



POST-NEWSWEEK
STATIONS, INC.

Shareholders Day

September 11, 2009



AGENDA

- **Post-Newsweek Today**
- **2008 / 2009 Results**
- **Our Future**



**GREAT EVERY
TV. DAY!**



**POST-NEWSWEEK
STATIONS, INC.**

WE EXPECT

Leaders with:

- Viewers**
- Clients**
- Community**

Video in Progress

VIEWERS

- **IMPORTANCE** of local station to Community
- **IMPACT** of local Journalism
- **CONNECTION** of Great anchors with viewers

Video in Progress

Impressive Revenue Shares

KSAT San Antonio	32.1%
WJXT Jacksonville	25.9%
WDIV Detroit	25.3%
WPLG Miami	23.2%
KPRC Houston	17.4%
WKMG Orlando	15.3%

2nd Quarter



Set the bar higher!

- **Re-Examine**
- **Re-Energize**
- **Re-Commit**



Three New GM's since last summer:

WDIV – Marla Drutz

WKMG – Skip Valet

WJXT – Bob Ellis

Changed National Rep Firm December 2008

- **Higher National Revenue shares**
- **More Political Revenues expected**
- **Positive results already**



A few station updates since we last met:

WJXT - Jacksonville

WPLG - Miami

WDIV - Detroit

WKMG - Orlando



History:

- No longer network affiliate

Became Independent 2002

- Doubled amount of news

8 + hours/day



New General Manager April 2009

1 in every newscast!!! HHs & Demos!

1 or 2 in all non-prime syndication

1 Sign-on / Sign-off

Beating all network competitors!

Remarkable Story!



- **Building was in hurricane flood plain**
- **Oldest facility**
- **Sold at market peak, 2007**



- **New Building --
Completed move, June 2009
In time for digital transition**
- **Just over Broward line, industrial park**



POST-NEWSWEEK
STATIONS, INC.



POST-NEWSWEEK
STATIONS, INC.



- **Was the Strongest NBC affiliate in top 25 markets**
- **Had lost momentum in ratings and revenue**
- **New General Manager, August 2008**



Coming back to be #1

Noon News	+30%
4 PM News	+36% = #1 (tied w/Oprah)
5 PM News	+10% = #1
6 PM News	+33% = #1
11 PM News	Dominant #1 <i>(nearly out delivering our 11 PM competition combined)</i>

July



- **New General Manager, March 2009**
- **Series of program and staffing moves**

4:00P	4:00 News	Extra
4:30P	Inside Edition	Inside Edition
5:00P	5:00 News	Dr. Phil
5:30P		
6:00P	6:00 News	The 6:00 News Hour
6:30P	CBS Evening News	
7:00P	Dr. Phil	CBS Evening News
7:30P		Inside Edition

4:00P	4:00 News	Extra
4:30P	Inside Edition	Inside Edition
5:00P	5:00 News	Dr. Phil
5:30P		
6:00P	6:00 News	The 6:00 News Hour
6:30P	CBS Evening News	
7:00P	Dr. Phil	CBS Evening News
7:30P		Inside Edition

4:00P	4:00 News	Extra
4:30P	Inside Edition	Inside Edition
5:00P	5:00 News	Dr. Phil
5:30P		
6:00P	6:00 News	The 6:00 News Hour
6:30P	CBS Evening News	
7:00P	Dr. Phil	CBS Evening News
7:30P		Inside Edition



4:00P	4:00 News	Extra
4:30P	Inside Edition	Inside Edition
5:00P	5:00 News	Dr. Phil
5:30P		
6:00P	6:00 News	The 6:00 News Hour
6:30P	CBS Evening News	
7:00P	Dr. Phil	CBS Evening News
7:30P		Inside Edition



WKMG PROGRAM CHANGES

4:00P	4:00 News	Extra
4:30P	Inside Edition	Inside Edition
5:00P	5:00 News	Dr. Phil
5:30P		
6:00P	6:00 News	The 6:00 News Hour
6:30P	CBS Evening News	
7:00P	Dr. Phil	CBS Evening News
7:30P		Inside Edition



Ratings Increases - 08/09 vs 07/09

6AM News

+56%

6PM News

+25%

Prime

+12% = #1

11PM News

+36% = Tied #1

Momentum!



