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TEGNA

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Janine Shelffo: Alright, I think we're going to go ahead and get started with our next presentation. So we are delighted to have on the stage today for their inaugural appearance as a reformulated company TEGNA. And we are very excited to have all the members of management running the various businesses of TEGNA with us today. Gracia has been a long-time visitor to this conference, but the first time in its new formulation. The Company, as people know, has just done their first conference call as TEGNA and are here to update us on their progress. I think we're going to run a video and then Gracia will introduce her team.

(Video playing)

Gracia Martore: Good morning, everyone, and thank you all for joining us here this morning. We're happy to be back again this year, as Janine said, as the new TEGNA. And we're delighted to jump into our update on our businesses, but of course before we do that we need to take a look at the monitors for our forward-looking statements disclosure. I know you'll memorize it word for word.

I'm delighted to be joined here today by Dave Lougee, President of TEGNA Media; Matt Ferguson, CEO of CareerBuilder; Alex Vetter, CEO and President of Cars.com; and Victoria Harker, our CFO; as well as several other TEGNA executives in the audience.

After more than a decade of presenting at this conference, this is the first time we're going to be presenting as TEGNA. Now, I'm going to start by giving an overview of our new company, new 108-year-old company, and then my colleagues are going to give a deeper dive into each of their businesses. And then Victoria will cover our financial outlook for the remainder of this year, as well as our expectations for 2016.

All of our businesses are thriving so we will try to pack as much information as we possibly can into our presentation while leaving sufficient time for your questions.

As I've said before, our path toward increased value for all of our stakeholders runs through really five key strengths that differentiate our company. We have top-performing assets and scale in both broadcasting and digital. Our operations generate consistently strong and dependable cash flow. Both broadcast and digital are higher-growth and higher-margin businesses. We have talented, widely respected and experienced industry leaders running both TEGNA Media as well as our digital businesses. Our capital structure is shareholder focused and we are very disciplined financially. And lastly, we have a proven track record of being economically rational and very effective capital allocators.

Now these core advantages within the foundation of an incredibly strong balance sheet provide us with the flexibility that we need to invest in our businesses and to seize opportunities for organic and acquisition-related growth.

Now that first key advantage I mentioned, our leading assets and footprint, is the foundation for everything else. Now Dave Lougee's going to talk about the scale and diversity of our broadcast portfolio in a few moments. As well, we are very proud that we have outstanding, award-winning content that has created strong ties to the local communities we serve and make TEGNA stations a part of that community's daily life. This drives deeper engagement with both our audiences and our advertising and marketing partners.

Our widespread and diverse geographic footprint and brand loyalty will serve us exceptionally well throughout the 2016 election campaigns as we expect record-breaking political and Olympic spending in 2016. Likewise, as the largest owner of NBC affiliates, we are greatly looking forward to advertising associated with the Rio Olympic Games.

Now in 2016 and beyond our content and scale will allow us to grow market share and secure strong retransmission fee revenue growth. We still see a gap between the value we provide and the fees that we are currently receiving, and we are even more confident that we can continue to close that gap over the next several years.

As you also all probably know, our final significant affiliation agreement for the original TEGNA stations comes due in early 2017. As the number one NBC affiliate group with a solid long-standing relationship with NBC, we expect that to be a very appropriate negotiation for both sides. Additionally, we have several initiatives underway that we expect to contribute to revenue and EBITDA growth in the coming years to offset the impact of those network affiliation fees.

Turning to TEGNA Digital, as with TEGNA Media the success of that part of our business starts with industry leadership and excellent core products. CareerBuilder's creating the world's first and only complete pre-hire platform with advertising career sites, candidate relationship management, job distribution, workforce analytics, applicant tracking systems, semantic search and more. It's a portfolio of software solutions that is unparalleled in the industry, as Matt will share with you in a few moments.

