

Newspaper Acquisitions

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1st Quarter 2015 Report

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Resurgence: Public newspaper company landscape enters a new era

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Newspaper Trivia

Of these currently publicly-traded newspaper companies, which was the first to go public?

- A) Lee Enterprises
- B) Gannett Co.
- C) New York Times Co.
- D) McClatchy Company

Answer on page 3.



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New Media, BH Keep Growing

Alt weeklies also seeing increased deal activity

Newspaper deal activity kept up a solid pace in the first quarter, with five transactions involving daily newspapers.



The largest of these was the sale of Stephens Media to New Media Investment Group for \$102.5 million, bringing with it a new flagship for New Media – the Las Vegas Review-Journal. Some of the other active buyers in recent years, including BH Media Group, also made strategic acquisitions in the first part of 2015.

Elsewhere, longtime newspaper owner Rupert Phillips and his family re-entered the business with the acquisition of a group of newspapers in Missouri and Arkansas. And two deals involving alternative weeklies continued a trend toward changing ownership in this corner of the publishing world.

Viva Las Vegas

New Media kept up its torrid pace of newspaper acquisitions in the first quarter, closing on Stephens Media and its eight dailies and 65 non-daily publications in seven states.

The deal represented New Media's second transaction with Little Rock, Arkansas' Stephens family in recent months. Late in 2014, New Media paid \$280 million for Florida-based Halifax Media Group, which also was owned principally by Stephens family interests.

Stephens Media was anchored by the 127,000-circulation Las Vegas Review-Journal, which became New Media's largest newspaper ahead of the Providence (RI) Journal, the previous leader of New Media's pack, added in 2014.



In addition, the Stephens group included the Fort Smith (AR) Southwest Times Record, daily circulation 31,000; the Sherman-Denison (TX) Herald Democrat, daily circulation 19,800; the Asheboro (NC) Courier-Tribune, daily circulation 10,200; the Columbia (TN) Daily Herald, daily circulation 9,600; and three other dailies.

Following the deal, New Media owns 134 daily newspapers, more than other U.S. company. Since September 2013, New Media and affiliates have completed \$538.8 million in newspaper acquisitions. In public filings, the company says its goal over the next two years is to reach \$1.0 billion in acquisitions.

The Stephens family bought Donrey Media in 1993 to form the core of what later was renamed Stephens Media. Donrey had been built by Arkansas media owner Donald Reynolds.

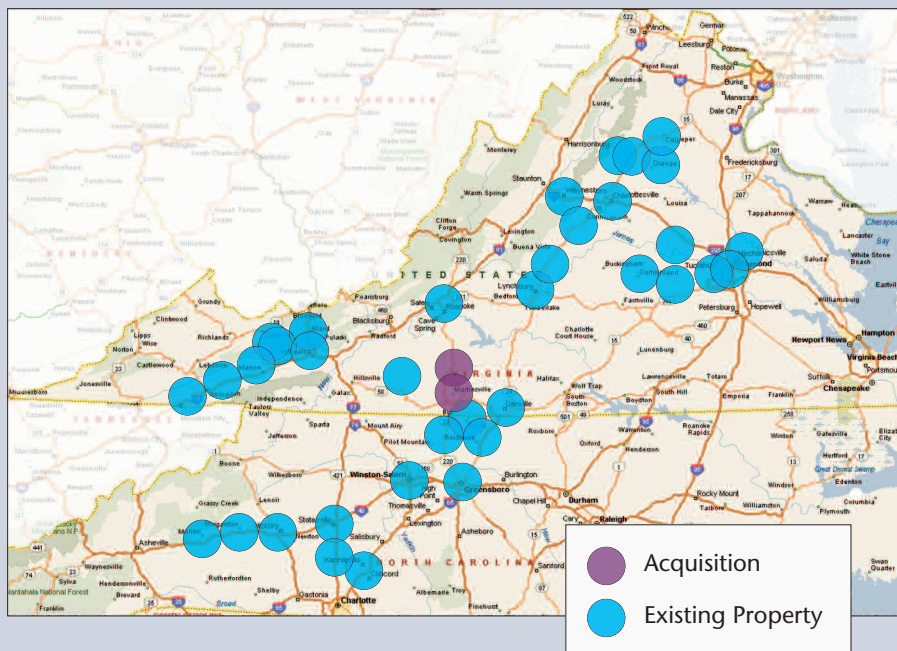
Need for Speed

The Martinsville (VA) Bulletin, home of NASCAR's Martinsville Speedway, joined the BH Media family at the end of March.

