.

If we do that right, we have the ability to go out to the sports advertisers and gain a much bigger share of the money that's being spent in sports every year in this country. Right now we're doing business with about 20 of the top 100 sports advertisers. Our goal is to do 75. I won't feel good until we're doing business with all of them.

So that's where we're going from here. We feel really excited about what we've built. I can tell you that when I got here I felt we had a right to play, I mentioned at the beginning. Now I think we have a right to win. And it's our intention to win.

So as everybody in the Company knows, I'll be happy to talk about sports all day long with whoever will listen. But unfortunately for me and fortunately for you, I'm going to turn this over to Vikram Sharma, who's going to tell you about another exciting initiative at Gannett. Vikram?

Vikram Sharma *- Gannett Co., Inc. - Vice President - Retail Strategy*

Thank you, Tom. Good morning. Tom said local is the new black. And he said everybody wants to be local. Imagine if you've already been local for 106 years. Imagine what that feels like.

Imagine what it feels like if someone asked you to run this business, to run the local digital marketing business and they say well, we've got a couple of things that you can start with. We've got 100 markets. We've got a few thousand sales people, we got over 150,000 merchants that we've got relationships with. And if you can't get it done with that, we've got TV, broadcasts, websites to help you promote your products. I tell you I come into work every day, I can't wait to get to work. It is just so exciting to have this responsibility.

So I was thinking about it this morning, I was like, if we think about this space and we play in this space, what's an analogy for that? So Yankee fans in here? A few. Yankee haters in here? I know we got some at table one but -- I mean, you think about this and you go we've been doing this for 106 years? We've been great and local for 106 years? When we play we come to play like the Yankees. With all due respect to Gracia, we come to play like the Yankees.

When we think about local and digital marketing services, we will show you why, just like Tom in sports, we not only have the right to play, we absolutely expect to win. We have the right to win. Let's refer back to a couple of things you heard this morning.

So Gracia talked about how Gannett has been a powerful local connector of consumers and merchants. It's what we do. We've been great at it for 106 years. We've built an enormous footprint and that will be a powerful hometown advantage for us, and we'll talk about what that means -- a powerful hometown advantage.

Jack talked about the formula that we've built in digital to succeed with companies like Apartments, Cars, ShopLocal, and CareerBuilder. So this is not our first time at the rodeo. We've got a formula. We know how to do this. 21% of our business today is also digital. So we've got a great legacy to build on and we will.

So we see a huge opportunity to grow leadership in local. So we talked about this. Gannett has been for 106 years a dominant player in our markets. Our brands are trusted by consumers and merchants, but today our position is challenged by digital trends.

But digital also presents a huge opportunity for us with digital marketing services. So we take all that work we've done on the left-hand side of the page, all the footprints, all the relationships, all the merchant relationships, all the branding power, and we leverage that to build a whole new business in digital marketing services.

So what does that mean, digital marketing services? New ways to connect consumers and merchants, deals, coupons, social, search, again, really a whole new business for us. Taking all the work we've done in media, leveraging those assets, leveraging those capabilities into an entirely new business, digital marketing services.

So let's take a look at what's going on in this local space. Good stuff. So you look at these charts some of these numbers just pop out at you, $140 billion. Paul's seen some big numbers in his life, even Paul loves that number, $140 billion. And all the growth is in digital. All that money is moving along with the consumer into digital, powered by those categories you see on the right -- deals, search, social, clearly an enormous opportunity.

So what's going on with that opportunity? We're not the only people who see the opportunity. It's an absolute gold rush. Everybody wants to play. So we're kind of the Yankees, so we'll show you why we will win. But there's a lot of fragmentation. I mean there's many number of ways to play this game of connecting the consumer with the merchant. So you've got search and social and this and that, and you've got any number of players in every one of those categories.

So imagine being the merchant. I mean 20 years ago you wanted to connect to the consumer and you say yes, Yellow Pages, check the box. Newspaper, check the box. And maybe some TV and radio and then you figure out how much money goes into each of those and you go to lunch.

Today, you have no idea, absolutely no idea. So complex. Everybody needs their own sports analysts just to figure this stuff out, right? And I know. I mean I've worked the last six years in digital marketing, in local with the biggest retailers in this country, from Walmart on down, Walmart, Target, I mean Best Buy, everybody.

Their CMOs come to work every day going I don't know what to do. And if they tell you different, they're kidding you. Everybody's head is spinning because the world is changing at such spectacular speed that none of these folks can keep up. And certainly the least of which, small merchants. These guys 35 calls per month. They're absolutely overwhelmed.

There's confusion and what that results in is churn in the marketplace. So this week they want to do this thing, next week they want to do the other thing, I mean they have no idea what to do. And so what merchants really want to do is they want to focus on their business. They want to be building furniture or selling you cars, cleaning your teeth, maybe working on the baking mix, but not the marketing mix. I mean that is not what they want to be spending their time figuring out.

So what they need is somebody they can trust, they can go to and say help me figure this thing out. So you'd ask, why should that be Gannett? I mean why should Gannett expect to win? So we'll talk about Gannett's unfair advantage. Yes it is an unfair advantage, but it's honestly earned. This isn't about insider trading scandals or anything like that. We're talking about an unfair advantage that's been honestly earned over 106 years but it's an awesome advantage to have.

So you think about Gannett, what do you need to win in this space? Well, certainly you have to have products. And we'll have products. So we'll build, we'll partner, we'll acquire, we'll have the right product set. Accordingly you'll need people who can work these products, people who can sell and service those products. And we have them and we'll have a lot more of them.

And of course you need clients. And we have clients and other people can have clients. I mean all of these things, I mean there's a certain price at which you can apply our products and sales people and digital specialists and clients. But in this space the real challenge is that churn, is that confusion, is the how do I get past all this stuff? And that's where we have an unfair advantage.

That's where our trusted relationships with 150,000 merchants, that's the unfair advantage. And ladies and gentlemen, that trusted relationship is absolutely priceless. You can't buy that stuff. I mean you can get there if you spent 106 years in this space and partner with people on a regular basis and were committed to their business in the community. And that's the work that we've done.

So it's just the work that we've done over the last 10, 20, 100 years in building these relationships and serving our communities and serving our merchants, that makes us a trusted partner. So you think about -- when you think about it in your personal life. I mean when you're faced with something where you're trying to make a decision, you can't sort through this stuff, and you've got three different people you can go to, who are you going to go to? The person that you trust, right?

So we're already doing this. Let me show you some examples of how we're already doing this. And Dave talked about this earlier this morning. Liberty Ford in Cleveland, they've had a long-term relationship with our TV station there, WKYC. So these guys are trying to figure out how to do social marketing. So they go talk to agency one and agency two and agency three and super agency four and they can't figure it out.

So they come to our TV station guys and they say can you guys help us with this thing? We're like sure, why not? So today, we're not only helping them with their social marketing, we've also taking responsibility for their search marketing, on top of helping them with their TV advertising.

So we come to the table with a competency. And a lot of other people can come to the table with a competency, but we also bring that trusted relationship to the table, and it's really, really that simple. And we're seeing this happen across our client base, and again, Dave referred to some of these this morning. It's the car dealers, but it's also the furniture store guy. And it's the garage door opener guy, and it's the dentist and it's the restaurant.

And yet, when you think about technology businesses and this isn't the first place where you'd go, where you say okay the way to win is to have trusted relationships. But in the business like we're talking about where it's local and you've got -- okay the good news and the bad news, there are 4 million companies out there.

It takes a lot of time to acquire and build trust and relationships with 4 million companies. And because we've been doing it for tens of years and we've got 150,000 to 200,000 merchants today that we have trusted relationships with, if you come to the table with products that are comparable we will win every time.

So let's talk about the products. We also want to build a highly competitive position with products. So foundation to our products will be the core products that everybody needs, search, email, et cetera, and we'll differentiate with two things. Our unique deal assets, coupons, daily deals, circulars, and we'll differentiate with innovative social marketing.

Now you're thinking really? Gannett has all of this? And no, we're not going to build all of this. But the way we get to a comprehensive product sweep is we'll build the stuff like the unique deal platforms. We will partner for all the mainstream stuff, example email, and we will make acquisitions in all the areas that we can build competitive advantage, where you can innovate, where we can be differentiated so we will have a comprehensive product set that we can work with all our merchant partners and selectively offer them the products that make the most sense for them.