CareerBuilder is transforming into a human resources software-as-a-service leader by combining its world-class advertising products with software and analytics to create a single unified product process for recruiters. The Company's SaaS platform is in addition to the product line, not a departure from their core business. Advantages of SaaS that we've already seen include stickier offerings, the ability to execute larger transactions and much higher renewal rates. This rapidly-evolving SaaS business is currently generating double-digit revenue growth. We're expecting the transition to drive accelerated growth at CareerBuilder in 2016 and double-digit growth by the end of 2017. I am personally very excited to see how that business will continue to grow and extend its leadership position in human resources SaaS business.

Now as you know, Cars.com is the other main component of our TEGNA Digital business. Auto, as we all know, is an increasingly crucial ad vertical and Cars.com taps into both sides of that equation. Both car buyers as well as dealers use Cars.com. To leverage our position we've been beefing up the offerings for both constituencies. The big theme at Cars.com has been product and service innovation and we'll continue that strategy well into the future, as Alex will share in a few moments.

New additions to Cars.com's suite of offerings include RepairPal Certified which connects car owners and dealership service departments and Event Positions which helps promote dealership events to an in-market audience during a specific timeframe. Most recently we launched Lot Insights, a report that is a first of its kind in the industry. It geo fences to measure the influence that Cars.com has unlocking customers to dealerships, connecting online shopping to that in-store experience.

RepairPal Certified, Event Positions and Lot Insights, all launched this year, are already contributing to revenue growth and we will continue to roll out new technology that better servers our buyer and seller customers. Everything we're doing at Cars.com is designed to attract more car buyers and more dealers to our platform, not get in the way of the dealer relationship with the consumer. The key growth drivers at Cars.com are a significant shift of advertising spend to digital, a healthy demand for automobiles, increased dealership penetration, and the Company's continual innovation of product offerings. This is another business that is experiencing strong growth and margin growth -- both revenue and margin growth.

Now that's a brief, high-level overview of TEGNA's businesses and what we project will drive growth in the coming months and years. We've got the right assets in the hands of the right leadership with an excellent strategy and track record and the financial strength to generate and create significantly more value.

Now the leaders of each business will take you through them in more detail. We'll start with Dave Lougee of TEGNA Media who is really looking forward to 2016.

Dave Lougee: Thank you, Gracia, and good morning.

TEGNA Media has a very diverse and very unique strategic portfolio with scale. In recent years our Belo and London acquisitions have made us geographically diverse across this country with strong media properties in strong growth areas like the Northwest and in the Southwest, including Texas where we now are in 84% of the state. And due to the population growth of this new portfolio we're now at nearly 32% of the country, up nearly 2% on a same-station basis from 2012; not through acquisitions, just through population growth. And we're diverse by a network affiliation, too, as the number one owner of NBC stations in terms of homes reached, the number one CBS owner as well, and the number four owner of ABC affiliates.

We also have increasingly diverse revenue streams that will continue to grow starting with, as Gracia referenced, the retransmission consent fees which I'll discuss more in a moment. We also have continued strong growth in our TEGNA Media digital business fueled by our internal G/O local digital marketing solutions business unit and our exclusive audience reach relationship with Collective Media, as well as our very stable core ad business and our every-other-year political dollars continue to grow as they will continue to.

We also have increasingly diverse sources of content, as well as new methods of distribution. And at the core remains our strong and evolving local news and programming operations. Many of our stations produce up to eight hours a day of original local news and other local programming. Local broadcast news remains far and away the most trusted and used news source by Americans and TEGNA Media stations are consistently recognized by both viewers and peers as producing the highest content at the local level. Just this past year we won three national DuPont awards and one Peabody for our investigative work across our portfolio. And we also won eight national Murrow awards.