For BH Media, the 12,250-circulation daily and neighboring thrice-weekly in Rocky Mount, Virginia augment a region in which it already has a considerable presence. BH Media also owns the Roanoke Times, Danville Register & Bee and Lynchburg News &

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BH Media's Strategic Tuck-Ins



Advance in southwestern Virginia, as well as the Winston-Salem Journal, Greensboro News & Record and a number of nearby non-dailies in North Carolina, across the Virginia line. (See map).

The Martinsville Bulletin had been owned by the Haskell family since 1948. The late Elizabeth Haskell served in the cabinet of former Virginia Gov. L. Douglas Wilder and was a prominent figure in state and local politics.

Headquartered in Omaha, Nebraska, BH Media now owns more than 30 daily newspapers and related non-dailies in 10 states.

You Can Go Home Again



The Phillips family returned to publishing with the acquisition of a group of community newspapers in Arkansas and Missouri, as well as printing operations in Missouri and Oklahoma, from Community Publishers, Inc., based in Bentonville, Arkansas.

The group includes the Harrison Daily Times and Newton County Times in Arkansas, as well as several non-daily newspapers in the Springfield area of Missouri. In addition, the transaction includes commercial printing operations in Missouri and Nowata, Oklahoma.

The Phillips family has been involved in newspaper publishing since the 1970s, and previously owned newspapers in Arkansas and Missouri. Ryan Phillips, son of longtime newspaper owner Rupert Phillips, will head the new company, Phillips Media Group.

Community Publishers, owned principally by members of the Walton family, was founded in 1982 with the purchase of the Bentonville (AR) Daily Democrat.

Alt Activity

Changing ownership in the alternative weekly newspaper segment continued in early 2014 with several deals taking place.

Affiliates of Broad Street Media acquired the South Philadelphia Review and Philadelphia Weekly. Broad Street publishes a number of non-daily publications in the area, including the Northeast Times and Star in Philly, the Midweek Wire in Bucks County and others.



New Media, BH Keep Growing

Continued from page 2

The alternative weeklies had been owned by Review Publishing for 27 years prior to the sale.

Separately, Review Publishing sold its Atlantic City Weekly to BH Media, owner of the daily Press of Atlantic City. The 33,000-circulation free weekly covers arts and entertainment, casinos, nightlife and dining for the resort area.

More Alt Activity

Euclid Media Group, formed in 2013 with the acquisition of four alternative weeklies in major markets, added the Riverfront Times in St. Louis to its stable. The Riverfront Times had been owned by Voice Media Group, the nation's largest owner of alternative weeklies.

VMG had owned the St. Louis newsweekly since 1999, winning numerous national and regional journalism awards.

Euclid's other titles include the Cleveland Scene, the Detroit Metro Times, the San Antonio Current and the Orlando Weekly. (See map.)

In a separate transaction, Copperfield Publishing of Salt Lake City bought JH Weekly, a newsweekly serving Jackson Hole, Wyoming.

A number of other alternatives have changed hands over the past 12 months. Tribune Publishing bought the Baltimore City Paper. Also, Dan Pulcrano's Metro Newspapers acquired the Santa Cruz Good Times in California.

Veni Vidi Vici

The owners of the Marietta (GA) Daily Journal were the successful bidders for the neighboring Rome (GA) News-Tribune and weekly operations in a bankruptcy auction.

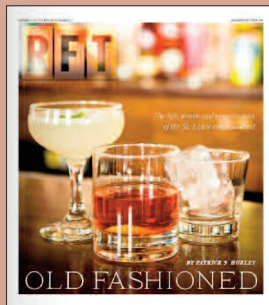
The deal included the daily News-Tribune, as well as weeklies in northwestern Georgia and eastern Alabama.

The Brumby family of Marietta, which has been in newspaper publishing since 1916, will take over from Burgett Mooney, III, whose family had been publishing the Rome newspaper since 1928. Mooney will remain a consultant as part of the transaction.

Newspaper Trivia Answer

B) Gannett Co.

Euclid Media Group Expands



- Acquisition
- Existing Property



The Rome News-Tribune is one of Georgia's oldest newspapers, first published in 1844. The Mooneys began acquiring the weekly newspapers in 1980.