So we will become a one-stop-shop for the merchant, no matter whether they want search or email or social marketing or they want to do a daily deal. And we can complement this with all the traditional products that we already bring to the table. So we will have absolutely in market a unique product offering that we can offer people.

So for the merchant, one, they get their choice of anything, two, they work with somebody who they trust. This becomes easy and then it creates a lot of accountability. There's a one-stop shop as opposed to one neck-to-choke, so it works pretty well for everybody.

So let's step back and look at the big picture. So what's going on here? Consumers and merchants have been connecting for 100 years. They want to continue to do that. They just want to do it today in digital forms. And there's obviously a lot of money to be made doing that. And what's going on is that merchants just don't quite know how to get there, like, who should we work with? And that's where we come in.

We say hey, we've got all the products that you might want, and you trust us so let's have a conversation about what you need. We'll help you just like we have for the last 10, 20, 30 years, and that's how we use the hometown advantage and the brand advantage that Gracia talked about this morning and the formula that Jack talked about.

Trusted customer relationships, quality sales forces, leveraging existing high quality content we already have for coupons and circulars and the like. And let's not forget promotional clout with in-market print, websites and TV. You'll hear Matt talk about all of this at CareerBuilder so again, it's something we've done before and we're going to do again.

So what will this mean for Gannett? What will it do for us? There are three key outcomes. So first it involves our product mix to be consistent with what consumers are doing, increasingly digital and in line with what merchants want to do, offer more digital products to match up with our traditional products.

Second, we will grow market share in our existing markets both with existing clients and then we feel we will have an opportunity to go to new customers because of the strength and success with our existing merchants. And third, we will leverage this flexibility of digital to expand beyond our markets. It's a little harder to do with a newspaper but once we have digital products, we can not only win in our markets but we can extend to have a national footprint.

So how will we know if this is working? Since 2012 we have focused on consolidating existing assets that we have to make it a simpler experience for the consumer and the merchant, make it easier to sell and service the merchant, and we will get this business to a $75 million to $100 million business in 2012 itself.

As we look at 2015, we'll have a multi-$100 million business. And you look at that number and you say how do we get there? Well, it's all about the numbers. We talked about 150,000 to 200,000 merchants. We're able to convert 10% to 20% of them. These numbers become very, very interesting.

So again, just to wrap up, we've been a powerful local connector for consumers and advertisers for 100-plus years. We have developed a formula to win in digital. This is not a data point. It's a trend. We've been there. We've done that. And we're going to do it again.

Now, let me introduce you to a gentleman who's already been there and done that, Matt Ferguson of CareerBuilder.

Matt Ferguson - ***CareerBuilder - President, CEO***

Thank you. Good morning everybody. I'd like to thank Gannett for allowing us to present here today. Also I learned today Gracia's a Red Sox fan so thank you also for sending Theo Epstein to Chicago. There's got to be some Cubs fans in here. There might be Yankee fans, you know long-suffering, we're happy to have Theo.

So let's get into it. What's the labor market like today? What do we think it's going to be like in 2012? Well, this slide shows that it's obviously been several tough years for the labor market. If you go back to 2009, we lost 422,000 jobs each month in the United States. And in 2010 that turned positive but was anemic, at 78,000 jobs per month.

Last year was better, 137,000. When you look at last month, we had over 200,000 jobs created in the private sector, and if that trend continues you'll see the unemployment rate continue to tick down. That's not in line with where we should be given where the economic recovery is at this many months in, but it's certainly better than what we've had.

What are we seeing on our site? Well, I describe this as the multi-speed labor market. And so what you have in the United States is you have some areas of the labor market that are doing really well. If you're looking for information technology professionals today in the United States, it's not that much different than 2007, which means as an employer it's very difficult, as a job-seeker you have several opportunities. Same is true in engineering.

We're also starting to see the labor market tighten in sales, customer service, marketing, some of the more bellwether positions. Obviously construction and manufacturing haven't come back. We lost almost 4 million jobs in construction and manufacturing in this recession. And we won't bring the unemployment rate down until we see certainly construction bounce back, which will happen when housing does.

What do we think about the next couple of years? Well, if we continue on with the labor market like this, CareerBuilder's shown that it can grow. I'll show you those slides in a second. So in 2011 our market revenue was 30% higher than our number two competitor in North America. And we were able to grow in that tough environment so we're confident we can grow in a tough environment. If we get a strong environment we think that growth rate can accelerate.

We've been the traffic leader now for eight years. Last year we averaged 24 million unique visitors a month in the United States. That's up 10% from 2010. And at the end of 2010 Monster bought HotJobs, and they projected their traffic would grow significantly. You can see here the ComScore data shows that it went up from 13 million to 15 million, but they are still on a monthly basis 9 million unique visitors a month behind where we are in the United States.

That comes from the great local partnerships that we have here with Gannett, with other local media partners. It also comes from broad appeal partners like MSN. And so we continue to drive really unique traffic and as a result are the traffic leader in the United States and have continued to be.

We also have over doubled our applications to jobs. Now, this is not a segment of the labor market where more people are looking and applying. This is because a proprietary search engine that we have developed that matches the right job seekers with the right jobs that has continued to get better. And so we've taken that application rate from 20 you can see in 2007, up to 53 in 2011.

And again, we're hearing from employers that the matching engine is doing a better job matching the job seekers to the jobs. And in areas where there's a tight labor market, like information technology, we average 30 job applications per job. And so we have a huge value there in the marketplace.

Our revenue last year continued to increase. We have been the leader in North America in revenue since 2006. We've increased that lead every single year. You can see that in 2011 we had $626 million in market revenue. That compares to $485 million in market revenue for Monster, or $140 million more than they did in 2011.

Our growth rate at the market level in the entire year was up 13% from 2010. If you look at that revenue sold by CareerBuilder's sales force, it was up 15%, so it accelerated even faster. And so we come into this year with a lot of tailwind and excitement about what we're doing.

Over a two-year period you can see that we were able to grow on a bigger base our revenue much faster. So this slide shows that over that two-year period, our market revenue grew 19%, the revenue from CareerBuilder's sales force grew 16%. And at the same time, compared to our largest competitor, Monster, they grew 4% in that same timeframe.

In the fourth quarter we accelerated taking share from Monster. And so while our growth rate was down a little bit from the year-long average, Monster was actually from the fourth quarter of 2010 to the fourth quarter of 2011, they were down 5%. At the network level we were up 10%, and for that revenue at CareerBuilder we were up 12% when you look at the fourth quarter of 2010 versus the fourth quarter of 2011.

So we come into the first quarter with a nice tailwind behind us. We had market revenue in that quarter of $156 million and that compares to Monster's $119 million in the fourth quarter of 2011. So how are we doing this? We're doing this because our basic job postings, because we have more traffic. We provide more value so the customers give us more money. It's that simple.

The 9 million unique visitors a month more translates into more revenue. But we're also doing some things that are different. We're bringing products to market that we're excited about, that customers are excited about, that really differentiate us in the market place. This is just a focus on one area.

Niche sites has a business for us, so we have niche sites in information technology, health care, retail and college, or we did for most of 2011. They were up almost 300% in revenue in 2011 from 2010. A lot of that growth was in the healthcare and information technology. I will tell you both those niche sites still have a long way to go, especially information technology, given how tight that labor market is, as I described earlier in my presentation.

We also launched an executive site header.com so it's focused on the high end executive level. That market has also tightened recently and we think that can be a growth engine for us as we look at 2012 in our niche site business.

We also are going to be launching an international finance site, so that won't just be in North America, it'll be a global site. And we think we can see good growth in the latter part of 2012 and as we go into 2013 from that. And we'll look at others and we'll take some of these and we'll take them on an international scale.

We actually have a healthcare site in the UK. We have an IT site in France. We're looking at other vertical sites in other markets. We're going to be able to combine those more effectively into a global platform, and so a lot of these niche sites not only have the potential to continue to grow here, where we still have very low market share in that area so there's a lot of upside, but on an international scale.