We're also a source of the highest-rated, highest-reach live sports and event programming from our network partners, events like the NFL, the Olympics, the Grammys and more. And in syndication time periods our scale is providing a new opportunity for us to develop a pipeline of ideas to produce for ourselves or in partnership with others. In fact, today we are reversing the model and are announcing that we are going to produce and distribute ourselves a new daytime talk show called the T.D. Jakes Show. The show that we used our scale over the summer to test in four of our markets and we were able to iterate on the product and it grew in each of the markets all four weeks. It shows incredible promise and we're making that investment to get into the business ourselves.

I'd also like to address some trends in our space. As we said in investor day in June, fragmentation of viewing is not a new thing. There's been increased fragmentation since the beginning of cable and with OTT by just the next dimension. But TEGNA Media stations will remain at the core of the video ecosystem. Much of the content in our combined local network product is unique and provides the largest audiences on any platform, whether it's a major live local breaking news event or those NFL games or primetime Olympic coverage. And in fact, frequency sales. Because Gracia said this and I want to say it again. The gap in audience ratings and reach when compared to individual cable channels is growing. That gap is growing contrary to conventional wisdom. We're also actively working to distribute our original news content across all platforms. And we've built an outstanding team dedicated to distributing our content in a broad set of compelling consumer experiences wherever consumers need us.

Retransmission fees. As we've said before and Gracia said just a few minutes ago, that gap does remain wide between the audience demand for our channels and the percentage of the overall pie we receive. We continue to do very well in our renewal of these relationships with the key MVPDs. We have just completed the second, as you may have read the other day, of two major deals up this year and we have a couple medium-sized agreements still to go.

By the end of the year, we'll have reset the rates on about 57% of our subscribers for years to come. We expect to end this year with $448 million in retrans revenue for calendar year 2015, in line with our guidance, and we expect growth next year to be in the range of 25% to 30%.

Now reverse compensation, as Gracia also referenced. As everyone's aware, we have benefited from the timing of our long-term affiliation agreements negotiated years ago. But last year we negotiated our ABC agreement through the end of 2018 and this year we negotiated a new CBS agreement through the end of 2019. And as she said, we are in the middle of our discussions with NBC for the former Belo stations, who I might add are already paying reverse compensation, that are expiring at the end of 2015, as well as our original TEGNA stations which expire at the end of next year. And like she said, while we can't discuss the specifics of any single negotiation, we are comfortable with the overall direction of these negotiations and are very confident that collectively we will end at a place where our overall retrans and network agreements will allow us to continue to have attractive revenue growth and best-in-class margins in 2016 and beyond.

One aspect of our retrans revenues I want to call out explicitly is subscriber trends as some industry announcements this summer led to some generalizations that didn't discriminate amongst players in the space. So while there is quite some concern in the video industry broadly about the cord cutters, cord shavers and cord nevers, we believe and have data to support that we're in a very good position relative to these concerns for the following reasons.

Number one, as I mentioned earlier, our markets are growing in a number of overall TV households because of the population growth characteristics of our portfolio. And as a consequence, other than normal seasonal changes, our subscriber numbers are stable and our trends are different than what has been reported for MVPDs. And furthermore, and I think this is really important to understand, cord thinning is resulting in many consumers dropping many or all pure cable channels, but they're moving to a basic package, often, at the behest of the MVPD and getting onto a basic tier. In other words, the potential sub-loss for individual cable channels has a very different trajectory than the stations inside TEGNA Media. And the reason for that is demand for our product. So that's very good news for us in the OTT space as well where it's very clear that whoever the entrant, whether a traditional MVPD or a new media OTT entrant, the integrated local network product we offer is core to any of those new services.

As Gracia said, I am excited about the outlook for 2016 and beyond. 2016 will be a record year for TEGNA Media with record political advertising due to our strong new stations in multiple presidential battleground states; that plus the Olympics, which we have learned to maximize through sales strategies over the years, riding on top of a stable core ad markets and continued strong digital revenue growth.