El Centro Takes Center Stage

Schurz Communications sold the daily El Centro (CA) Imperial Valley Press and related publications to an investment group affiliated with the owners of the daily newspapers in nearby Yuma, Arizona, and elsewhere in California.

Also included in the deal were 12 weekly shopper publications covering numerous communities in California, Arizona and Nevada, including Yuma, Lake Havasu and Parker in Arizona and Riverside, Imperial and San Bernardino counties in California.

Schurz had owned the El Centro daily since 1966.

Other News

Northwest Arkansas Newspapers, jointly owned by WEHCO Media and the Stephens family, consolidated its five newspapers in the region into a single title – the Northwest Arkansas Democrat-Gazette. The individual newspaper nameplates will continue to be published as the second section of the new regional newspaper. ■

Scripps, Journal Communications Merger Signals New Era

The merger of E.W. Scripps and Journal Communications and spinoff of their combined newspapers on April 1 marked the latest step in a resurgence for publicly traded U.S. newspaper companies.

After falling in 2013 to just four, the number of public newspaper companies (defined as those with at least half of their revenue and profits coming from conventional newspapers) will reach eight later this year when Gannett's newspapers are separated from its broadcast and digital businesses.

Moreover, public newspaper companies are coming back into the acquisition game, after sitting on the sidelines for much of the post-2008 era.

Scripps and Journal Communications, both of which had the majority of their profits coming from broadcast television, agreed last year to merge their companies and create two separate public companies – one for television and one for newspapers.

The newspaper company, Journal Media Group, ticker JMG, has the Milwaukee (WI) Journal Sentinel as its

flagship, along with the Scripps portfolio of mid-sized daily newspapers, including the Memphis (TN) Commercial Appeal, the Knoxville (TN) News-Sentinel, the Treasure Coast operation in eastern Florida, the Corpus Christi (TX) Caller-Times and the Redding (CA) Record Searchlight, among others. Longtime Scripps executive Tim Stautberg was named CEO.

Journal Media Group is the 13th largest newspaper company in terms of daily circulation. The broadcast company, still called E.W. Scripps, is the nation's fifth largest independent television group.

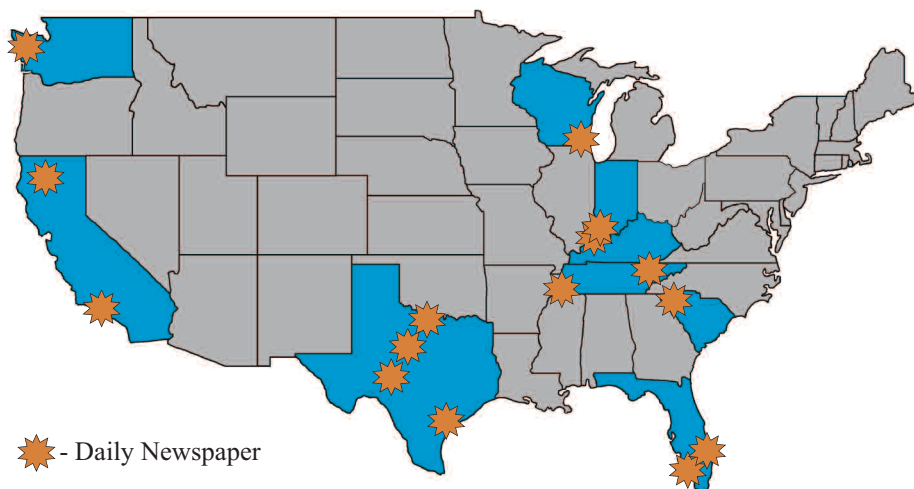
Newspapers emerged on the public company scene in 1963 when Dow Jones became the first to begin actively trading its shares. It was followed by Times Mirror in 1964.

By 1970, there were eight companies with active trading in the public markets: Dow Jones, Gannett, Knight Newspapers, Lee Enterprises, Media General, New York Times, Ridder Publications and Times Mirror. In addition, Michigan-based Booth Newspapers was thinly traded at that time – it later joined the list of actives – and Thomson, which owned U.S. newspapers, was traded on a Canadian exchange.

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Tim Stautberg, CEO



Public Company Milestones

1963

Dow Jones becomes the first newspaper company to go public.

1967

Gannett becomes the fifth owner of U.S. newspapers to go public.

1974

Two public companies – Ridder Publications and Knight Newspapers – merge, creating the largest newspaper group in the U.S. Owners of Ridder get \$96 million in Knight stock.