Our international business has continued to grow. Today we operate in 20 countries outside of the United States. While that business is young, in 2011 it was up 43% from 2010. We were helped by acquisitions, but we also had very strong organic growth. The key asset that we're selling continues to get better.

You can see traffic was up 37% year-over-year in India from 2011 to 2010. Europe was up 23%. Triple digits in China -- we actually signed several different new partners in China and so it's a small base but it's growing very rapidly. Obviously, it's a very interesting market that we'll continue to grow and look at long term. Applications in jobs in Europe were up 40%.

We did a couple acquisitions that really helped us. One in Singapore, we bought a company called JobsCentral. For the last five years, they've been the fastest growing board in Singapore. We think that team and that market is a good platform for growth in Southeast Asia.

Southeast Asia's the fastest growing area of the world in 2012 from an economic standpoint. It's got large populations and many of those countries the Internet penetration is still very low. Take Indonesia. Indonesia has almost 250 million people. Internet penetration is less than 10%. There aren't any players there if you look at Singapore as really the best market to start in Southeast Asia.

We also got a joint venture in Malaysia with that that's fast growing and doing very well. We think that will be a good story for us in the future, and we're excited about being able to go in that Southeast Asia market with JobsCentral.

If you look at the third quarter of 2011, we were able to acquire JobScout in Germany. They were owned by Deutsche Telecom, part of Scout24 group, had been in the market as a leader for many, many years. We were fortunate to be able to acquire that property. They had 3 million unique visitors, 250,000 jobs when we acquired them.

Obviously, Germany is the largest economy in Europe, fifth largest economy in the world. Very important to our European business to have a strong presence there, and they bring us a great platform for growth as we look at Europe over the next couple years, and so we were excited to be able to acquire JobScout in the third quarter of last year.

Two new products I'll talk about. I talked about niche sites. Those are in application of jobs and resume database, very similar to our core model. These are different. They're leveraging assets that we have, and we're taking our spin and our value to employers to a new level.

First is Supply & Demand, not a lot of revenue today. It's growing quickly so let's talk about Supply & Demand and compensation. This is a real-time portal so the data from the site is fed over to this every single day, so they're constantly updated. What that provides is real-time data on the supply and demand on the labor force by job title in every market in the United States because we have that kind of depth in the United States.

We don't have this international today, but we'd certainly like to over time take this international. How are companies using this? How do they decide where to post a job? If you're looking for a Ruby on Rails developer, those are very difficult to find. Where are the best markets, especially companies that are willing to relocate?

We see companies use it deciding where to open clinics within their business. We have one customer use it deciding where to open their clinics based on the supply of nurses in that particular market. We have customers who use it on deciding where to open a customer service center. It also helps them as they start doing workforce planning. A lot of them are using it for longer term workforce planning.

The other component of that is Compensation. We have millions of data points on compensation in the United States. There's actually more money spent trying to figure out what to pay people than there's actually spent acquiring people in the United States. It's the biggest expense for most US companies. We have more data on it than anywhere else and we can do it at the job title level.

Most of you probably are companies where when they go through this process, they take companies who have surveys and those surveys are done over a long period of time. Clearly ours is the Wild West but if you're looking for somebody who's in social media or Ruby on Rails, those survey's don't capture that.

They can't tell you what's going on. We can tell you what happened over the last couple of months with regard to compensation for that. We've seen the adoption across the board, especially in the staffing area, where they can use this to understand what's really going on as they price their business to customers.

Just looking at December, so we have about 750 customers on it today. Just looking at December, there were 25,000 searches in December on the Supply & Demand data, and there were 10,000 searches in December on Comp.

So is it going to have a huge impact on our business in 2012? No, but it's a big piece of what we can do over the next four or five years to add value to our customers.

Another one I've talked about before, I'll talk about it again, this is Talent Network. So Talent Network today we have today 85 clients. We just started selling it really early last year, last part of 2010, 85 clients. So what is this? What is this product and what does it do for employers, because all them big companies certainly all have career sites so why is this valuable?

It does three things. The first thing is it's a Software as a Service that layers on top of that job site, because those job sites are not designed for search optimization, and every company wants more traffic from Google, Bing, whatever. And so it optimizes those jobs for search, they show up higher in the organic search results and they get more traffic to the site, and then we measure that for them to show them the value they're getting from that.

The second thing it does and this is important because a lot of companies have an ATS that you can't automate CRM systems, so we capture data for them, prospective job seekers, someone who applied to a job. They may not be applying to a job. This allows someone just to come in -- if I'm interested in working as a nurse for an organization but there's not a position in my market now, I can leave my information with that company in this Talent Network.

Any position that comes open is automatically matched using our proprietary matching system against that job seeker or potential job seeker base, and we send a targeted email which drives traffic back to it.

The third thing that it does is provide analytics not just around that, but other things that they're doing on the Internet that they find extremely valuable. And I think there's a lot of opportunity, this is one example, but I think there's a lot of opportunity for CareerBuilder to provide a lot of value in the category of Software as a Service for recruitment tools. Whether that's leveraging on social media or something like Talent Network that just helps their reach, there's a lot of opportunity for us to build a toolset around this that is valuable to the HR marketplace.

So those are just a couple examples of what we're doing. We're excited about 2012. I appreciate the opportunity to be able to come here and talk about it. Clearly open for any questions afterwards, and we think we're coming into 2012 with a lot of momentum. If we get a better labor market that will add to it, and we can leverage the model to have even better performance. So we'll see how the year goes but we can perform in almost any kind of labor market and we've shown that in the past.

So thanks for your time today and now turn over to Paul Saleh, CFO of Gannett.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Thank you, Matt. Thank you. Well, now for the numbers. Thank you. Over the course of the morning you heard from Gracia and the management team about the actions that we are taking to return the company to growth. What I'm going to do now is highlight and discuss how all these initiatives come together financially. I'll also highlight the steps that we are taking to extract greater cost efficiencies from our businesses and what we are doing to optimize the use of our assets.

Now the key takeaway from today is that we are returning to growth at Gannett and then also we are giving total shareholder return that will significantly outperform the S&P median in the next few years. Now at the high level that you heard today, we believe the initiatives will deliver sustainable growth of about 2% to 4% compounded revenue growth over the next four years, and we expect our margins to expand to the 15% to 19%.

And now I'm going to highlight how these initiatives break down by segment. In publishing, as you can see on this slide, the goal is to have sustainable growth over the long term. We expect over the next four years, 0% to 2% compounded growth rate in revenue. We expect stable results in 2013, and that will be driven by the content subscription model you heard us talk about, the sports media initiative and the local digital marketing services.

Publishing margins are expected to remain industry leading at 15% to 18% over that timeframe as we continue to extract greater cost efficiencies and also benefit from revenue and additional savings from the distribution and the production consolidation that took place in the publishing business.

Now, if I turn to broadcast, the strategy there is to build on the momentum that we have and the success that we've had. Now, television remains the medium of choice for advertisers who are seeking to attract large audiences, and we are going to be benefitting from the industry tailwinds. We expect revenue growth, as you can see on this chart, of 4% to 6% over the next four years. That's on a compounded growth rate, and margins to remain in the 40% to 46% range.

Now, digital has been a story of growth for Gannett. The digital segment revenues are expected to grow, as you can see on this slide, 12% to 13% in the coming years and margins to be in the 16% to 19%. We believe CareerBuilder again will continue to add to the revenue growth with its gaining market share in North America and expanding internationally.

Now, it's important to remember that our externally reported segment has not been an entire picture of what we're doing in digital at Gannett. When you look across the businesses, our publishing and broadcasting businesses also include a range of rapidly growing products and services that are digital, and a number of the strategic initiatives you heard us talk about today which also are going to add to the top line.

In 2011, as you heard us talk about today, total company-wide digital revenues were about $1.1 billion and representing about 21% of the company total revenue. And we expect that to grow significantly over the coming years.

Now, I'm going to take a moment to discuss the second driver of value in our strategy which is cost management and asset optimization. Now, we're well known for having a very cost discipline approach of the company and investors often ask us is there more that can be done and more costs to be taken out of the company?

And I am here to tell you the answer is unequivocally yes. We have opportunities, particularly in three areas, that I'll go through each one of them. The first has to do with simplifying our content and add delivery infrastructure. You heard a little bit about it today. That should give us the opportunity to have faster speed to market, improve our productivity, and reduce our cost.