And looking to 2017 and beyond we see continued attractive revenue growth and margin performance. A key driver of that is a series of initiatives that we have launched to enhance our performance based on a scale we've been able to achieve. In addition to already overachieving on the key synergies of our Belo transaction, our overall scale has allowed us to invest in several efforts. A sales transformation effort in which we are building a central world-class pricing and marketing sales operations capability to put the right tools and pitches in the hands of our clients, with the kind of sophistication and centralized capabilities that a smaller group would not be able to do.

Hatch, an effort to leverage our relationships across our marketplace using a central creative marketing capability to go after the broader set of marketing spend beyond traditional ad dollars. We think there's probably $3 in marketing for every dollar in advertising being spend right now in our markets.

Content innovation, a comprehensive initiative that takes advantage of our scale to innovate in news and non-news content on both our stations and new platforms.

Together these core transformational initiatives will generate about $25 million to $30 million of incremental EBITDA in 2016. And beyond our core, we believe we have a range of very attractive adjacent opportunities we can pursue. A few of these we are already taking action on to pursue while others we are actively evaluating. But a couple of examples of the near-term opportunities we're looking at.

The Justice Channel, a targeted crime genre multi-cast channel that we invested in and launched across all of our markets earlier this year. So with our 32% it's doing well and national distribution is now close to 50%.

The Video Call Center, also known as Talk Center America. We have a minority investment in this very disruptive new form of broadcasting technology that can change the way some programs are produced. And we've been piloting with that technology in our Denver station.

Winner's View, an OTT video service that we tried some pilots on last season with the NBA and the NHL. And we will begin to bring to the market in the second half of this season -- this is a partnership with entrepreneur and NBA/NHL owner Ted Leonsis and SnagFilms. It combines the production and promotion capabilities of our stations with the OTT capabilities of Snag.

So in closing, we have a growing diversity of revenue streams and content offerings and the scale to successfully innovate inside and outside our core business.

Now I want to turn it over to my partner, the CEO of CareerBuilder, Matt Ferguson.

Matt Ferguson: Thank you, Dave. Good morning, everybody.

In September CareerBuilder unveiled an exciting new look for our brand and an innovative tech company. We underscored our evolution from one of the top job boards to a leader in HR Software-as-a-Service. This transition has positioned us for significant growth. We will generate approximately $700 million in revenue in 2015 and we expect our revenue growth in 2016 to be in the low- to mid-single digits and reach double-digit growth by the end of 2017.

So what exactly is SaaS? SaaS is software that's delivered over the internet and businesses use SaaS across all the range of company functions, whether that's enterprise resource planning, marketing, finance, sales, and of course in human resources.

Salesforce is a great example of a SaaS company that provides CRM in the cloud. And now CareerBuilder is providing SaaS solutions to cover the entire recruitment process, from advertising all the way up to hire. If you look today, we have a wide range of software services that go with our advertising, including career sites, candidate relationship management, job ad distribution, work force analytics, applicant tracking system, and semantic search. The clients are very excited about all of these.

Through the first nine months of this year our human capital software solutions revenue was up 36% year over year and now represents 22% of total revenue at CareerBuilder, doubling over the last two years. And our software renewal rates for many of our software solutions are above 80%, and for some they're above 90%. We've made significant investments to drive this growth and take advantage of the fast-growing HR SaaS marketplace. We increased our technology headcount more than 50% over the last two years.

In 2012 we acquired Economic Modeling Specialists International, EMSI, economists' aggregate labor data from over 100 federal and local agencies to create the most comprehensive labor database in the United States and overseas. Their tools become indispensable for companies wanting to make smarter, long-term work force planning decisions, as well as short-term recruitment strategies.

In 2014 we acquired Broadbean, the leader in mass job ad distribution globally. They also have candidate sourcing and analytics software. Combining CareerBuilder with Broadbean, companies can now search resumes across all internal and external databases and professional networks in one single interface, something that had not been done before and is a huge improvement for recruiter efficiency.