1976

Privately held Newhouse buys public Booth Newspapers and Parade magazine for \$305 million.

1979

Gannett moves ahead of Knight-Ridder as the largest U.S. newspaper company with the acquisition of the Green Bay (WI) Press-Gazette, San Rafael (CA) Independent-Journal and others. Gannett remains number one today.

1983

Tribune Co., owner of the Chicago Tribune and the Chicago Cubs, goes public.

1984

Investors headed by Harte-Hanks family owners and management take the public newspaper company private in a deal estimated at \$425 million. Harte-Hanks Communications' newspapers constitute the 25th largest group in the U.S.

1990

Journal Register Co. goes public; number of public newspaper companies peaks at 17.

1994

Private investors take Park Communications private in a deal valued at \$711.4 million. Park owned newspapers, radio and television, and the investors later make significant profits selling the media assets in separate transactions.

1995

Gannett buys Multimedia, a South Carolina-based public media company with holdings in broadcast television, cable television and 11 daily newspapers, including the Montgomery (AL) Advertiser, Greenville (SC) News and Asheville (NC) Citizen-Times.

2000

Tribune buys Times Mirror for \$7.2 billion; Gannett buys public Central Newspapers for \$2.8 billion.

2005

Lee Enterprises buys public Pulitzer for \$1.46 billion.

2006

McClatchy acquires Knight-Ridder for \$6.5 billion.

2007

Sam Zell takes Tribune private in the largest leveraged deal in the history of the newspaper industry; News Corp. acquires Dow Jones for \$5.5 billion.

2009

Journal Register enters bankruptcy; major creditors assume ownership.

2013

GateHouse Media enters bankruptcy with plan to restructure debt and re-emerge in a new public company.

2014

New Media Investment Group (which includes GateHouse) goes public; stock price appreciates with strong dividend payment and acquisition strategy.

2015

E.W. Scripps and Journal Communications merge, spin off newspaper assets as Journal Media Group.

New Era

Continued from page 4

The number of public U.S. newspaper companies peaked in the early 1990s at 17, then began a steady decline down to just four in 2013.

A number of factors led to the decline. Prior to 2008, numerous public newspaper companies were acquired, principally by other public companies though not always. In 2000, both Central Newspapers and Times Mirror were acquisition targets. In 2006, Knight-Ridder was bought by McClatchy.

In the post-2008 era, others, such as Journal Register Co., succumbed to bankruptcy due to excessive debt levels and were de-listed.

More significantly, however, several public newspaper companies saw their reliance on newspaper revenue and profits decline as the newspaper industry struggled and the companies made acquisitions in other industries – notably broadcast television and digital operations. This led to the removal, for example, of Gannett from the ranks of “newspaper” public companies in late 2013 when it bought the Belo broadcast television group. Scripps, Journal Communications and Media General, among others, also fell into this category.

The newspaper public company began making a comeback in February 2014 with the debut of New Media Investment

Group, which includes the formerly public GateHouse Media.