The second area of opportunity is in extracting greater efficiencies from our value chain, and there we have the opportunity to consolidate further our sourcing and purchasing activities across the company and even consider outsourcing opportunities.

And finally, we are focusing on using our resources more effectively across the company, and this effort will not only allow us to save money and generate greater profit, but it will also allow us to unlock value.

Now, Gannett publishing services, you heard us talk about it, is a good example of what we're doing there. We have consolidated our distribution and production activities across the company. In the process, we are eliminating duplicative activities. We are also standardizing our practices, and that is great.

But also we have the opportunity to sell our capability, whether it's in ads, digital ad production, in commercial printing or distribution to third party and grow that business which is already a $200 million business, grow it at a double-digit rate over the coming years.

Now in total, when you look at those three areas of focus, simplify digital infrastructure, greater efficiencies across the value chain and asset optimization, we have the opportunity to generate savings of $100 million to $150 million annually over the next few years, and those are incremental to what is already taking place at the business unit with our great focus on efficiency.

Now, at the end of these sessions, I'll be available during the breakout session to answer any questions you may have about any of those three areas, and I'll also be available to talk to you about some of the actions we are taking to optimize our real estate assets.

Now, to summarize, we expect revenue growth of 2% to 4% for the top line over the next few years and greater profitability. We're making upfront investments to pursue these growth initiatives, and a lot of these investments will take place in the first half of the year, particularly in the first quarter. And many of these initiatives will start to contribute to profitability by the second half of the year.

Now, it's important, we expect full year EPS to be in line with consensus estimates today of $2.18. Earnings per share in the first quarter will be in the range of $0.28 to $0.32. That will include the upfront investment that we have to pursue those initiatives and also higher expenses and pension expenses.

Now those two items, the upfront investment and higher pension expenses represent about $32 million in pre-tax cost or $0.09 per share. Again, for the full year we expect to be in line with expectations consensus estimates of $2.18.

Now, let me turn to cash flow. Gannett's ability to generate strong and consistent cash flow is what sets the company apart. Even during difficult times, the company has been able to generate very strong cash flow. In fact, last year we generated $775 million of free cash flow.

From 2009 to 2011, the company generated $2.4 billion in free cash flow. About 85% of that cash has been directed to reduce debt and strengthen our balance sheet and allows the prudent use of our cash during very volatile and difficult market conditions.

Today, the company has investment grade metrics and is in a very strong financial position and the company has the flexibility not only to self-fund its growth agenda, but to return more cash to shareholders, as you will hear us talk about in a few seconds.

Now, a very manageable debt maturity schedule gives us added flexibility. As you can see on this chart, we do not have any maturities in 2013. We expect to repay the $307 million that is maturing in April of this year from free cash flow and borrowing from our revolver. We will also continue to be very opportunistic in accessing the capital market.

Now, this capital allocation strategy reflects the consistent cash flow that we have, our strong balance sheet and a favorable maturity schedule that I just described. Now here's how we -- on this slide -- here's how we are going to be prioritizing the use of our cash.

First, we will continue to invest in our businesses to pursue growth initiatives. Second, we plan to return more cash to our shareholders from free cash flow. Now, as Gracia pointed out earlier, our Board has authorized the increase of our dividend by 150% to $0.80 per share on an annual basis, and the Board has also authorized the repurchase of $300 million in shares over the next two years. Now that represents about 8% of our market cap.

Third, we will consider modest bolt-on acquisitions that support our strategic agenda, and finally, we will use remaining cash to reduce debt.

Now, this new capital allocation strategy, it's important to note, is sustainable even under various wide ranges of scenarios and market conditions. First, it gives management the flexibility to pursue its strategic agenda.

Second, this strategic capital allocation has been rigorously tested, and I mean rigorously tested, to confirm that this payout, and in particular the dividend payment, can be sustained and maintained under various scenarios while still preserving financial strength, a strong balance sheet and liquidity. But most importantly, this capital allocation strategy offers compelling returns to our shareholders in the form of returning over $1.3 billion of cash to shareholders in the form of dividend and buyback.

In total, as you can see on this slide, this capital allocation strategy should deliver total shareholder return of 12% to 19% annually through 2015. Now this is assuming the revenue and profit growth in our current plan and the dividend yield and buyback yield that is implied by our current stock price. Now, obviously, the total shareholder return could be even higher if you assume accretive acquisitions or P/E multiple expansions.

So in summary, we are returning Gannett to sustainable revenue growth. We are focusing on increasing cost efficiency and also optimizing the use of our assets, and we are committed to returning more cash to our shareholders. Together these actions should deliver total return to shareholders that are significantly above the S&P median companies in the next few years. And with that, I will open it to questions.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

I know that we've inundated you with a lot of information today, and I hope that you found it incredibly helpful. Let me start with answering a question that you all had a little bit earlier that I think it may still be a little bit of confusion around and that's with regard to our content subscription model.

When we talk about that $100 million, we're talking about a bottom line positive impact of $100 million, and so that number starts with a revenue number that is a couple of times that number. It reduces that number by the circulation impacts that Bob talked about.

It also takes into account some of the marketing and promotion initiatives that we are going to have around our new content subscription model, and that gets us to a bottom line of a $100 million impact on earnings for the next few years. And hopefully that's helpful and clarifies. I think there was a little bit of confusion there on that.

Paul, why don't you come on and stay up here with me? Why don't we take some questions, and I've been told I need to repeat the question if I can remember them so that the folks on our webcast can also listen.

QUESTION AND ANSWER

Barry Stewart - ***Omega Advisors - Analyst***

Hi it's Barry Stewart from Omega Advisors. Just wanted to reconcile what you said about the $100 million of effectively net income benefit from the circulation price changes where you've netted out the negative effects it might have on advertising. Reconcile that with what Paul said regarding 2012 EPS being in line with consensus of $2.18.

I don't know if consensus is in front of you but I'm assuming you mean that's GAAP, because I know you have some expenses that would be sort of not in adjusted earnings but rather restructuring costs. So could you just clarify why we're not seeing that in the EPS that Paul talked about?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Sure. Let me start by saying that that $100 million that we're talking about is on an annualized basis. And with respect to the subscriptions that are coming up, they don't all come up the day after you announce it. There's a lag effect, so there are some one-month subscriptions, three-month subscriptions, year subscriptions.

We have about 50% of our folks on EZ Pay and included in that number is a number of folks who are on annual subscriptions. So you can't just change that metric for them until their subscription actually comes up for renewal.

So during 2012, we're going to see the benefit of that later in the year. It is not going to be the full $100 million benefit in 2012, but then in 2013 we'll see that annualized $100 million benefit flow to the bottom line. John?

Barry Stewart - ***Omega Advisors - Analyst***

How about the effect on the bottom line?

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Well, first of all, let me add also to what Gracia has said. It's a pre-tax number. It's not a net income level. It's a pre-tax operating profit at the division level. And it is, as Gracia mentioned, we have upfront investments in our initiative and not the $400 million of operating profit comes in the first year.

It just really will accelerate starting in the second half of the year. Net-net we're offsetting. With the new initiatives, we're offsetting some of the upfront investment with the return that we see in the second half of the year.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

John?

John Kornreich - ***Sandler Capital - Analyst***

Yes, John Kornreich, one small question, one larger question. The smaller question, what's the contour of CapEx this year and beyond? You've been holding CapEx down to really low levels for the last few years like 1.5% of revenue. I would think CapEx could be growing pretty rapidly over the next few years. Comment?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Sure, John. Let me repeat the question very briefly. John was asking about the level of CapEx and whether that would be increasing significantly as a result of the initiatives that we've talked about today.

Actually, the CapEx budget that we have already indicated in December for 2012 of about $90 million includes all of the CapEx expenditures that we're going to have for these initiatives in 2012.

We would anticipate that in 2013 and beyond some of those CapEx requirements will actually diminish because there are a lot of one-time costs associated with a lot of the work that David is doing on the technology front and a few other initiatives that we have. So we would expect that CapEx would return to that $75 million to $90 million level from 2013 into the foreseeable future.