POST-NEWSWEEK STATIONS

RESULTS

2008 VS 2009

Y-T-D Results through 06/30 (\$ Millions)

	<u>2008</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Revenues	160.5	127.8	(32.7)	(20%)
Expenses*	<u>(100.3)</u>	<u>(95.2)**</u>	<u>5.1</u>	<u>5%</u>
Operating Cash Flow	60.2	32.6	(27.6)	(46%)
Cash Flow Margin	37.5%	25.5%	(12.0)%	

**Non-GAAP measure*

***Includes increase in bad debt expense for Auto Bankruptcies*

Leader in Cash Flow Margin

- **Probably 2nd this year**
 - Effective Cost cutting but**
 - no furloughs**
 - no across the board pay cuts**
- **Head and shoulders above our peers**

COST- CUTTING

**10 % workforce reduction
(F-T & FTE's)**

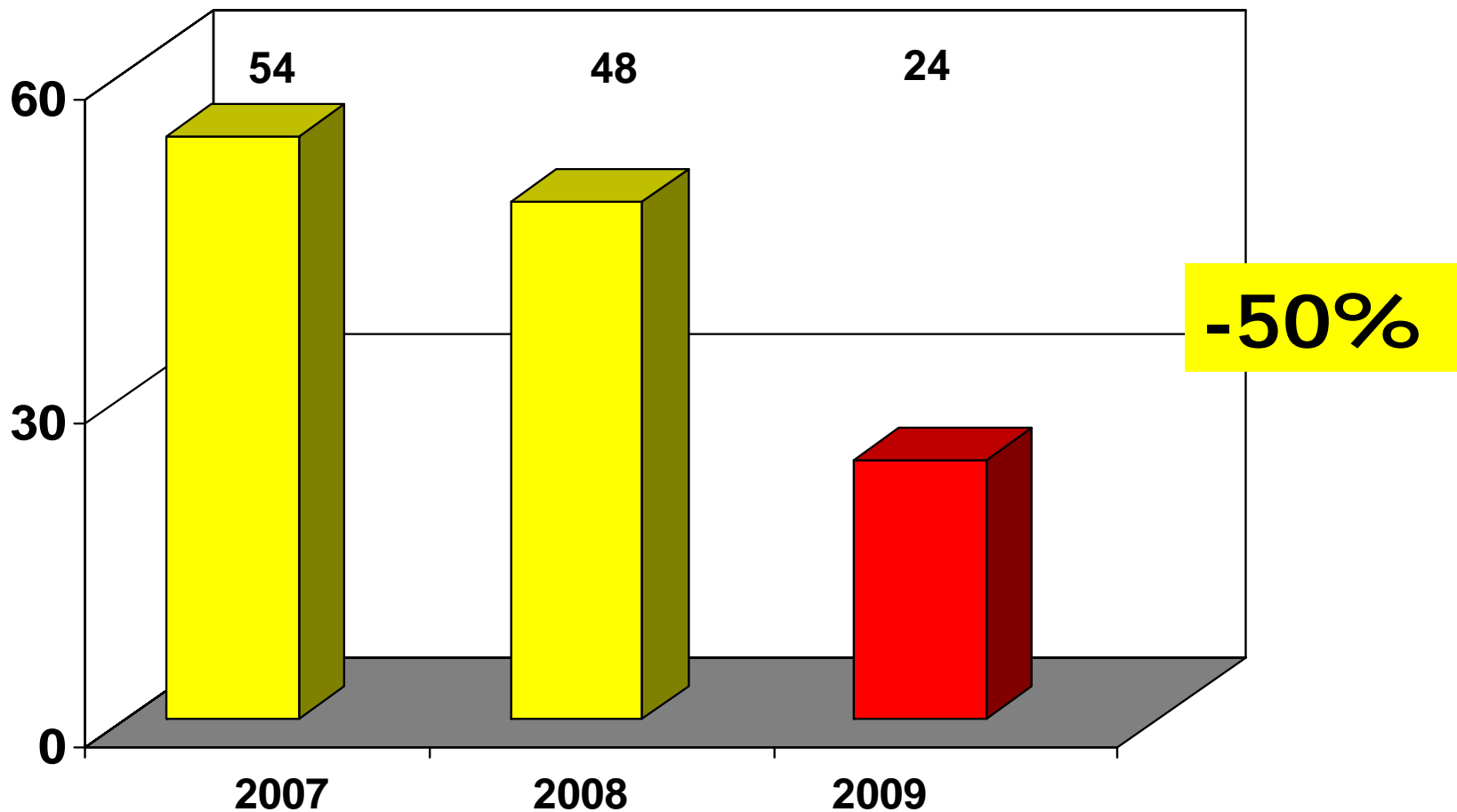


**Television stations weren't
immune to recession--**

**Auto and Retail Sales
Collapsed**

Stopped advertising

Auto & Truck Advertising Revenues (Gross) YTD June through June (\$Millions)