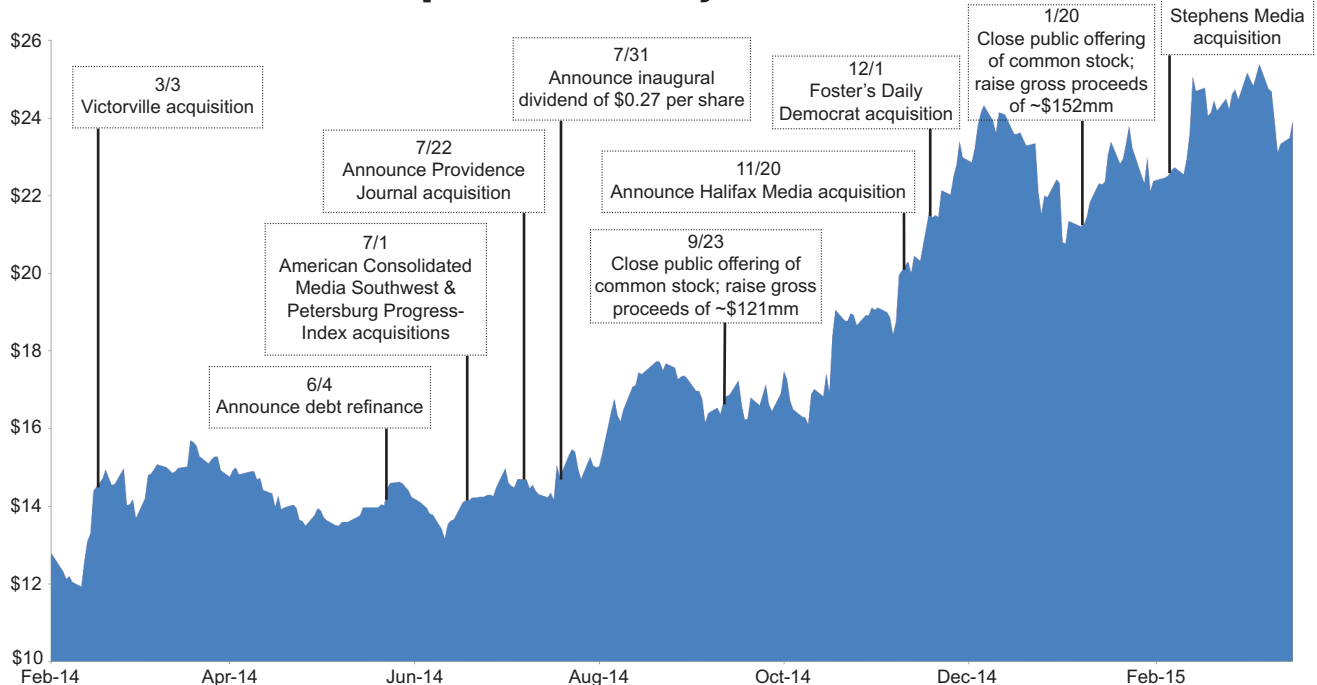
New Media, employing a model that includes a solid dividend, acquisitions and moderate amounts of leverage, has seen its stock price nearly double since going public. (See accompanying chart.)

Since then, a number of companies have chosen to spin off their newspaper assets into new companies. Tribune spun off Tribune Publishing later in 2014; Journal Media Group went public recently; and Gannett will create a new newspaper-centric company this year.

Both New Media and Tribune Publishing have made newspaper acquisitions (New Media being the more aggressive of the two). Journal Media Group and Gannett’s publishing company will have little or no debt at their starts and are expected to be looking to grow through acquisition.

Berkshire Hathaway’s BH Media Group also has been active in buying newspapers, adding to the number of newspapers owned by public companies in recent years. However, BH Media is not counted among the number of public newspaper companies because newspapers represent such a small part of Berkshire Hathaway’s holdings. ■