In 2015 we acquired Textkernel, a cutting-edge software company that has mastered language patterns to decipher what employers and jobseekers really mean when they enter search terms so that both get the most relevant results. We call that Semantic Search. We can provide Semantic Search and matching capabilities in multiple languages, which is very difficult to do and is a critical differentiator for our company.

These acquisitions, on top of what CareerBuilder build from the ground up over the last two decades, have put our technology years ahead of the competitors. No one else in the industry can do what we do today.

While it's an exciting year, it's also one of transition in 2015. We expect our revenue to be roughly flat year over year when you exclude the impact of currency. We expected this as we moved away from some low-margin transactional revenue and focused on higher-margin platform solutions. For example, we'll see a year-over-year decline of $17 million in revenue, or about 2.5 percentage points, in 2015 in our employer services unit. We moved away from transactional offerings of sourcing and screening candidates to only focus on platform-based Source & Screen campaigns where we have longer commitments and we build software into those.

This platform Source & Screen business has grown sequentially over the last several months and we have a very strong pipeline of new business in platform Source & Screen. When you look we think that business should grow about $7 million in 2016 or about 1 percentage point. Therefore, just looking at the employer services business, we believe we'll see a 3 percentage point improvement in our revenue run rate in 2016 versus 2015, going from a $17 million revenue decline to a $7 million revenue growth.

We were also impacted in 2015 by moving several thousand low-margin transactional advertising accounts from our field sales force to a group that focused exclusively on these accounts. It was disruptive for many customers and some were no longer a fit. Fortunately, since that move in April the business has been flat sequentially rather than declining, but it's still weighing on 2015 results. If you remove the currency impact at the Source & Screen revenue and those low-margin transactional accounts we moved to the specialized group, our business is actually going to be up 4% in 2015 versus 2014.

Overall, we recognize the job business will continue to experience pricing pressure at the unit level in 2016. However, we've included that pricing pressure in our projections. We have a lot of opportunities to go after more job volume so the price per unit will be lower as we move into less skilled jobs. Moreover, we've seen good growth in our software solutions and our resume database in 2015 and we expect that to continue.

We believe we're through most of the transition and are set up for growth again in the coming year with a more seasoned sales force. We're going to spend $10 million to $15 million to grow our sales and technology team over the next six months. We'll also continue to pursue key acquisitions and roll out new software products in line with these trends, although we expect expenses to be up in the first half of 2016 over the last six months of 2015. We believe our continued investment in the business will lead to revenue growth in low- to mid-single digits in 2016 and 10% growth by the end of 2017. We're excited about new opportunities ahead as we break new ground in the industry that no one else is doing.

And now with that, I'd like to turn it over to Alex Vetter, CEO of Cars.com.

Alex Vetter: Thank you, Matt, and good morning. I'm happy to be here today as part of the TEGNA portfolio of companies and share with you a little bit about Cars.com and the exciting growth opportunity that we have as a business now that we've fully transitioned into singular ownership.

When I think about the history of Cars.com and the future that we have in front of us, there really are three distinct facets in the online automotive market. The first is the need to build a world-class database of available inventory to match with high-intention demand. Cars.com today has one of the largest databases of vehicles in the industry with over 4.1 million listings in our database.

You also need to be a leading marketplace site. You need to help provide consumers with world-class transparency around what they should pay. The vast majority of our audience is undecided both on make and dealer destination for their purchase and Cars.com not only has leading tools to help consumers arrive at what's a fair price, but we also have a team of world-class editorial experts that help curate the market in all measures of quality.

And last but not least, and perhaps most importantly, the movement into singular ownership has allowed us to strategically reinvest into the growth of our business by building world-class shopping experiences. Cars.com has always been known to be one of the most friendly websites that prioritize the shopper's needs first and foremost, but now we're allowed to invest in some of the changes that will position us for the road ahead.