John Kornreich - ***Sandler Capital - Analyst***

So Paul, you've, I don't know if the right word is quote/unquote "projected" 3% revenue in the mid-range in the next few years and margins edging up, but intuitively -- that's all this is -- intuitively, I would think margins would go down. You're investing in lots and lots of projects. You've got to seed them. You've got to spend some money on them. You're talking about holding total company expenses to 2% per annum in a period when you're in that quote/unquote "investing mode" all the time.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Well, let me answer that in two ways. Number one, the initiative that you heard us talk about the content subscription flows all the way to the bottom line, the operating profit of $100 million in a year. So that's one element. We have the number of cost actions and the optimization of our assets as I indicated that half that will be contributing $100 million to $150 million in also profitability annually.

We had also (inaudible) for some of you that may not have been there, we had indicated that our consolidation of our production and distribution activities was going to already contribute $40 million of costs this year and $60 million plus thereafter. That's part of the $100 million to $150 million.

So a lot of the initiatives that you have seen us do are building off of the assets that we currently have and as a result of that should contribute margins that are equivalent to what we have. And then we have the additional benefit of the actions that we are taking on the cost management side and the asset optimization.

John Kornreich - ***Sandler Capital - Analyst***

When you talk about margins, you're not talking about cash EBITDA margins. You're talking about operating --

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Operating margin.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Operating profit margin.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Let me just to add to what Paul said, and we covered it I think earlier when we talked about some of the advantages that we have, that hometown advantage and that brand advantage.

So for instance, when we started up DealChicken in Phoenix in September of 2010, we started that up and, because we have a lot of infrastructure already in place, we have a phenomenal brand that we're able to promote across multiple platforms in that market. We already have amazingly deep, rich relationships.

Our expense profile is really very much different than a Groupon or a LivingSocial or anybody else when they're trying to do the exact same thing that we're doing in that marketplace. And so as a result of that, Phoenix was able to show a profit several months into that.

We've now rolled out DealChicken across about 57 of our markets. We have some investment that we're doing in it and last year we had some significant investment, in the low tens of millions of dollars. This year we're going to continue to invest in it, but obviously it's going to be less of an investment.

And at some point here, probably towards the end of the year, that actually from an operating margin will turn flat to positive. That's an incredible advantage that we have that everybody else who tries to get in the space that we're playing in simply doesn't have, and Vikram talked about that a lot, and I think a lot of us talked about it.

So when you hear all these initiatives, the great thing about our company is while absolutely we're going to make the appropriate investments, those investments are much more moderate than somebody who doesn't have the relationships, doesn't have the brand, doesn't have the promotional opportunities that we do. Craig?

Craig Huber - ***Huber Research Partners - Analyst***

I'm sorry. Can you quantify a little bit more this so called investment spending, what that dollar number is in the first quarter? What is it on for the full year, you're thinking right now? And what will the incremental piece be for next year? And I have a follow-up, too.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Yes. I think for this year it will be over $60 million, $65 million plus. In the first quarter it would be somewhere around $25 million. So to make the math for some of you, that's $25 million plus in the first quarter having to do with those upfront investments. That's why we said the majority will be in the first half, in the first quarter in particular.

And then the pension expenses the year-over-year is almost close to $7 million of differential. And the pension expenses, to save you a question, the increase has more to do with the return on asset in 2011 being much lower than our targeted return on our pension asset. That's why the increases in pension expenses.

Craig Huber - ***Huber Research Partners - Analyst***

I'm sorry. What was that full year pension number?

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

For the full year it's just roughly around $25 million.

Craig Huber - ***Huber Research Partners - Analyst***

I'm sorry, while we're on pension, can you just update us on the contribution to your pension that you're expecting?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Earlier in the year we made a $54 million voluntary contribution to the plan. I think for the remainder of the year we may look at an additional $50 million or so contribution, but obviously that's going to be a lot dependent on where discount rates are.

Clearly, everybody who has a pension plan this year saw their discount rate be reduced fairly dramatically, on the order of 50 or 60 basis points, and that clearly has an impact on that contribution, as well as the returns that we receive.

We had a great return on our pension plan. It was close to 1%, but that isn't anywhere near, obviously, where expected return on assets are. We're hoping for a much better year and all of you doing a much better job getting our returns up.

Craig Huber - ***Huber Research Partners - Analyst***

And then my follow-up, if I could ask? You talked about stress testing your model here before you announced this dividend increase, the $300 million buyback. How deep did you go here? I mean, if we get that real nasty environment, given what's going on out there, and ad revenues drop 15% to 25% from your publishing, are you testing --

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Obviously, we did test it on a variety of conditions. We looked even at the last downturn, and we adjusted. We looked at it. We also made assumptions, for example, that maybe we will not be able to take as much costs as we were able to take back in the last downturn.

So we really tried not to be -- one thing we wanted to make sure is that the dividend payment and the payout could be sustainable under a variety, a wide variety of scenarios. And so we really did try to, among other scenarios, we tried to replicate the downturn, the financial crisis which we're all hopeful that we'll never see in our timeframe.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Jim?

Jim Goss - ***Barrington Research - Analyst***

Vikram was talking about positioning you as being sort of a consultant between social media, traditional media. How do you plan to be compensated for that sort of thing?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Apparently very well but, Vikram, why don't you answer that?

Vikram Sharma - ***Gannett Co., Inc. - Vice President - Retail Strategy***

In terms of the services that we expect to offer, again, we're really talking technology services. And so we have a field sales force that we would look to as being the relationship managers with our merchants. And then we'll have an entirely separate team that are the digital sales specialists as well as the fulfillment specialists, and those folks will be doing the work.

So the relationship starts with the merchants saying hey, maybe you're looking to do some social marketing. Can we help you? Can I introduce you to my colleague here who's an expert in Facebook or wherever it is you want to be? So that would be the level of consultation. We're not selling consultancy per se, but we will help coach customers into the right services for them.

Then in addition to that, and one of the things we'll be bringing to market, will be a dashboard that will help merchants understand the effectiveness of the different type of marketing services that we can offer them. So we're not asking them to take our word for this or that. We'll have a very explicit measurement that will say search is working for you, social's not working so well. Let's move that money into search instead.

So yes, some of it will start with the trusted relationship. Then we'll have some experts, but then we'll have facts to back all of it up.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

And products, obviously, to complete that suite.

Vikram Sharma - ***Gannett Co., Inc. - Vice President - Retail Strategy***

Right.

Jim Goss - ***Barrington Research - Analyst***

(Inaudible) pushed onto either Facebook or Twitter or whatever, how do you get paid? Do you get like a certain consultant's fee?

Vikram Sharma - ***Gannett Co., Inc. - Vice President - Retail Strategy***

Oh, sure. I mean, there are management fees, if you will, for that entire process whether you're putting ads out there or helping them with reputation management, whatever. There are number of different types of products like that but for every one of them there's a -- let's call it a management fee.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

And Jim, it's not dissimilar in some ways to the work that Bob and his team are doing in our community publications with our client solutions group. And Bob, you might want to comment on that, the work there?

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Sure. In that case, in some cases we will partner with certain of our sources to bring that in and provide an overall campaign solution for clients. We'll price it accordingly. And those activities and services that we can't provide locally, we just pass that along to the customer. In the end, it's a very attractive and a good margin business for us.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

And it gives us more touch points with those clients. So we're helping them with their creative. We're helping them determine which mix and a variety of things like that.

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Yes, I mean we're doing webpage design.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Right.

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

In some cases we're doing (inaudible) for them. We're designing and helping them manage the [deal] business and now Vikram will be taking over the Gannett local piece, which previous to Vikram was a key part of that. We started doing social marketing and (inaudible) as well.

So we're already in that business. And we know how to price it and manage it, up into and including some media buying outside of our traditional media just to help people be the one-stop source for them at the local level. It goes back to they trust us, and we're going to do everything we can to maintain that trust level.

Doug Arthur - ***Evercore Partners - Analyst***

Dave, you talked -- you mentioned briefly early year trends in broadcasting. You said auto was strong, political was a little light based on how the primaries have fallen out. Can you just sort of flesh out early year trends in some of the big categories?

