

## ***An Interview with PAFET***

**Martha Duckert, *Cowles Media***

**Howard Finberg, *Central Newspapers***

**Jim Galli, *A. H. Belo***

**Christian Hendricks, *McClatchy Newspapers***

**David Lipman, *Pulitzer Publishing***

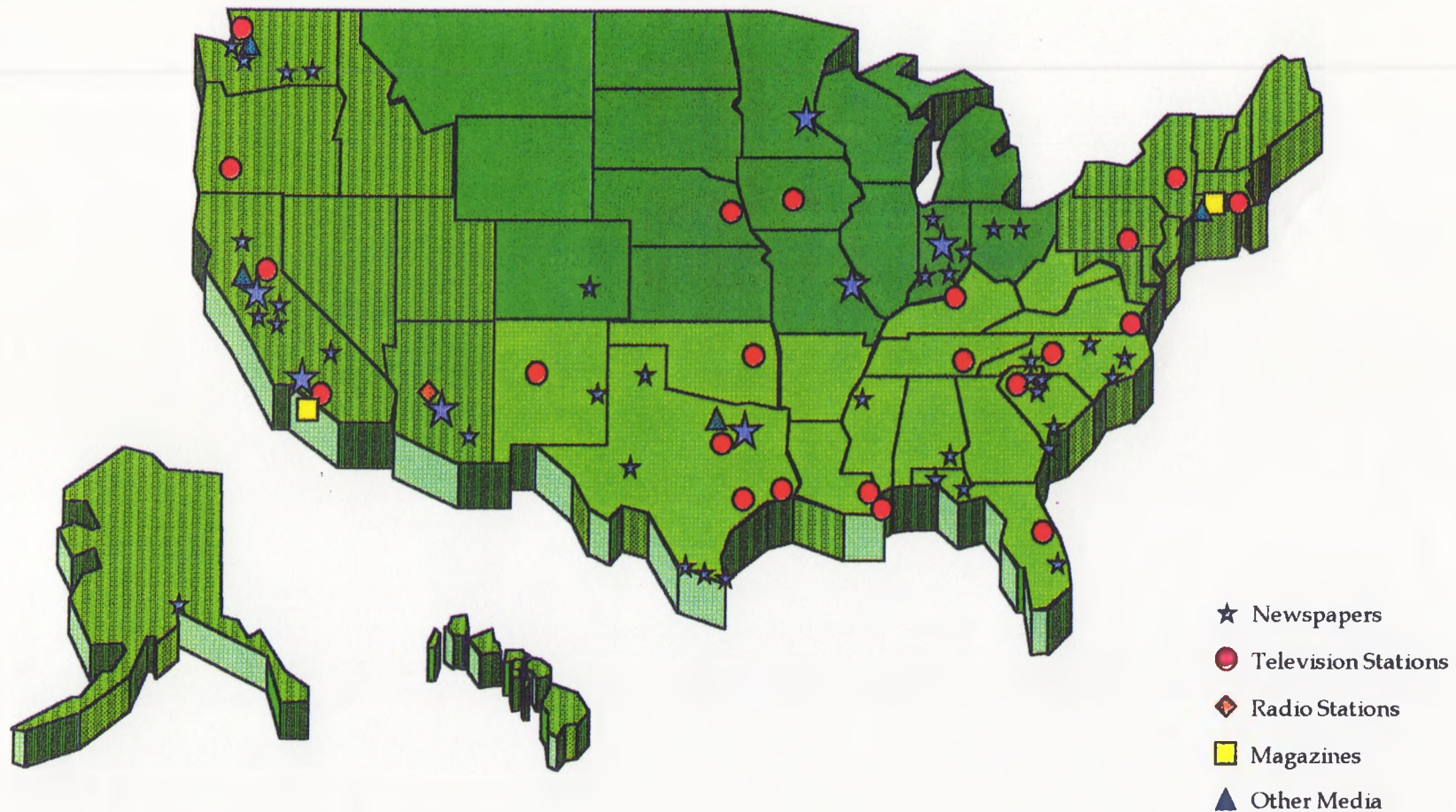
**Tom Porter, *Freedom Communications***

