

# TV, digital operations give Gannett a boost

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A copy of USA Today is displayed in a newspaper vending rack in 2009 in San Francisco, California. USA Today owner Gannett said Friday that net profit surged in the second quarter on a strong performance from its television and digital properties and an improved print advertising climate.

USA Today owner Gannett said Friday that net profit surged in the second quarter on a strong performance from its television and digital properties and an improved print advertising climate.

The McLean, Virginia-based Gannett, the biggest US newspaper chain, reported a [net profit](#) of 195.5 million dollars for the quarter which ended on June 27 compared to 70.5 million dollars a year ago.

Revenue fell 1.6 percent to 1.37 billion dollars, slightly missing the target of 1.4 billion dollars set by analysts and sending Gannett shares down more than six percent in early trading on Wall Street.

"Advertising demand firmed during the quarter," Gannett chairman and chief executive Craig Dubow said. "Broadcast and digital revenues were particularly strong."

[Advertising revenue](#) in the publishing division fell 5.7 percent to 692.2 million dollars, but the fall was modest compared with last year, one of the worst ever for the US newspaper industry.

Like other US newspapers, Gannett has been grappling with declining [print advertising](#) revenue, falling circulation and the migration of readers to free news online. The company carried out a wave of cost-cutting last year slashing hundreds of jobs.

Broadcast revenue increased to 177.5 million dollars from 148.4 million dollars a year ago and digital revenue, which includes jobs site CareerBuilder, increased 9.7 percent to 252.2 million dollars.

Gannett meanwhile announced a local advertising partnership with Yahoo!.

"Working with Yahoo! will allow us to offer targeted advertising messages with unmatched local audience reach," Gannett president and [chief operating officer](#) Gracia Martore said.

Dubow said during a conference call with analysts that the [USA Today](#) news application for the iPhone, iPod Touch and iPad had been downloaded more than five million times.

He said it would remain free and ad-supported "at least through the third quarter."

The Gannett executives were also asked about experiments the company began on July 1 with charging readers for content at local newspaper

websites in Greenville, South Carolina, Tallahassee, Florida, and St. George, Utah.

"We're trying different price points, we're trying additional content in areas that we think add value to the community," Martore said. "We're going to gain a lot of insights into consumer behavior."

She said it was too early to come to any conclusions about the willingness of readers to pay for news online.

"I think three to six months down the road we will be much much better informed from a consumer perspective on paid content and what business models are sustainable," she said.

The Wall Street Journal is currently the only major US daily to charge readers for full access to the newspaper online but The New York Times has announced plans to begin charging readers early next year.

Gannett publishes 82 daily US newspapers and more than 600 magazines and non-dailies. It also has 23 US television stations and a British subsidiary, Newsquest, which publishes newspapers, magazines and trade publications.

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