But here's the really great news. We work and operate in a very big category. The US automotive advertising industry is a $21.5 billion TAM. But within digital alone there's $8 billion currently being spent in digital products and services. When you look at the market at a high level you would think that the new car market is where all the dollars reside at $5.3 billion spent digitally. But I'll ask everyone to look further to the right on this slide and see that the vast majority of spending comes in at the local dealer level with dealers representing over $6 billion in digital ad spend. Cars.com has spent the last decade building a world-class sales force of local digital media experts that are able to get into local stores and retailers and help them migrate their legacy advertising and traditional advertising solutions into much more profitable and efficient digital solutions.

And part of that shift we think has also enormous opportunities for growth. Today, when you look at manufacturers and dealers combined they're spending 38% of their budgets digitally. But if you contrast that to how consumers shop, there is nobody in America, very few, that buy a car today without first researching it online. In fact, 95% of all consumers cite the internet as the most influential source of information; not only on what to buy, but where to buy it. And because of our locally-entrenched sales force we're able to move local retailers budget allocations into these digital solutions. If you compare consumer usage, the average consumer is spending 14 hours of research online compared to only 5 hours of in-store time. So most of the online and the selling behaviors are moving completely digital and we're well positioned to capture that growth.

When you look at just franchised dealer spending, I'm happy to report that as part of TEGNA we represent over half of franchised dealers' most powerful marketing solutions. And as most automotive industry experts project that the auto market is going to continue to grow aggressively over the next two years, TEGNA is well positioned to capitalize both through our digital and broadcast properties. But we'll be shifting these dollars from less effective traditional solutions into our real-time digital transaction products.

When you look at our spend today, even though we've enjoyed tremendous success as a company that led to the successful sale of our firm into TEGNA, today our business only collects 3% of the available automotive market. When you contrast that to the amount of impact that Cars.com is having on the US automotive market, the latest research shows that over 40% of all vehicles sold in the US were both researched and found on Cars.com, contrasted to only 3% of the budget allocation. And we're working to develop new tools and technologies to help shift advertiser behavior and illustrate the impact that we're having on their business.

Importantly, our core business still seems tremendous upside for growth. We just passed this year over 20,000 dealers subscribing to the Cars.com products and services. That's in a total addressable market of over 50,000 retail locations. And in November, we had one of our largest gains in dealer participation of almost 300 dealers subscribing and joining to our platform. So our core business of adding new subscribers, we see continued growth in this market as well.

Over the last 10 years, we've transitioned our business from a wholesale-dependent market where we rely on third-party partners to bringing our revenues in house. We've aggressively built out our sales platform and our network and now are reaching into every local market, as well as working with every auto manufacturer. And over two-thirds of our revenues are coming into our business directly, only relying on a third of our business to come in through our wholesale channels.

In 2014, when we completed the transaction with TEGNA we had a major step up in our pricing that took place in October. For 2015 we'll be moving that pricing migration, an increase into January for the first quarter. So there'll be a one-time correction in our fourth quarter year-over-year revenues and then we'll move to a full-year fiscal calendar cycle for our annual rate increases.

To recap, we see tremendous opportunities for growth, first and foremost moving from 3% share of the automotive market to growing our positioning, and leveraging the strength that we're currently having in the market to, again, today over 40% of all vehicle sales using our platform to decide what to buy and where to buy it. With singular ownership, we're now strategically reinvesting in our product portfolio.

We're rolling out Event Positions which allows you to use the power of mobile technology to market to people during the last mile of car shopping. We're also aggressively investing to break into the service and repair category. Cars.com is the first to enter this market, helping consumers decide where they should get their car serviced. It's largely an untapped market that's historically occupied by direct mail. And then we're rolling out a sell-and-trade platform that allows consumers to quickly and efficiently get price quotes and trade-in values for their cars from local dealers.

