

cribb greene **Report**

*A report on newspaper merger
and acquisition activity*

Cribb, Greene Publisher Confidence Survey
Montana: 406-579-2925 · Virginia: 434-227-0952

October 2013

Although far from giddy, newspaper executives are optimistic

Publisher Confidence Survey results positive for the coming year

Responses to the Fall 2013 Cribb, Greene Publisher Confidence Survey point to a much stronger forecast from newspaper executives on the near-term future. One hundred and thirty newspaper publishers/executives completed the 2013 Survey with over 60% owning both daily and non-daily papers and the balance owning only non-dailies.

In particular is a strong decrease in executives who believe that the local economy in their markets is declining - down by over half from 13% in 2012 to 6% in 2013 who believe their markets are down. Those who think their market economies are improving continued at 40%.

Executives who think next year's bottom line will be higher than this year is up from 52% in 2012 to 56% in 2013; however those who feel advertising revenues will be higher next year are down, from 51% to 47%.

Publishers are slightly more pessimistic on whether their bottom line will be better than in the past [prior to the recession] as the economy improves: 42% thought it would be better in 2012, down to 41% in 2013. Interestingly respondents who think their bottom line will be worse than in the past have decreased significantly- from 33% in 2012 to 24% in 2013.

Other question responses are quite positive with "Would you consider buying a newspaper currently?" up substantially from 49% "yes" to 58% "yes". "Is bank financing on reasonable terms available to you" also went up considerably, from 61% who said "yes" in 2012 to 70% in 2013.

Our "litmus test" question of "Would you recommend the newspaper business as a career for your children?" provides the most interesting perspective on how newspaper executives feel about this industry, and it is positive. 72% of respondents said "yes" or "maybe" they



Market at a Glance

**EBITDA valuation
multiples for mid and
small market papers
range from 3x to 6x**

Publishing company values are currently in the 3x to 6x trailing EBITDA range with most transactions at 4x to 5x. Prices over 5x tend to be strategic acquisitions. Buyers typically look at the most recent performance, and the multiples indicated here are based on stable or improving performance. Companies with declining revenues and EBITDA tend to be valued at the lower end of the multiple scale.

Some of these transactions
include significant amounts
of seller financing



would want their kids in newspapers, with 28% saying "no".

Overall the results of the Survey indicate that publishers are feeling better about the near term future than they did in 2012. Full results of the Cribb, Greene Publisher Confidence Survey Fall 2013 are below.

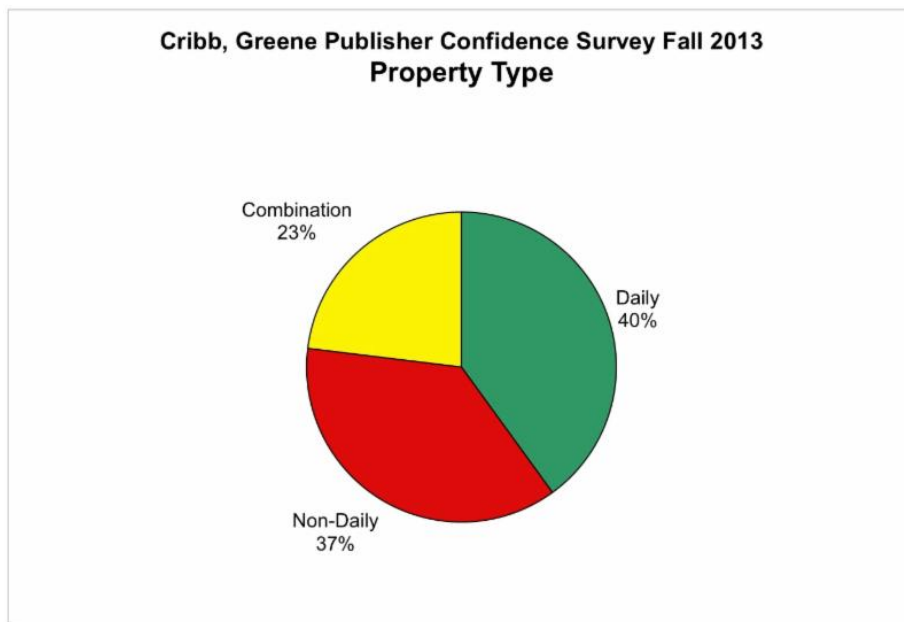


Cribb, Greene Publisher Confidence Survey Fall 2013

RESULTS

Is your newspaper company primarily daily frequency (5 days or more each week), non-daily or a combination?

Daily: 40%; Non-daily: 37%; Combination: 23%



Do you think the local economy(s) in your publication market(s) is/are improving, declining or about the same as last year?

