



MCCLATCHY

a d v e r t i s i n g

McClatchy Overview

- Based in Sacramento, California
- Founded in 1857 during the California gold rush
- Expanded into the Central Valley in the 1920's
- Purchased Knight Ridder in 2006
- Today we operate 28 Newspapers from Miami to Tacoma

Production Operations

- Each paper was independently operated until the late 2000's
- Some centralization and consolidation for Production and Audience took place beginning in 2010
- Fully centralized in 2015
- Partnered with our Audience departments to streamline operations
- Independent audit with FTI in 2014/15. Heavy emphasis on benchmarking and delivery metrics

Changing business model & Innovation

- Focus on digital first for news operations, shying away from breaking stories in print first
- Print is used for long form journalism
- Unencumbered production and delivery from tight focus on late deadlines
- Focus on reducing expense structures, consolidation and in some cases outsourcing

Print Sites

- As of 2016
 - 18 of 28 newspapers are printed at sister papers or print partners
 - 3 Flexo print sites were shut down this year. Wichita, Raleigh and Fresno.
 - Lexington moved printing to Louisville
 - San Luis Obispo moved to Santa Maria

Print Deadlines

- New news model has allowed early deadlines
- The early deadlines have allowed production, trucking and distribution savings by allowing larger carrier routes
- The earlier deadlines have opened the radius of potential print sites

Outliers

- Distance between print site and home market
 - Wichita is 196 miles from Kansas City
 - Fresno is 167 miles from Sacramento
 - Hilton Head is 152 miles from Columbia
 - Macon is 166 miles from Savannah

Print Deadlines

- The daily last page deadline from news:
 - Fresno 7:30
 - El Nuevo 8:15
 - Merced 8:45
 - Modesto, Columbus, Wichita 9:00
 - Sacramento 9:15
 - Charlotte, Hilton Head, Raleigh are 10:00 pm

Print Deadlines

- Newspapers with later print deadlines are driven by the requirement to hold trucks/carriers for Partner Paper delivery for national publications and regional relationships
- Content feedback is driven by delivery issues
- SLO was our first paper to move early and has done an outstanding job with breaking news emails for city council meetings and late sports

Investment

- Over three years McClatchy will invest nearly \$15 million in print and infrastructure
- Primary players are:
 - Raleigh – Urbanite
 - KC – Controls and infrastructure
 - Columbia – Inserters and infrastructure

Raleigh Urbanite

- Partnered with Impressions World Wide for 25 Unit Urbanite running three wide
- Fast tracked project due to selling downtown building
- Up and running this summer
- On edition with continued focus on training former Flexo operators to new technology and work environment and shaking bugs out of the equipment