New Media’s stock price has nearly doubled

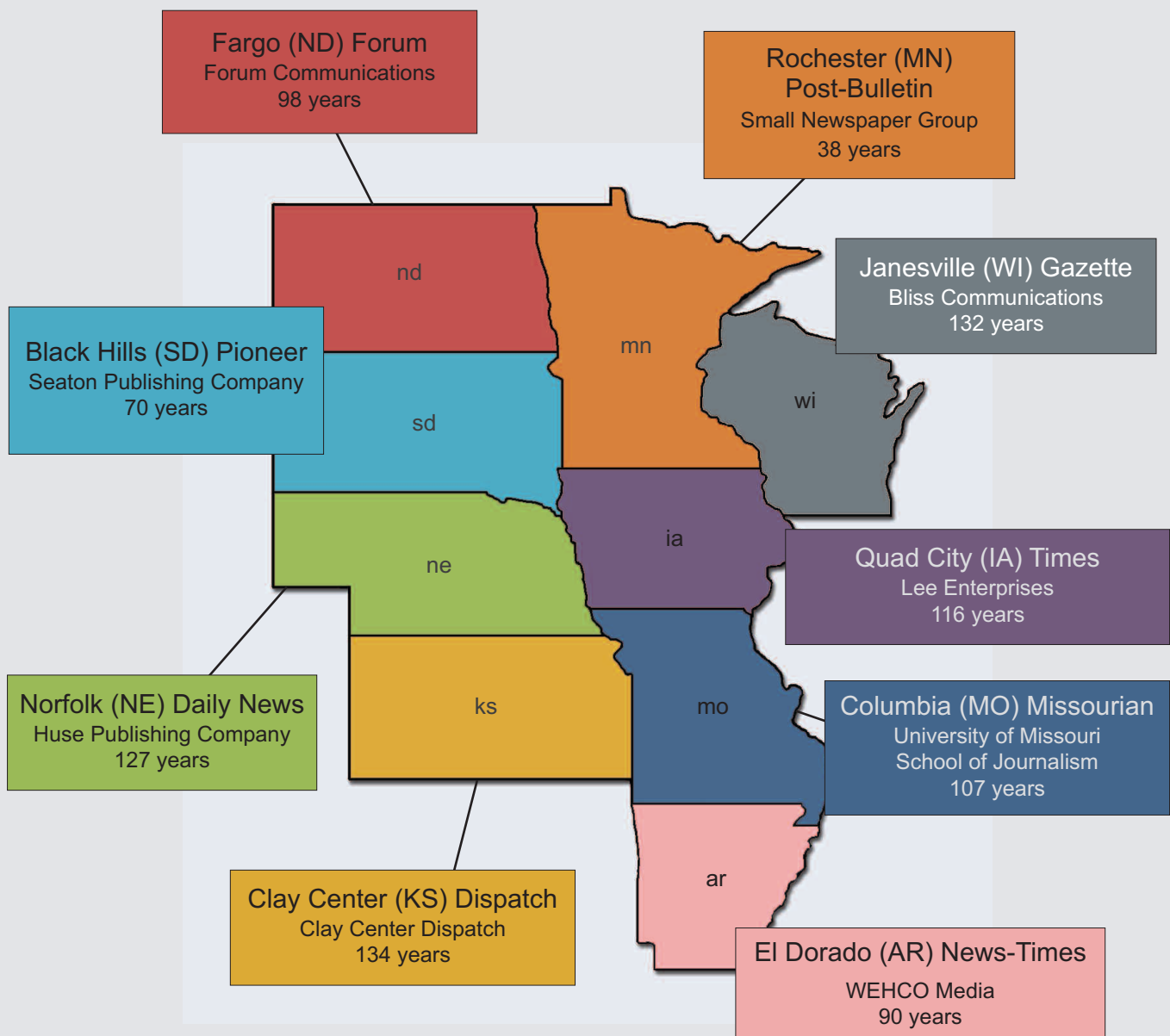


Longest-Owned Newspapers: Midwest Region, Part 1


This is the third installment of this feature, which looks at which newspapers have been owned for the longest periods of time. Last year we explored the longest-owned dailies in the southeastern and southwestern states, where 14 of the 17 longest-owned dailies were operated by families.

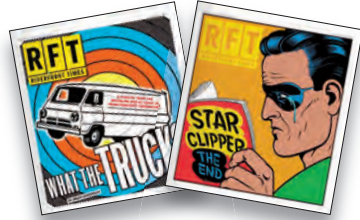
This quarter we explored the below section of the Midwest, where once again, families led the pack. Seven of the nine longest running owners are family-controlled companies: Small Newspaper Group, Bliss Communications, WEHCO Media, Clay Center Dispatch, Huse Publishing Company, Seaton Publishing Company and Forum Communications.


Until 2012, this list also would have included Iowa's Hladky family, who had owned the Cedar Rapids (IA) Gazette since 1883. However, the Hladky's transitioned the company to a 100% Employee Stock Ownership Program (ESOP) three years ago. Lee Enterprises then took over the top spot in Iowa with the Quad City Times