Improving: 40%; About the same: 54%; Declining: 6%

**Cribb, Greene
& Associates**

*Publishing company
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CG&A Team

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"Our commitment is to do the best possible job for our client in every aspect of our assignment."

Transactions:

The Vicksburg Post

Vicksburg, Mississippi

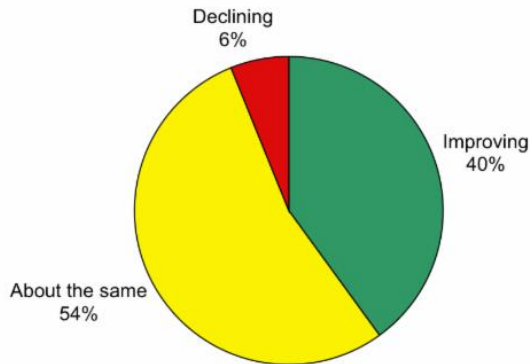


The Vicksburg Post daily newspaper and related real estate has been sold by Pat and Barbara Cashman to an affiliate of Boone Newspapers, Inc., according to John Cribb, Cribb, Greene & Associates, who represented the Cashmans in the transaction.

Sun Publications

Lakeland, Florida

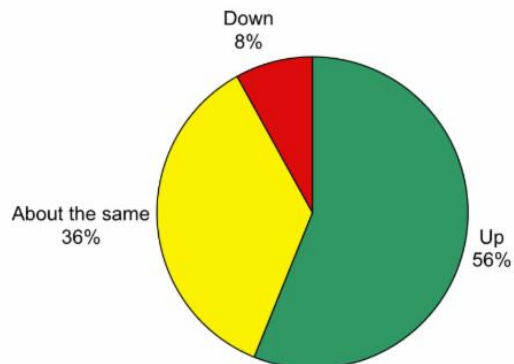
Cribb, Greene Publisher Confidence Survey Fall 2013 Local Economy



Next year (2014) do you believe that your bottom line will be up, down or about the same as this year?

Up: 56%; About the same: 36%; Down: 8%

Cribb, Greene Publisher Confidence Survey Fall 2013 Bottom Line in 2014



As the economy improves, do you think your bottom line will be better than it was before the downturn, worse or about the same?

Better: 41%; About the same: 35%; Worse: 24%



Lakeway Publishers of Florida, Inc. and Independent Publications, Inc. jointly announced the acquisition and sale of Sun Publications of Florida, Inc., according to Gary Greene, Cribb, Greene & Associates who represented IPI in the transaction.

Nashua Telegraph

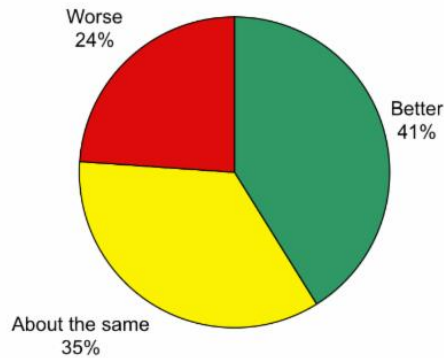
Nashua, New Hampshire



An agreement was reached for The Ogden Newspapers Inc., a family-owned company with 40 daily newspapers in 12 states, to become the new owner of the daily Telegraph.

Independent Publications Inc., which has owned The Telegraph since 1977, announced in late December that it would sell the daily newspaper and its associated weeklies and websites.

Cribb, Greene Publisher Confidence Survey Fall 2013 Improving Economy/Bottom Line



Jackson Hole News &
Guide

Jackson, Wyoming

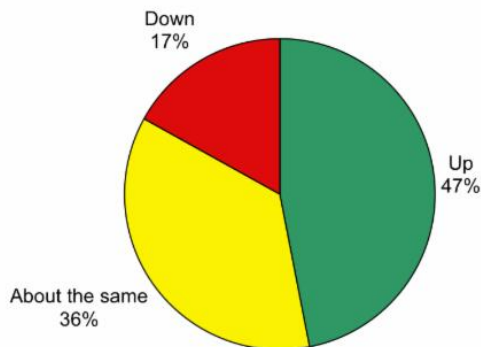


Jackson Hole News&Guide principal owner Michael Sellett will sell the newspaper company to Chief Operating Officer Kevin Olson and his wife Shelley, according to John Cribb, Cribb, Greene & Associates, who provided transaction, structure and valuation advice to the parties.

Next year (2014) do you believe your total advertising revenues will be up, down or about the same as this year?

Up: 47%; About the same: 36%; Down: 17%

Cribb, Greene Publisher Confidence Survey Fall 2013 Advertising Revenues in 2014



DuBois, Pennsylvania

Daily and weeklies



McLean Publishing sold their interests in three newspapers and their related publications and digital websites serving the DuBois, Brookville and New Bethlehem areas to Tioga Publishing Company, a division of Community Media Group, West Frankfort, Ill., according to Cribb, Greene & Associates who represented Independent Publications in the transaction.