And then secondly, Gracia, you haven't talked much about Newsquest. What's the future plan?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Sure. There are two questions, and we've been remiss in repeating the questions. The first question is with Dave Lougee about political, which I don't believe is a little light in the first quarter, and then the second question is around Newsquest and thoughts around that business. But why don't you start, Dave?

Dave Lougee - ***Gannett Co., Inc. - President - Gannett Broadcasting***

As it relates to political, it's coming in just like we picked and like we thought. I don't think (inaudible) is light exactly. It is always a small percentage of the total year buy. So how much, even though (inaudible) this is around primary spending, if you look historically, it is always very small dollars relative to the general elections in the Senate and gubernatorial. So it will be, in terms of our total spending this year, a small piece, as it always is in previous even years.

Auto has continued. Auto was good last year, and it's continued good this year. It was not as strong in January. January was a little bit soft, frankly, nationally across the industry, but has picked up across categories in February and March, as has auto. But auto, even in a weak January, was strong, and we see no reason for that not to continue.

Other categories that are strong -- restaurants, banking and finance.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Thanks, Dave. And as I mentioned earlier, Paul Davidson is here with us, who runs our Newsquest business. And let me just say that in the fourth quarter we reported on trends there and I have to say -- and Paul, you should reinforce that -- that our trends in the Newsquest business were I think going to be significantly better than others in that marketplace.

Paul and his team have done just a phenomenal job of managing through some incredibly difficult economic headwinds in that marketplace, even worse, some would say, than what we've experienced here in the US. So Paul, why don't you share some thoughts?

Paul Davidson - ***Gannett Co., Inc. - President & CEO - Newsquest,***

Thank you for that introduction, Gracia. That was quite something. But the headwinds in the UK are still there, the economy is not in the place we'd like it to be, so we've been working really hard to try and offset that.

And as Gracia said, our understanding is that we are currently trending better than our peer group by quite a margin. I can't say than more than that at this stage but as the numbers for last year come out, I think you'll find our Q4 performance was better than our peer group.

In terms of the strategy, we've been working on a process very similar to what we're doing here in the US and we're getting near the tail end of that, so I'm hopeful that shortly we'll be able to share with you the plans that we have for the UK, which are just as exciting as they are for the US.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Thank you, Paul. Way back there. Joan?

Joan Lappin - ***Gramercy Capital - Analyst***

Joan Lappin, Gramercy Capital. I have two sets of questions. One, I guess Paul or Gracia, you alluded to making other use of your assets, so I mean are you thinking of selling off your printing plants or the land related to it or those kinds of things? Are we anticipating some years out you won't need them anymore? How's that for a grenade?

And the other thing is if the sports folks can address, it's great to have a deal with everybody but, if you have a deal with everybody, they're getting some chunk of that pie. So who gets the bigger chunk, the MLB folks or you? Or what are each of you bringing to those joint ventures?

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

All right, I'll start with the question that was what are we doing with our asset optimization, what are we saying by leveraging those assets?

The first thing that we did, as we mentioned, is just bring our distribution and production activities together as an asset. And when we look across the board, what we have is the opportunity to do several things.

When you look at our distribution network by itself, we have a relationship with over 13,000 independent contractors. We drive by 60 million homes in the United States. We are in 203 of the top 207 DMAs in the United States. We have the largest national distribution network in the US.

As a result of that, we have the ability to leverage that by looking at other -- taking other parties and distributing them through our own network of delivery capability. So that is one thing that we are doing.

On the production side, we're also looking at a number of things. One is loading the capacity that we have. We have excess capacity in our production plants. We're trying to extract more value out of that, prime time and non-prime time.

So there's clearly an effort -- there's a group of people in Gannett Publishing Services whose whole responsibility is to look across our entire assets, production assets, and make sure that we are loading them to the maximum capacity. In fact, they have already identified and targeting accounts to be able to load in those -- the production to fill in those markets.

And I'll also add to it that we're also looking at outsourcing. The last example we gave you in the fourth quarter was our move from Cincinnati to Columbus, where somebody else is printing for us. So we're not just limiting it to assets that we own.

We're very comfortable actually looking at the economics of trading something that we do on our own versus moving it elsewhere. And in the case of that Cincinnati facility, once we move the production it will be up for sale, and we will be monetizing that asset.

So it's a combination of looking across our asset base, as Gracia indicated in her remarks, and making sure that we are making the most use and creating the most value of every single asset that we have. And it does not necessarily have to be just physical assets. It's also capabilities that we have, whether it's an ad creation, for example, or other type of capability. We're leveraging the resources and talent that we have across the Company.

And then the second question?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

And the second question was around sports and having our product everywhere so, Tom, why don't you take that?

Tom Beusse - ***Gannett Co., Inc. - President - USA TODAY Sports Media Group***

Sure. So the partnerships we outlined -- I outlined earlier for you -- are actually in almost every case, with the exception of Major League Baseball, not actually a sharing of revenues. In fact, the PGA Tour deal and the NASCAR deal are really deals where those leagues are spending money with us promoting their sport in exchange for us doing an incredible job covering the sport.

The biggest and the most important element of those two deals is that we gain access. It's what they call directed media -- to USA TODAY Sports Media Group as part of their sponsorship process. Sponsors in leagues, they spend some number of millions of dollars becoming a sponsor.

And they have to commit to spend some number of millions of dollars to promote that sponsorship. Those promotional dollars are spent only with league partners. We're now a league partner, so we actually have a hunting license to go chase that revenue. So that's really what those two deals are like.

The MLB deal is very different in the sense that it is really a joint venture. It's an operational joint venture not a legal joint venture, and it's a fantastic opportunity for us to explore a lot of new platforms together, they being as good at what they do and we being as good at what we do. And we'll share the cost and we'll share the revenue, and there's going to be a bunch of great learning that comes along with it.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Thanks, Tom. Yes?

Unidentified Audience Member

Paul, just to clarify, when you talk about the $400 million to $600 million in savings over the next four years, is that predominantly in the print segment and also is that ex-newsprint?

And then separately, when you talk about I guess the revenue assumptions for publishing of zero to two over the next few years, does that assume the legacy print ad business is improving from down mid-singles to down low-singles? Thanks.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

All right, let me repeat the question. The first one is about the saving, the $400 million to $600 million over the next four years, is it ex-newsprint? That was the first question.

Let me just also clarify not, as we said to you before, it's $100 million to $150 million in annual saving. Not all of it is going to start in 2012. We're already telling you some of it that is going to be reflected in 2012, such as our GPS effort. It entails several things, how we get to the $100 million to $150 million, which is, again, incremental to what the business units are doing on their own.

It includes some of the things that you heard David Payne talk about, which is as we bring the infrastructure together, we're going to be able just to be much more efficient across the entire company in ad and content creation, and that has a whole lot of savings also associated with support and back office-type of activities in support of what's going on the front end.

The second thing we talked about is in the value chain. There are efforts under way in sourcing. And this is just really a great opportunity for us to consolidate our sourcing, whether it is, for example, facilities management across the entire company. Telecom would be another area. Utilities would be a third. IT services would be a fourth.

So we're looking across the entire company and leveraging our purchasing power to just extract greater efficiencies, and we will see a significant amount of money going against that $100 million to $150 million of annual savings.

The last one is in how we use our assets. You're going to see it through GPS, as I mentioned to you. Some of it is going to be savings literally, as we eliminate duplicate activity. Other is going to come in, as you remember, I told you today we have $200 million of revenues coming from third-party distribution and third-party production using our assets. We expect that number to grow significantly.

We have a target, actually, to grow it at double digits and actually hopefully we'll be able to get over $100 million to $150 million of incremental sales as a result of that. Those will not come at the margins of 20% or 30%. Typically those are smaller margin businesses, probably in single high-digit to maybe 10%. But we have the opportunity, given the size of our network and the availability of our network, to do more with the assets that we have.

We also have the ability to look at our whole real estate portfolio. We are looking at reconfiguring our layouts, free up some space so that we can just really sublease the space or maybe move from facilities that we own to sublease places where the square footage would be significantly redesigned to take advantage of the fact that our new environment today of a mobile workforce and the fact that we're extremely much more digital actually.