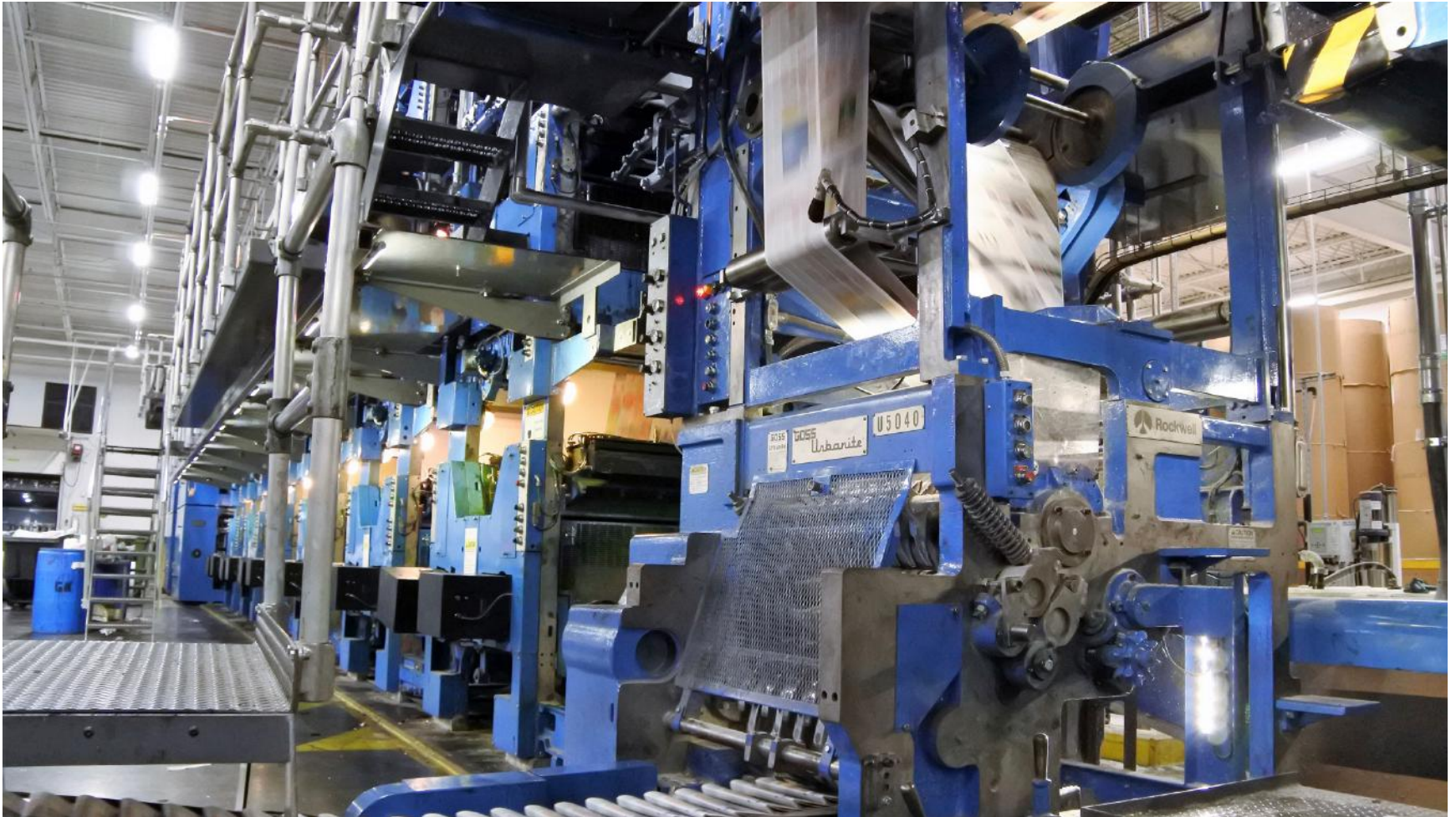
Raleigh Urbanite



September 24

ING Orlando 2016

Tuesday's paper



Regional Print Hubs in McClatchy

- Kansas City Commercial Print Customers

The Lawrence Journal-World

The Topeka Capital-Journal

The Wichita Eagle

The Wall Street Journal

Gannett's USA TODAY

Gannett's Sports Weekly

The University Daily Kansan (

The Shawnee Dispatch

Price Chopper

Mi Raza

KC Autos Magazine (

Kansas City Health & Wellness

Kaw Valley Senior Monthly

Evolving

Kansas City Sports & Fitness

Vanderbilt's

Regional Print Hubs in McClatchy

- Sacramento Bee Commercial Printing

The Fresno Bee

The Modesto Bee

The Merced Sun

Grass Valley Union

O'Brien's

Village Fresh

The Dixon News

Fugitive Watch

Sacramento Health and
Fitness

Regional Print Hubs in McClatchy

- Miami Herald Commercial Customers

The Wall Street Journal

The NY Post

Seminario Argentino

El Pais

El Clarin

Estrella De Nicaragua

Brazilian Gazeta

Family Journal

City of Pembroke Pines

Achei USA

Doral News

The Doral Times

Le National

El Vocero

Ciudad Doral

Ciudad Weston

The Miami Pioneer

The Key Biscane Pioneer

El Especialito

Diaro Las Americas

Entre Semana

El Heraldo de Espana

Regional Insert Hub

- Columbia SC
 - Moved two MMMS 3000's and one MMMS 2000 into Columbia
 - All the machines were upgraded and the 2000 got total make over
 - Invested in new infrastructure and updated building with new roof, lighting, loading dock...
 - Pushing \$2 million in total investment
 - Inserts Columbia, Charlotte, Rock Hill and Hilton Head

Wrap up

- Questions