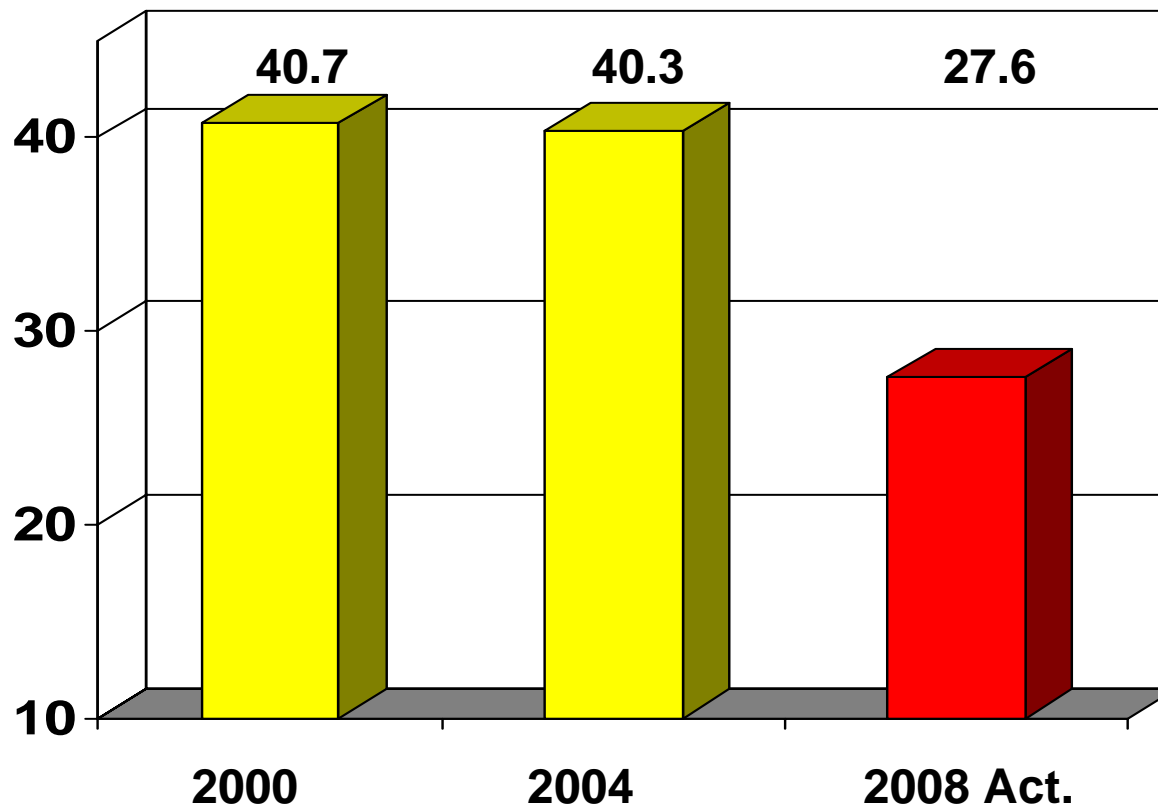


Michigan and Florida Economies

	<u>Home Price-Drop from Peak to 06/30/09</u>	<u>State Unemployment</u>
Detroit	-32%	15% *
Jacksonville	-27%	10%
Miami	-44%	10%
Orlando	-44%	10%

**Detroit = 30%*

Political Revenue – Presidential Races (Gross) (\$ Millions)





THE FUTURE OF TV

Great Stations in Great Markets!



TV Watching at All-Time High!

February 23, 2009 - Nielsen

Average American watches TV **151 hrs/month**

- **DVR HH usage –
another 7 hours/month**
- **Plus 3 hours online video/month**
- **Plus 4 hours/month on mobile phones**

Guess which medium is as effective as ever: TV

2/23/09

“...a growing body of evidence which suggests not only that TV advertising still works, but that it may be working better than ever.”