And last but not lease, I'd be remiss to say that we're having an enormously successful year in 2015 and most automotive prognosticators are seeing continued growth in the seasonal and adjusted selling rate for dealerships across the country and with that growth we'll help them move their dollars and their investments into digital solutions.

Looking forward to taking your questions shortly and I'll turn it over to Victoria Harker, our CFO. Thank you.

Victoria Harker: Good morning, everyone.

As Gracia already mentioned, 2015 was an unprecedented year for TEGNA by almost any measure. Beyond a significant operating resource, you've already heard today, we've also made meaningful progress on our transformation journey with a successful integration of Cars.com and the separation of our publishing businesses, the culmination of hard work and relentless strategic focus over the past several years. As a result, 2015 was a terrific year for us on many fronts. Before we look ahead to next year, I'd like to briefly summarize our expectations for our financial results in the fourth quarter and the full year, some of which we outlined during our third-quarter earnings call as well.

Now let's briefly review the ongoing operating results for the fourth quarter. As a reminder, the numbers I cover today no longer include the Other Segment as substantially all of those businesses have been divested from the portfolio and are now accounted for in discontinued operations. This will impact the fourth-quarter revenue in the range of $50 million to $55 million. In addition, the gain from the sale of our headquarters building for approximately $90 million during the quarter will be reflected as a special item, not impacting EPS.

Based on current trends, we are very comfortable with first call EPS consensus, excluding the positive impact of the additional four days we have this quarter. As you'll recall, beginning with 2016 we're moving to a calendar year rather than the fiscal year we previously followed prior to the spin. As a result, this will extend the fourth quarter by about four days. To help calibrate this, when we report the fourth quarter numbers, we'll provide you with the impact this had on our results.

As Dave previously noted during our third quarter call, Media segment revenue is expected to be lower than the fourth quarter last year. This is largely driven by the anticipated absence of record non-presidential political revenue of nearly $92 million in the fourth quarter of 2014. Also in our third quarter earnings calls, we projected Media segment revenues to be lower, in the mid- to high-single digits percentages year-over-year. We are still comfortable with that range. However, it is important to note that, excluding the incremental impact of this record political advertising compared to the fourth quarter of last year, Media segment revenues are expected to be up by about 10% this quarter.

Now turning to our Digital segment. There we project that fourth-quarter revenues will be up slightly compared to last year on a pro forma basis due to the continued growth of Cars.com, in part offset by CareerBuilder's ongoing plans and strategic shift. As also mentioned during our third-quarter earnings call, we expect Cars.com revenues to increase in the mid-single digits over fourth quarter of last year. Keep in mind, as we previously discussed, when we took ownership of -- when we took ownership on October 1st of last year we implemented price increases at that time. This year affiliate price increases will not be implemented until the beginning of 2016, which costs about 3 percentage points of growth. We also project Cars.com revenues for the quarter will increase sequentially over the third quarter of this year, mainly due to strong organic growth in that business.

CareerBuilder's shift and focus to higher-margin and higher-growth software service products and foreign exchange impacts continue to impact the fourth quarter, impacting revenue by over $9 million. SaaS product penetration in new and existing clients continues to ramp, now comprising about 22% of Career Builder revenues.

Turning to our full-year 2015 results. For the full year, excluding $200 million to $220 million of revenue for the businesses that are now in discontinued operations, total company revenues for 2015 are projected to be over $3 billion, higher than last year by more than 15%. Again, despite the absence of record non-presidential revenues of $159 million and Olympics advertising of $41 million. Excluding the incremental impact of political and Olympic revenues last year, Media segment revenues would have been up by approximately 8% for the full year driven by continued growth in retransmission revenue and strong growth in Media segment digital advertising revenue.