First Quarter 2015 - DV&M Deals

DV & M	<p>THE HASKELL FAMILY HAS SOLD</p> <p>MARTINSVILLE (VA) BULLETIN 12,250 daily distribution</p> <p>FRANKLIN (VA) NEWS-POST 5,100 tri-weekly distribution</p>  <p>TO BH MEDIA GROUP a subsidiary of Berkshire Hathaway</p> <p>We are pleased to have represented the Haskell family in this transaction.</p> <p>Dirks, Van Essen & Murray Santa Fe, NM t: 505.820.2700 www.dirksvanessen.com</p>
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DV & M	<p>VOICE MEDIA GROUP HAS SOLD</p> <p>RIVERFRONT TIMES 50,000 weekly distribution</p>  <p>TO EUCLID MEDIA GROUP</p> <p>We are pleased to have represented Voice Media Group in this transaction.</p> <p>Dirks, Van Essen & Murray Santa Fe, NM t: 505.820.2700 www.dirksvanessen.com</p>
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DV & M	<p>COMMUNITY PUBLISHERS, INC. HAS SOLD</p> <p>MISSOURI PUBLISHING GROUP 6 publications</p> <p>ARKANSAS PUBLISHING GROUP 2 publications</p> <p>and related commercial printing operations</p>  <p>TO PHILLIPS MEDIA GROUP, LLC</p> <p>We are pleased to have represented Community Publishers Inc. in this transaction.</p> <p>Dirks, Van Essen & Murray Santa Fe, NM t: 505.820.2700 www.dirksvanessen.com</p>
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DV & M	<p>REVIEW PUBLISHING LP HAS SOLD</p> <p>SOUTH PHILADELPHIA (PA) REVIEW 56,000 weekly distribution</p> <p>PHILADELPHIA (PA) WEEKLY 65,000 weekly distribution</p>  <p>TO BROAD STREET MEDIA, LLC</p> <p>We are pleased to have represented Review Publishing in this transaction.</p> <p>Dirks, Van Essen & Murray Santa Fe, NM t: 505.820.2700 www.dirksvanessen.com</p>
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DV & M	<p>REVIEW PUBLISHING LP</p> <p>ATLANTIC CITY (NJ) WEEKLY 33,000 weekly distribution</p>  <p>TO BH MEDIA GROUP a subsidiary of Berkshire Hathaway</p> <p>We are pleased to have represented Review Publishing in this transaction.</p> <p>Dirks, Van Essen & Murray Santa Fe, NM t: 505.820.2700 www.dirksvanessen.com</p>
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Okanjo Native Commerce

Turning content into commerce

Local media sites are the digital main streets of their communities — they are the trusted resource for local news, sports, business and community information. As consumers increasingly look online, local media companies are perfectly positioned to leverage their traffic and trust to create new revenue streams.

Features of Okanjo's Native Commerce Platform:

- Native Marketplaces
- Advertiser Storefronts
- ProductSense Related Products Widget
- Ad Commerce Shoppable Ads

Local eCommerce

One the most buzzed about and powerful ways media companies can build new revenue is to add eCommerce to their website.

At Okanjo, we are passionate about helping publishers own their local eCommerce. Local media sites have:

- 1) The traffic and trust that area businesses need to remain relevant and gain exposure.
- 2) The ability to leverage their content to drive sales for local businesses.

Okanjo's Native Marketplace delivers a “plug and play” shopping destination for a publisher's site. The Marketplace enables local media sites to offer safe and secure eCommerce storefronts to area businesses — effectively letting them lease space on their digital main street.

Featuring Products in Publisher Content

Once area businesses have loaded their products into the publisher's Marketplace, the real fun begins. Rather than keeping the Marketplace separate, Okanjo's Native Commerce platform enables publishers to automatically feature advertiser products next to related content on their site.

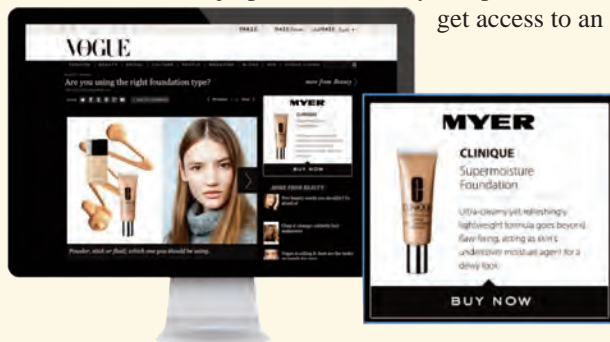
Okanjo's ProductSense widget contextually matches products in the Marketplace to content on the publisher's site. Relevant products are featured next to matching articles, allowing for visibility and purchase when a reader is most engaged.



Shoppable Ads

Most online media sites focus on monetization through display ads. These ads take a publisher's hard-earned traffic and send it away, off to the advertiser's website.

Okanjo's Native Commerce platform adds power to display ads by making them shoppable. When a user clicks the “Buy” button in an Okanjo-powered ad, they can purchase without ever leaving the page. The reader can buy instantly, advertisers get access to an action-oriented ad format and the publisher retains their traffic.



Shoppable Ads can be trafficked as both Native and IAB formats and ads work with written content, in video and on mobile.

With Native Marketplaces, Product Sense and Ad Commerce, Okanjo equips local media sites to build new revenue streams, maximize ad relevancy to the reader and increase engagement with the publisher. Okanjo's Native Commerce platform is available as an enterprise license, for more information please visit <http://okanjo.com/en> or contact sales@okanjo.com.