***Interactive Newspapers '95***

February 7, 1995

Dallas, TX

***PAFET member companies have interests across the United States...***



***Partners Affiliated for Exploring Technology (PAFET)  
is a research consortium of six media companies***

- **A. H. Belo** *(Dallas, TX)*
- **Central Newspapers** *(Indianapolis, IN)*
- **Cowles Media** *(Minneapolis, MN)*
- **Freedom Communications** *(Orange County, CA)*
- **McClatchy Newspapers** *(Sacramento, CA)*
- **Pulitzer Publishing** *(St. Louis, MO)*

***...and across a wide variety of media.***

	Newspaper	Magazine	Radio	Television	Cable TV	Other
<b>Belo</b>	●			●		●
<b>Central</b>	●					●
<b>Cowles</b>	●	●				●
<b>Freedom</b>	●	●		●	●	●
<b>McClatchy</b>	●					●
<b>Pulitzer</b>	●		●	●		●

*Each PAFET member company operates one or more large, metropolitan daily newspapers. Beyond that, we have a variety of useful and complementary media interests.*



***Together, PAFET represents the 8th largest media organization in the country (by revenue).***

1993 Revenues (\$M)

Rank	Company	Total Media Revenue	Newspaper / Magazine Revenue	TV & Radio Revenue	Cable TV Revenue	Other Media Revenue
1	Time Warner	\$5,719.4	\$2,070.4		\$3,649.0	
2	Capital Cities/ABC	\$5,512.3	\$897.0	\$3,882.3	\$733.0	
3	Tele-Communications Inc	\$4,153.0	\$0.0		\$4,153.0	
4	CBS Inc.	\$3,510.1	\$0.0	\$3,510.1		
5	Gannett Co.	\$3,472.0	\$2,844.0	\$397.2		\$230.8
6	Advance Publications	\$3,266.0	\$2,770.0		\$496.0	
7	General Electric	\$3,102.0	\$0.0	\$3,008.0	\$94.0	
8	Times Mirror Co.	\$2,681.9	\$2,211.5		\$470.4	
9	News Corp.	\$2,651.8	\$738.8	\$1,426.0		\$487.0
10	Knight Ridder	\$2,068.6	\$2,068.6			
32	A. H. Belo	\$544.8	\$335.6	\$209.2		
39	Freedom Newspapers	\$479.0	\$393.0	\$86.0		
40	Central Newspapers	\$466.6	\$466.6			
47	McClatchy Newspapers	\$433.7	\$433.7			
48	Pulitzer Publishing	\$426.9	\$290.1	\$136.8		
53	Cowles Media Co.	\$358.3	\$358.3			
8	PAFET	\$2,709.3	\$2,277.3	\$432.0	\$0.0	\$0.0

Source: Advertising Age

***Compared to other newspaper companies, PAFET represents the second largest newspaper group in the country, with a combined daily circulation of approximately four million.***

***PAFET was established to help member companies address the threats and opportunities of new media.***

***The mission of PAFET shall be to assist individual member companies in the development of mechanisms for presentation and marketing of information using new technologies, in order to help the member companies make better individual decisions concerning the future of their businesses.***