“...study released by the Nielsen Co. –funded Council for Research Excellence...finding that TV remains the dominant medium even for reaching youth,...”

market tests may

“We haven’t seen a significant trend in the erosion of effectiveness of TV...but has seen a slight uptick in effectiveness in recent years.”

“TV advertising actually became more effective, not less, after 1995.”

“But the study also found volume lift for brands when they had any amount of TV vs. having none at all.”

by people and companies that have studied or made bets on advertising effectiveness for years find no evidence that all of the problems TV advertising faces have done anything to render it less effective.

A seven-figure ethnographic study due to be released next month by the Nielsen Co.-funded Council for Research Excellence from research firm Sequent and the Center for Media Design at Ball State University appears set to punctuate that point, finding that TV remains the dominant medium even for reaching youth, despite the inroads of digital and social media, according to a person familiar with the research.

If time shifting, ad skipping or clutter really were rendering TV less effective, then it should show up in marketing-mix analyses that

unit of Regis Group. “We haven’t seen a significant trend in the erosion of effectiveness of TV,” said Douglas Brooks of MMA. In fact, reports to clients each year regarding effectiveness, has seen an uptick in effectiveness in recent years.

MMA also has found a spillover effect for TV advertising on other media: About a third of the queries for brands studied by offline advertising agencies in 2008 were for TV—a higher proportion than in 2007, driven by online-display advertising, Mr. Brooks said.

Leonard Lodish, a marketing professor at Wharton and one of the authors of the 1995 “Why Advertising Works” study has discovered equally surprising results.

marketing professor Ye Hu.

One reason could be that commercial avoidance, fragmentation and clutter actually increased the reward from spending more. But the study also found a similar, if smaller, improvement since 1995 in volume

Why Do Companies Advertise?

- **To increase market share**
- **The only way to increase market share is to increase brand awareness**
- **TV is the best way to touch viewers and build brands**

Video in Progress



Video in Progress

Mobile

- **Part of various industry coalitions**
- **Standards now developed**
- **Business plans coming**

Risks – Short Term

Auto won't return ... not believable

Retail won't return ... not believable

Political won't be there ... not believable



Risks – Long Term

Local News won't attract younger viewers

Network / Affiliate relationship

Nielsen

Nielsen Measurement System

- **Monopoly**
- **But their business plan is built on 1980s computer technology!**

Nielsen

- **Local People Meters (LPM's)
in 24 Markets**

Must punch buttons every 42 minutes

- **Destroying Markets
HUT's off 30 – 40 %**

Miami Market

From July'08 to July'09 the four **6P** Anglo newscast ratings dropped 35%.

ADULT 25-54 M-F/6P-6:30P	July'08		July'09		July'08 vs July'09 % Diff	
	RTG	SHR	RTG	SHR	RTG	SHR
WPLG-ABC	2.1	7.7	1.3	5.3	-38%	-31%
WTVJ-NBC	0.8	2.9	0.6	2.5	-25%	-14%
WFOR-CBS	1.2	4.4	1.0	4.0	-17%	-9%
WSVN-FOX	3.1	11.5	1.8	7.2	-42%	-37%
	7.2	26.5	4.7	19.0	-35%	-28%

Miami Market

From July'08 to July'09 the four **11P** Anglo newscast ratings dropped 39%.

ADULT 25-54 M-F/11P-11:30P	July'08		July'09		July'08 vs July'09 % Diff	
	RTG	SHR	RTG	SHR	RTG	SHR
WPLG-ABC	2.8	7.1	1.5	4.4	-46%	-38%
WTVJ-NBC	1.3	3.3	1.1	3.1	-15%	-6%
WFOR-CBS	1.7	4.3	1.1	3.1	-35%	-28%
WSVN-FOX	2.5	6.4	1.4	4.0	-44%	-38%
	8.3	21.1	5.1	14.6	-39%	-31%

Nielsen

DVR's

If pause more than :25-secs not listed as "Live"!

Thus "Live" ratings don't count up to 40% of viewing that's completed on the same day!

Nielsen

- **Not protecting integrity of research**
- **Ratings have never been more suspect**
- **Destroying markets**

We believe we've seen the bottom

- **Advertising Revenue start
to return**
- **Cost structure in line**

Ready for the future!

The Future

I believe in Local TV

*I love our stations and
our markets!*





POST-NEWSWEEK
STATIONS, INC.