We can create an environment where we can invite the community to participate in a sense and be active with our news and information center and have a much more collaborative design because a lot of our buildings were 50 plus years old in some cases. So it's a combination of all of these things that I mentioned would give us the $100 million to $150 million.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

And exclude newsprint. We are not including any --

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Correct.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Prices going down, making assumptions of prices plummeting or prices rising. We're just simply saying that's over and above any impact from newsprint either way.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Your second question had to do with the revenue in print being 0% to 2% growth over the next four years on a compounded growth rate, and there what we have --

---

Doug Arthur - ***Evercore Partners - Analyst***

Publishing.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

Publishing, excuse me. There what we have assumed is that the print will just continue to be in the secular decline. We don't know. We don't have a crystal ball, as Gracia mentioned, to know which direction it's going to go.

We've assumed the same trends that we have seen this past year, and what is offsetting that is actually all the initiatives that you heard about, the digital marketing services. You've heard about sports, and then you've heard also about the content subscription model. Those would more than offset the secular decline in print and allow us just to post that 0% to 2% growth.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

And most of those initiative impacts will be in the publishing segment but there is also going to be impacts from the work that Vikram is doing on the local side in Dave Lougee's area, and Dave talked about a good example of that this morning with that car dealership.

Some of the sports activities clearly are going to benefit the incredible platforms that we have through USA TODAY and our community newspapers, but also through Dave Lougee's broadcast stations, his 23 stations. They're going to have some benefit from that as well.

So there's going to be some benefit clearly that resides in broadcast, a lot of benefit that resides on the publishing side. And obviously on the digital side that's another opportunity for us. Yes?

Unidentified Audience Member

I have two questions. It sounds like two of the key assumptions behind the publishing revenue return to growth. One is on the USA TODAY Sports initiative. I think you said there's $100 million of revenues in 2011, projected to go to $300 million.

Is that $100 million -- I guess the first question is, is that $100 million pro forma for some of the recent acquisitions that you've done? And if not, can you give us a sense of what that pro forma number would be so we know what the starting base is?

And then the second question is unrelated. On the circulation assumptions, you talked about how some of the early results from the test markets are promising. Can you give us a -- given the lag effect that you noted, can you give us a sense of those test markets?

I guess when exactly do those tests start and what percentage of the subscribers have had their term come up to where they have to actually be faced with a price increase? I want to get a sense of how much confidence you have in the assumptions that you've made because that's a key assumption.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Sure. Let's start first with your last question around our assumptions on that end. And Bob, why don't you talk a little bit about while we've only been in the market for a few days with a couple of them, we obviously had to send out billing notices about a month or so ago before we actually started the process, so you can give us some sense of the early thoughts on that.

Bob Dickey - ***Gannett Co., Inc. - President - US Community Publishing***

Sure. As it relates to those home delivery price changes, typically the lag in the past would have been five, six, seven months down the road. But due to the fact that 50% of our customers are on EZ Pay today, we're seeing that probably more in the three to four-month period of time. As Gracia pointed out, though, we honor whatever subscription level a current subscriber's on, of course, before the new price kicks in.

So three weeks into it, I can tell you that our call volume to the call centers, which is typically much higher than we've received these last three weeks, asking questions, confirming the price, much less than what we have seen traditionally and well within what we believe the volume to be.

We've hired and expanded our customer service hours. We've added additional employees, all expecting to have higher volumes of calls, so early results there very positive. I can't tell you on cancellation starts and stops. It's just too early.

On the single copy side, we're only a few weeks into it, but I will tell you that our volume expectations that are in the plan were right in that ballpark and doing slightly better on the Sunday. Of course, we had the Super Bowl, we had some events, so it's still very, very early, but certainly right within what the business model calls for.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

An as I said earlier, we wanted to get out some of these metrics for you so you'd be able to track our progress and know what we're all accountable for delivering. And so we'll continue to keep you all updated. As we get more returns in and we understand how it's progressing, we'll share that information with all of you.

I think the second question was around the $75 million to $100 million of revenue associated with the USA TODAY Sports initiative. Some of that obviously is from our existing sports business that we already have within the company, and so that's sort of marshalling that business together. A small piece of that will come from the three acquisitions that Tom mentioned this morning.

I will tell you that with respect to all the initiatives that we're talking about and all the work that's being done by the entire team, the vast majority of the benefits, both from a revenue and a bottom line standpoint, are going to come from organic growth.

There's obviously going to be a piece that comes from very selected bolt-on acquisitions that fit with some of the work that Vikram's doing, some of the work that Tom is doing, but the primary emphasis is on organic growth. Yes?

Unidentified Audience Member

So just two follow-up questions, first, on USA TODAY Sports, could you just go over and provide me with a little more detail on how this gets sold and how you go to market because it seems like there's a national piece, a local piece, and kind of a JV piece as well.

And then just a follow-up on real estate. And I'm just curious, just from an organization standpoint, do you have someone at corporate or a department at corporate that is looking at market by market these are our rents, this is the market rent, this is what we own, or is it done on a local basis? Just some detail there would be helpful.

Gracia Martore - *Gannett Co., Inc. - President, CEO*

Tom, why don't you start? The question is around USA TODAY Sports Network and how it's being sold and how it will be sold.

Tom Beusse - *Gannett Co., Inc. - President - USA TODAY Sports Media Group*

Sure. We have a dedicated sports sales group that's been established over the last couple of months led by a guy named Mark Lazarus -- Peter Lazarus, a Freudian slip, Mark's brother. Peter Lazarus used to run sales at NBC Sports, so he is beginning to build a team and about half of it's built around him to go do this.

He also will work in concert with an existing sales force so the USA TODAY group has nearly 100 folks selling around the country. So we've got an awful lot of folks with an awful lot of touch points with advertisers. And we'll marshal their resources on our behalf, and we'll end up making them look smarter as it relates to sports specifically in their conversations with their current client base.

As it relates to how we actually sell it, the challenge at the local markets is that they have a very difficult time monetizing their sports content. And where we have the opportunity to roll it all up and go to a national advertiser like a Gatorade or a Budweiser or a car company and bring them all of that local touch point and all that national touch point and have them do it through one place is really what makes us so unique.

So it'll be sold at the national level, the revenue will be shared at the local level, and we'll partner with the USA TODAY sales force and, in fact, the local sales forces where it makes sense.

Dave Lougee - *Gannett Co., Inc. - President - Gannett Broadcasting*

Tom's going to bring us money on inventory we already have.

Tom Beusse - *Gannett Co., Inc. - President - USA TODAY Sports Media Group*

I love the way he just said that.

Gracia Martore - *Gannett Co., Inc. - President, CEO*

Why don't you repeat that, David, for the mikes?

Dave Lougee - *Gannett Co., Inc. - President - Gannett Broadcasting*

I think what Tom's going to do for Bob and I is Tom is going to bring us money for inventory we already have, like HighSchoolSports, like he just mentioned. I don't know if you're public about the Gatorade deal.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

I guess we just went public.

Dave Lougee - ***Gannett Co., Inc. - President - Gannett Broadcasting***

Well, he mentioned the brand earlier. I just didn't give a number.

Tom Beusse - ***Gannett Co., Inc. - President - USA TODAY Sports Media Group***

We could. I mean so, yes, it's public. We did a deal with Gatorade that Dave's referring to, which was a great deal. Gatorade spends a significant amount of money against youth, as you can imagine, against sports. And they came to us, and we started chatting with them about what we were building.

And when we told them what we could do on the local level beyond the national level, their response was if you can really deliver local, we'll double the number. So actually what they ended up doing is doubling the budget to us overall as long as we could deliver the local. And the great part about that, the virtuous part about that, is I delivered a big chunk of that revenue back to Dave and his group.

Dave Lougee - ***Gannett Co., Inc. - President - Gannett Broadcasting***

And that's money we never would have seen on our own.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

There was a question about real estate that we want to answer. And I know that some folks are out there right now talking about the fact that they've established war rooms to look at their real estate.

At Gannett we have a little bit of a different approach. We have always focused on every asset that we have and optimizing the value of every asset we have. So for the last several years we've had folks looking at everything that we do, from leases to space. We've sold some of our properties.

For instance, at our headquarters building we sold some excess land we had there back in 2007 at the highest price paid for land ever in Tyson's Corner, and we got proceeds that exceeded the amount we paid for all of the land that we bought there back in 1995. So we've always taken a very disciplined approach to looking at every asset we have and looking to optimize it.