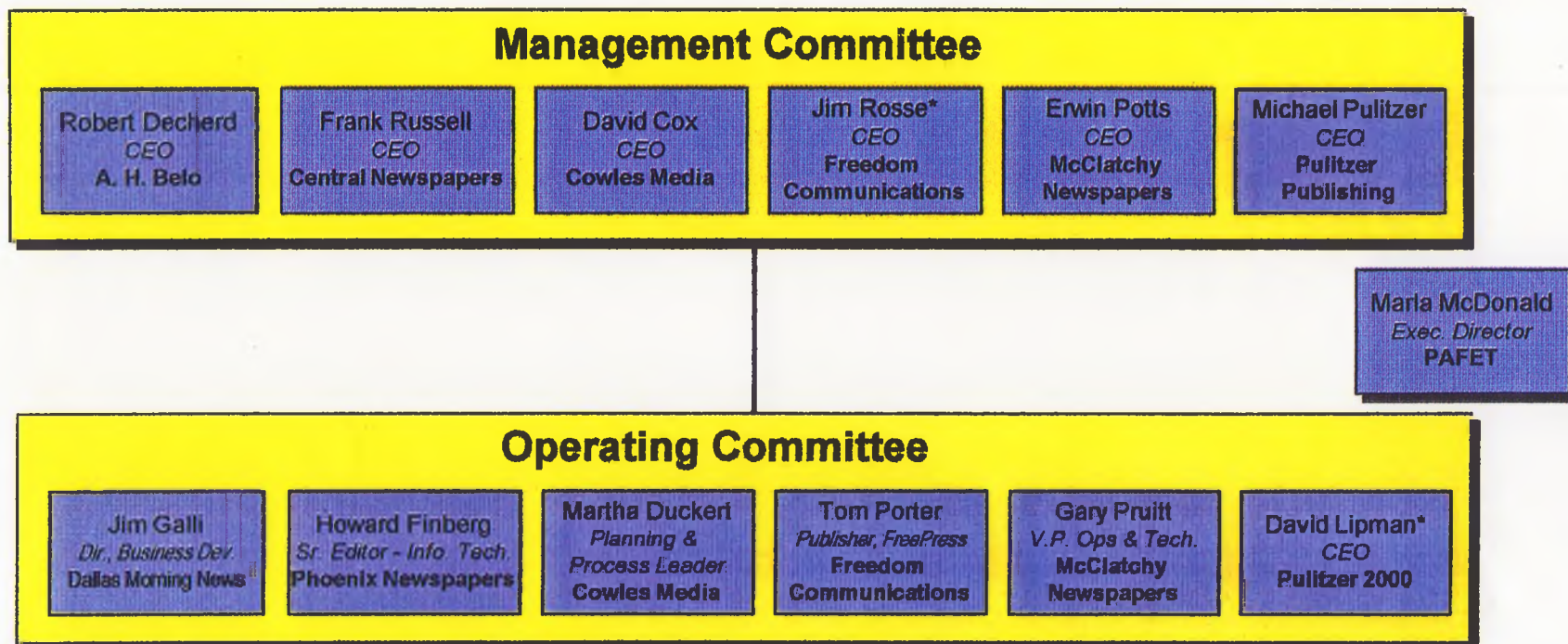
***PAFET is not intended to be a development or operating entity, but rather will provide information, experience and analytical support for the activities of its member companies.***

### ***Key objectives include:***

- ***Assessing the vulnerability of current newspaper market segments to products and services that employ emerging technologies;***
- ***Identifying opportunities to extend the current franchise through the application of emerging technologies;***
- ***Tracking key technology areas and developments that are changing the current competitive landscape;***
- ***Facilitating development activities at member companies based on the vulnerabilities, opportunities and technologies identified; and,***
- ***Leveraging PAFET resources to optimize the potential for creating new value-added products and services within member companies.***



***PAFET functions through an Operating Committee, consisting of representatives of each company.***



\* Committee Chairperson

***PAFET is a joint venture created under the National Cooperative Research and Production Act of 1993 (NCRPA), "to assist in the research and development, evaluation, analysis, testing, experimentation, demontstration, collection, exchange and production of new technology, applications, products, processes and services..." (PAFET Joint Venture Agreement)***



***PAFET focuses on emerging products/services at the intersections of key market and technology segments***

## MARKETS

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	ADVERTISING				INFORMATION SERVICES		
	Real Estate	Employment	Transportation	Retail	Content	Education	Visitor / Vacation
Online Services							
CD-ROM							
Wireless							
Television / Broadcasting							
Media Service							
Audiotex/Fax							

## ***During its founding year, PAFET focused on:***

- ***Defining objectives;***
- ***Forming a joint venture;***
- ***Developing an organization;***
- ***Establishing internal communications;***
- ***Identifying resources;***
- ***Learning to work together;***
- ***Defining PAFET's role relative to member company activities;***
- ***Applying group marketplace influence; and,***
- ***Identifying key market and technology segments for research and development activities.***

***Key initiatives planned for 1995 include:***

- **Conducting a multi-market study on online service consumers in our local markets**
- **Executing development projects in key technology areas (i.e. online, CD-ROM, etc.)**
- **Working with vendors to develop products and tools that support “repurposing” requirements in newspaper operations**
- **Sponsoring workshops to address developments in key market segments (i.e. real estate, employment, etc.)**
- **Tracking regulatory issues**
- **Monitoring key technology and market segments**