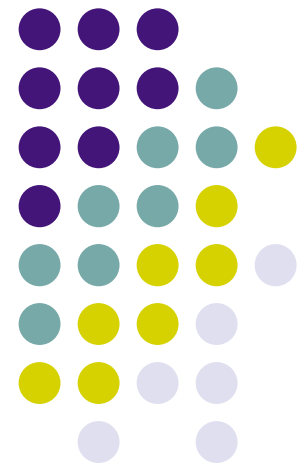


Industry Collaboration

Multimedia Key Executives Conference
February 21, 2011





Why Industry Collaboration

- Need to build scale, quickly
- Facilitate cross-market opportunities
- Leverage collective editorial, sales and marketing clout
- Avoid duplication of efforts across companies



Call to Action



I'm hopeful we can identify one or two common issues, gather a coalition of willing industry participants, discuss appropriate action and then, at the end of the process, act.

*-- Mark Contreras
Chairman,
NAA Board of Directors*



Overview of shortlisted collaboration opportunities

Areas for potential industry collaboration

Advertising (print, online, and mobile)

- 1 Advertising business practices (print and digital)
- 2 Newspaper capability database
- 3 Aggregated customer database
- 4 Cross-newspaper media placement agency
- 5 Shared creative marketing services to advertisers¹
- 6 Collaborative preprint effort

Online and mobile

- 7 Shared customer registry and pay-wall (“EZ pass for newspapers”)
- 8 Industry-wide online/mobile newsstand (“iTunes for newspapers”)
- 9 Shared effort for local content re-aggregation¹
- 10 Standards for mobile content distribution
- 11 Shared mobile application templates

12 Industry promotion (larger-scale)

13 Digital IP Rights Agency

NAA role

Potential extensions of NAA role

- A Systematic best practices research and sharing

New activities within current NAA role

- B Standard metrics for advertising effectiveness (ROI, etc.)

Current activities within current NAA role

- C Research on advertising effectiveness (print, online, mobile)
- D Industry promotion (current scale)
- E Influencing public policy for IP protection

¹ Not part of original survey, but added during the interview phase



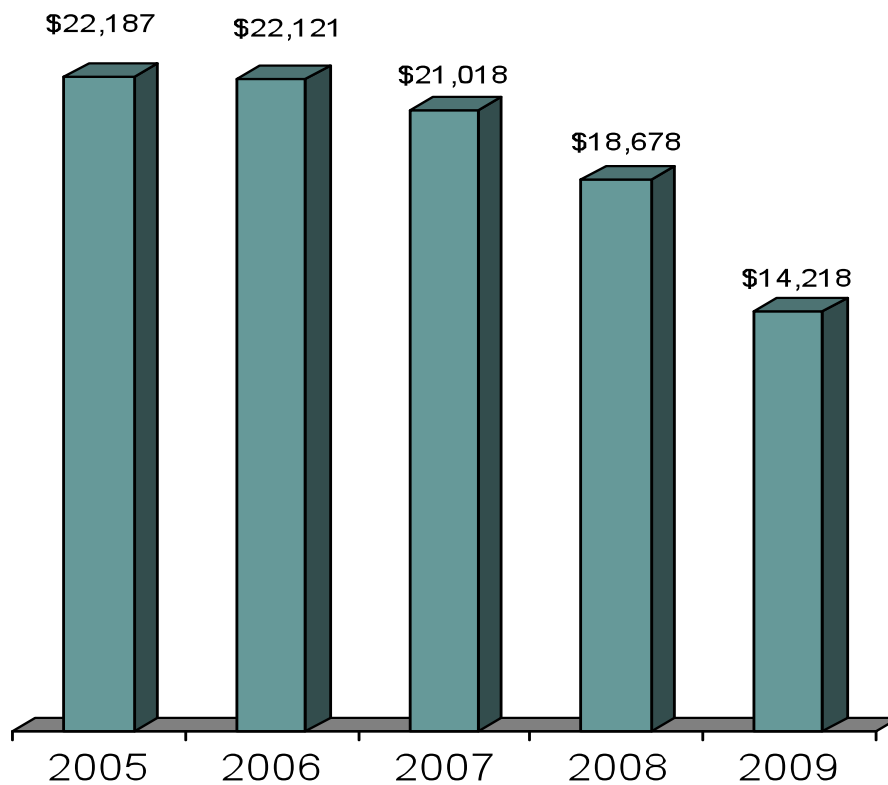
Summer 2010: Four Opportunities Emerge

1. Intellectual Property Protection
 - News Licensing Group
2. Mobile Standards and Sales
 - Best practices, sales coalition
3. Industry Promotion Campaign
 - Promoting strength of audience
4. Digital Solutions for Retailers

Retail: What's at Stake?



Newspaper Retail Advertising Expenditures
(in millions)



- In 2009, retail was 52% of total ad expenditures
- Preprints represent 30 – 40% of retail



Context: Advertiser Perspectives

- Preprints continue to be an effective marketing tool for retailers
- However, concerns about high rates, declining distribution, lack of more granular targeting
- Many major preprint buyers would like to drop preprints in 3-5 years
- Digital is providing better targeting, increased engagement, measurability at lower cost
- Newspapers not responsive, not moving fast enough



Step 1: Coalesce around 2-3 platforms





Step 2:

Agree to business practices across platforms

- Standard advertising elements (banners and rich media)
- Standard ad placement and guarantees
- Revenue model, commissions
- Back-end fees

Step 3: Agree on sales channel



Role:

- Build awareness for platforms and other channels among national retailers
- Evangelize newspapers' value proposition
- Offer national retailers scale across markets
- Efficiently sell into a network of sites built on 2 – 3 of these shopping platforms.



Other Issues to Address

- Brand
- Marketing
- Governance



Next Steps



- Convene at MediaXchange on retail sales channel and mobile
- Identify other possible collaborative initiatives