



Gannett Expands Broadcasting Portfolio with Agreement to Purchase Six Texas Television Stations from London Broadcasting Company

May 14, 2014

MCLEAN, Va., May 14, 2014 /PRNewswire/ -- Gannett Co., Inc. (NYSE: GCI) today announced that it has entered into an agreement to acquire six of London Broadcasting Company's television stations in Texas for \$215 million in an all-cash transaction. The acquisition includes KCEN (NBC) in Waco-Temple-Bryan, KYTX (CBS) in Tyler-Longview, KIII (ABC) in Corpus Christi, KBMT (ABC) and its digital sub-channel KJAC (NBC) in Beaumont-Port Arthur, KXVA (FOX) in Abilene-Sweetwater and KIDY (FOX) in San Angelo. The purchase of these stations further deepens Gannett's broadcasting presence in the high-growth state of Texas without any overlap of Gannett's current local broadcast and publishing portfolio.

Gracia Martore, president and chief executive officer of Gannett, said, "The addition of these stations will expand Gannett's reach into some of the fastest growing markets in the nation and furthers our successful transformation into a diversified multi-media company. With more than 70% of London Broadcasting's advertising revenues driven by local advertisers, this acquisition will provide us access to attractive new markets in which we believe our local digital marketing services group, G/O Digital, will thrive."

Gannett anticipates the acquisition to be accretive to EPS within the first 12 months. The new stations are expected to generate revenue of approximately \$50 million in 2014. The transaction is also expected to provide Gannett with certain tax efficiencies following the recent sale of assets associated with KMOV in St. Louis. Including expected synergies and the anticipated tax benefit, the purchase price implies a 6.7x average 2014/2015 EBITDA multiple.

The transaction is expected to close this summer, subject to regulatory approvals and customary closing conditions. The purchase price is subject to adjustment based on the net working capital of the stations at closing, and a portion of the purchase price will be held in escrow following the closing. After closing, Phil Hurley, London Broadcasting Company chief operating officer, will continue to lead the six stations. Hurley will report to Dave Lougee, president of Gannett Broadcasting.

Stephens Inc. is providing financial advice to Gannett on the transaction.

About Gannett

Gannett Co., Inc. (NYSE: GCI) is an international media and marketing solutions company that informs and engages more than 110 million people every month through its powerful network of broadcast, digital, mobile and publishing properties. Our portfolio of trusted brands offers marketers unmatched local-to-national reach and customizable, innovative marketing solutions across any platform. Gannett is committed to connecting people – and the companies who want to reach them – with their interests and communities. For more information, visit www.gannett.com.

Forward Looking Statements

Certain statements in this press release may be forward looking in nature or "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The forward looking statements contained in this press release are subject to a number of risks, trends and uncertainties that could cause actual performance to differ materially from these forward looking statements. A number of those risks, trends and uncertainties are discussed in the company's SEC reports, including the company's annual report on Form 10-K and quarterly reports on Form 10-Q. Any forward looking statements in this press release should be evaluated in light of these important risk factors.

This press release contains a discussion of certain non-GAAP financial measures that Gannett presents in order to allow investors and analysts to measure, analyze and compare its financial condition and results of operations in a meaningful and consistent manner. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures can be found in Gannett's publicly available reports filed with the SEC, all of which are available through the investor relations portion of our web site.

Gannett is not responsible for updating the information contained in this press release beyond the published date, or for changes made to this press release by wire services, Internet service providers or other media.



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