Now, when some of our downsizings occurred it was in the height of 2009 and 2008, which wasn't a particularly great market for real estate, as I think all of us know in this room. But we are laser focused on doing what we need to do to maximize the value of every asset that we have.

I think we're going to take one more question. Go ahead, yes.

Paul Saleh - ***Gannett Co., Inc. - SVP, CFO***

I want to just answer one more question you had is that is it centralized or is it decentralized. It is centralized. We have a group of people who are looking across the entire portfolio for monetizing or restocking or renegotiating leases and the like, so it's centralized.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

What we're going to do is we're going to take one more question because what we've planned is we'd like to feed you, because we always think that's an important thing to do. And then after that some of the areas that you all are digging deep into, we actually have folks who are going to be here to spend some time in various parts of the building where you can talk to them about asset optimization, and Paul will be leading that effort.

CareerBuilder, any questions you have on that fabulous asset, and Matt Ferguson and one of his folks will be helping us with that. The new content subscription model, which is clearly generating a lot of interest in this room, I know Bob Dickey and Maribel Wadsworth, who has been instrumental in working with our team on that initiative, will be here to answer any specific questions you have there.

Vikram, of course, on local digital marketing services, will give you chapter and verse on the great opportunities we have there. And then finally, my favorite subject that Tom won't let me lead the charge on, is sports, and he'll be taking care of that in another part of the area, although I might drift in to hear if he's saying anything about the Yankees or the Red Sox.

So one more question and then we'll have some lunch.

Unidentified Audience Member

Thanks, just one more thing on the cost cutting measures.

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

Sure.

Unidentified Audience Member

Any more room for further job cuts or early retirement offers, things like that, for staff, particularly in the print area?

Gracia Martore - ***Gannett Co., Inc. - President, CEO***

We are always incredibly diligent, as I said, about all of -- the question was around additional cost cuts and the potential for additional layoffs or buyouts or whatever. We are always very focused on making sure that, when we look at our total assets, that we redeploy and reallocate those resources to the areas that have the best opportunities for growth.

That being said, what we are all about, what we're talking about with you today, is a path to take our publishing business and stabilize that business and to return to growth, a trajectory of growth for our company. As a result of that, we are hopeful that we can put behind us those layoff and furlough actions that we've taken in the past as a result of very difficult economic conditions.

So with that, our Board of Directors is going to host lunch for you, but let me just conclude with a couple of thoughts, and then I'm going to introduce our Chairman.

First of all, I need to thank my entire team for sharing with you our blueprint for growth. I hope that you can see how passionate every one of us is about our company and about all of the great initiatives that we are putting in place and our absolute commitment to delivering on those initiatives and delivering increasing returns to our shareholders.

I want to reiterate we have three incredible advantages that really underscore everything that you heard this morning, and that's our hometown advantage, our brand advantage and our financial advantage.

We had a lot of questions about costs, and let me tell you we remained as disciplined as ever in our approach to cost management and that will help us to lead towards increasing margins. And as you all know, our businesses are consistent cash generators.

We're going to continue to fund increased capital returns out of our free cash flow -- solely from our free cash flow. And as you saw this morning, we have a very strong, very dedicated, experienced team of folks who are going to lead us and are more than up to the challenges that lie ahead for us.

We are excited as a team and as a company to be back on the offensive. You're going to hear more from us about all of these things as the months progress and we see more and more success under each one of these initiatives.

With that, I'm going to turn the podium over to Marge Magner, who is our Chairman. And let me say personally, I could not have a better business partner than Marge in helping to lead this company to where we all want it to be. So with that, Marge?

Marge Magner - ***Gannett Co., Inc. - Chairman***

Thank you, Gracia. That's very kind of you to say, and I feel the same way. And I couldn't be in a better place with more opportunities and more excitement.

On behalf of the Board, and we are all here. This is not annual meeting, in case you haven't noticed. That's generally about the only time people actually get to see the Board, not from our ugly little pictures but from who we really are -- but we are all here because we truly value the opportunity to be here with you, to have conversations with you.

And we recognize, frankly, you've made a very major commitment in time to be with us here this morning, and that's no small item, and we know that. So we wanted to make a big commitment to you and be here with you during these discussions and really to have these very in-depth discussions that otherwise are really very difficult to do.

Gracia mentioned this is the first Investor Day, and she's talked about communications. Communications is a big deal. I've been asked several times, so what's a little different about having a company with two women at the top?

Well, here are two things. One is we're going to communicate a lot. I may not ask you about your day every day at the end of the day, but I will in fact ask you how you're doing. We really do -- the company as a whole -- we will communicate.

We think, in truth, the more you know about what we're doing and who we are and the capabilities and, frankly, some of the challenges -- not every single initiative we have in mind is going to work out exactly the way we intended. We don't know which one might not, but we're going to share it with you, we're going to talk with you about it, and we're going to help you understand what's going to drive the success.

And the other thing -- and we'll get to that in a minute -- is we're going to feed you because food is love, and we think it's really important that you have your strength so when you go back later you can write wonderful things and talk to other investors about what you've heard. So there will be food, there will be communications, and it really will represent a little bit of a change, if you will, that we think in terms of the way we approach you and approach things.

We value you, our investors, tremendously. We thank you for the time you've spent with us in the past when it's been challenging -- not to say it's a piece of cake today -- but we really do know that you've been there with us, and you want the right things to happen for the company. You want it as badly as we do, and that's a joint effort we have.

So the effort we've been through, the great work that's been done, the integrated strategy that you've heard about, is really important because it gets us to where we are now, which is based on the strength of the company, our fabulous financial strength.

That balance sheet is not an accident. You evaluate balance sheets all the time. You know that it's not an accident to have a balance sheet like this and to have cash flows like this through very difficult times. That's the foundation of this company that allows us to have these kinds of conversations about where we go and what we do and how we're going to get there, knowing we can pay for it.

Now, there's something that's unusual when you talk to companies. We know where the money is. And we also know that we want to aggressively reward you for the strength and the support you've shown us over the years. And we have the capacity to do it all now properly, with a balanced mix, carefully, thoughtfully, as we do everything else.

So we can invest in the business. We can allow this fabulous management team to do what they know best, how to grow the business, how to run the business, to reward you, our shareholders, in a very meaningful increase from where we've been. And obviously, as we grow, that only gets better for everyone to do the kinds of investments with joint ventures and acquisitions and so forth, we have the tools and the mechanism with which to do that. And we're very excited and very proud about that.

And I think the integrated strategy work that was done, I don't usually talk about a process and say that's important, but that Gatorade conversation you just heard, that's a result of the process. That could never have happened before in this company and doesn't happen in most.

This team has worked so closely together to understand the market, to understand the opportunities, to really know the value of the businesses and the operations they each hold in their own way and represent, that now it's just common nature to figure out how do we do it together and how do we get the revenue over there because we have the relationship here?

I mean that wasn't staged, and we couldn't have come up with a better example to show you what that's all about. So thank you, gentlemen, for doing that. So you've seen the team in action. They are fabulous.

And I would like to say that what we have in Gracia is a very experienced leader and someone who is really going to be able to help lead this company to the future that we've described. Again, she's done -- for 26 years here in this company she's done an incredible job, not the least of which is this financial stability that we have that allows us to move forward.

And in fact, she really has spearheaded this entire effort of the strategy and developing all the opportunities for us. She knows the business like no one else does. I think you've seen examples of that, and those of you who've worked for her over the years know that. And she also understands what the future is, and she has a passion for bringing that future into real life for Gannett.

I've spent a fair amount of time in the last two months actually getting to meet many of the employees of Gannett. I can tell you with absolute certainty the 31,000 employees of Gannett are proud to have Gracia as the CEO of this company, and the Board of Directors is equally proud to have Gracia as the CEO of this fabulous company.

So again, we thank you for your support. We thank you for being here. We hope you stay. We hope you stay for lunch and have the opportunity to talk with all of us, and we also hope you stay to get some detailed answers to questions that I know are on your minds. And it's part of being available and open and as transparent as we possibly can so that we can all, frankly, enjoy in the success of this great company. Thank you so much for being here.