Digital segment revenues are expected to be up by about 46% on a reported basis, or 6% on a pro forma basis. We project this will be partly offset by a slight decline in CareerBuilder's revenue year over year excluding the impacts of their strategic shift into SaaS products, as well as foreign exchange impacts. These impacts would have been -- caused CareerBuilder revenues to have been up by about 4% for the year. As a result, we project strong free cash flow of $500 million to $520 million for the year, reflecting our strong operating results of our solidly profitable segments with adjusted EBITDA estimated to be over $1 billion.

In terms of capital allocation, you'll likely recall earlier this year we successfully renegotiated and upsized our revolving credit agreement to $1.4 million. On October 1st we completed the sale of our TEGNA corporate headquarters building resulting in proceeds of $266 million, allowing us to accelerate share buybacks by an additional $75 million, increasing the share repurchase program to $825 million to be used of the original three-year program. These proceeds also allowed us to call $180 million of our 2018 notes during the quarter, which will save us about $30 million in interest cost savings through 2018. As a result, we expect to finish the year with a little over $4 billion in long-term debt, reducing our leverage ratio of about 3.9 times.

Our capital investments during the year reflect the same business priorities, including digital development, product integration and platform enhancements, as well as several real estate initiatives. Throughout 2015 about $95 million and $102 million was invested in capital projects with the majority of it supporting digital development and operational efficiencies. We know that our capital allocation strategy is very important to you. We're pleased to report that we've been able to return almost $266 million to shareholders through dividends and share repurchases in the second half of this year. As of the year end we will have repurchased approximately 7.2 million shares for $190 million at an average price of $26.31.

As we look forward to 2016, as both Gracia and Dave noted, we expect it to be a banner year, particularly given the anticipated political ad spending. Although we are still in the early stages of the campaign cycle, we are projecting Media segment revenues to increase in the high teens to low 20% range with record political revenues in 2016 enhanced by our strong geographical footprint. We also anticipate record summer Olympic revenue as television viewership of the Rio games has been projected to reach record highs.

Beyond this we're also looking forward to 2016 as a great year of opportunity within our portfolio of businesses. We're pleased with the 10%-plus revenue growth projected at Cars.com, which ramps with normal seasonality. We expect CareerBuilder to drive low- to mid-single digit revenue growth in 2016 through the adoption of their SaaS-based suite of products, which also continues to ramp throughout the year. These strong Media and Digital revenue drivers across the segments will all meaningfully contribute to total company revenue increases in the low to mid-teen range year over year.

On the cost front we expect total company expenses to be up in the range of 7% to 9% driven by the higher revenues as we expand into richer content and broader product suites across all of our businesses, as well as increased programming costs, including the newly-negotiated affiliation agreements during the second half of this year, as well as digital sales growth initiatives within the Media segment. Beyond this, as previously discussed, we'll invest $10 million to $15 million in additional sales and distribution at CareerBuilder to grow the suite of products there.

And as a reminder, at headquarters we're not paying rent for the 18 months of leaseback for office space, but we will record non-cash rent expense as required by GAAP which adds about $7 million to corporate expense for the year which we project we'll exit 2016 at a $55 million run rate as we previously noted.

All in, we project total EBITDA margins to be in the range of the mid to high 30s, at the high end of the range provided to you on investor day in June.

Capital expenditures for 2016 are expected to be in the range of $85 million to $95 million, about $10 million lower than 2015 due to fewer real estate projects. Once again, we expect over two-thirds of our capital to be invested in online digital infrastructure and automation.

For 2016 depreciation is projected to be approximately $90 million to $95 million, largely flat year over year. Amortization of about $110 million to $115 million is projected to be slightly lower than 2015, largely driven by the acquisition of Cars.com.

As previously discussed, the tax rate is anticipated to be roughly in the 35% to 36% range.

Overall, we're very pleased with our continued progress and the financial results in 2015 and we look forward to the opportunities in 2016.

Janine Shelffo: We can give you a real quick farewell but we have run out of time. It's been a really comprehensive presentation and we appreciate it, but unfortunately, no time for Q&A this afternoon. Thanks.