If you currently print in-house, would you consider outsourcing your printing and eliminating your press?

Yes: 38%; No: 62%

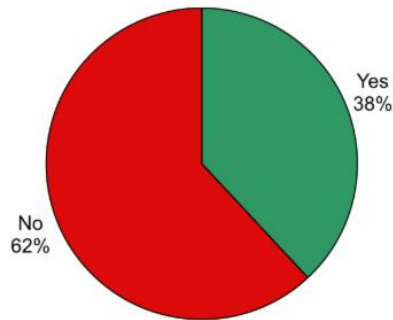
Free Times

Columbia, SC



Free Times, the weekly newspaper in Columbia, SC,

Cribb, Greene Publisher Confidence Survey Fall 2013
Outsource Printing/Eliminate Press



has a new owner. Portico Media SC of Charlottesville, VA, has sold the publication, its websites and auxiliary publications to Resorts Media LLC, a new company formed and owned by Charlie Nutt, a 40-year veteran of the news industry, according to Gary Greene, Cribb, Greene & Associates, who represented Portico in the transaction.

Daily Leader

Brookhaven. Mississippi



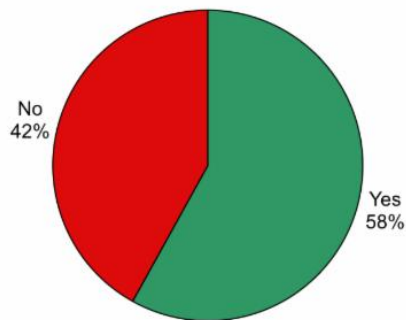
Brookhaven Newsmedia, LLC, an affiliate of Boone Newspapers, Inc. (BNI), with offices in Natchez, Mississippi, and Tuscaloosa, Alabama, completed its purchase of The Daily Leader, The Prentiss Headlight, related websites and affiliated publications on Friday, according to John Cribb, Cribb, Greene & Associates, who represented the seller in the transaction.

Jewish News of Phoenix

Phoenix, Arizona

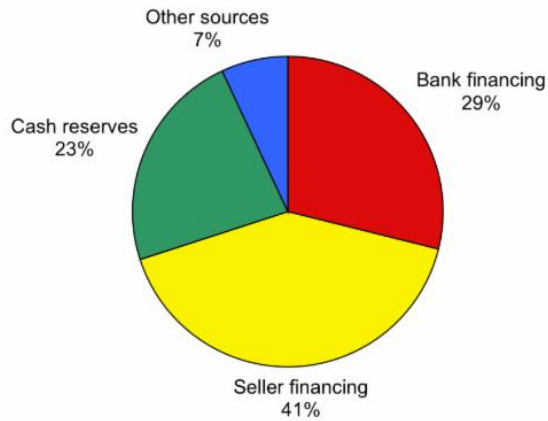
Would you consider purchasing a newspaper currently?
Yes: 58%; No: 42%

Cribb, Greene Publisher Confidence Survey Fall 2013
Purchase a Newspaper



If you would consider purchasing a newspaper, for funding would you primarily use (please choose one answer you think best applies) -
 -*some respondents chose multiple answers:
Bank financing: 29%; Seller financing: 41%; Cash reserves: 23%; Other sources: 7%

Cribb, Greene Publisher Confidence Survey Fall 2013
Funding Used if Buying

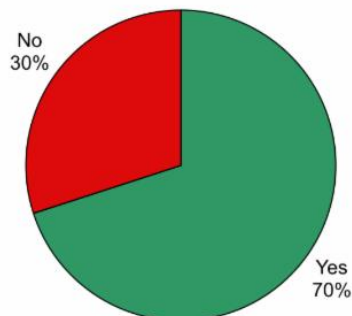


Phoenix Jewish News The Eckstein and Stern families jointly announced that Jewish News of Greater Phoenix, the annual Community Directory and jewishaz.com has new ownership, according to John Cribb, Cribb, Greene & Associates, who provided valuation and transaction structure advice to the Stern Family.

In your opinion, is bank financing on "reasonable" terms available to you?

Yes: 70%; No: 30%

Cribb, Greene Publisher Confidence Survey Fall 2013
Bank Financing "Reasonable"



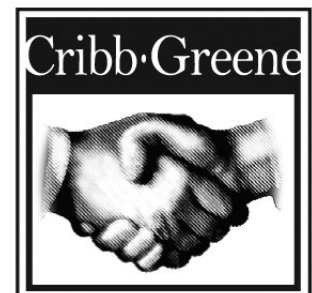
Newsletter PDF Archives



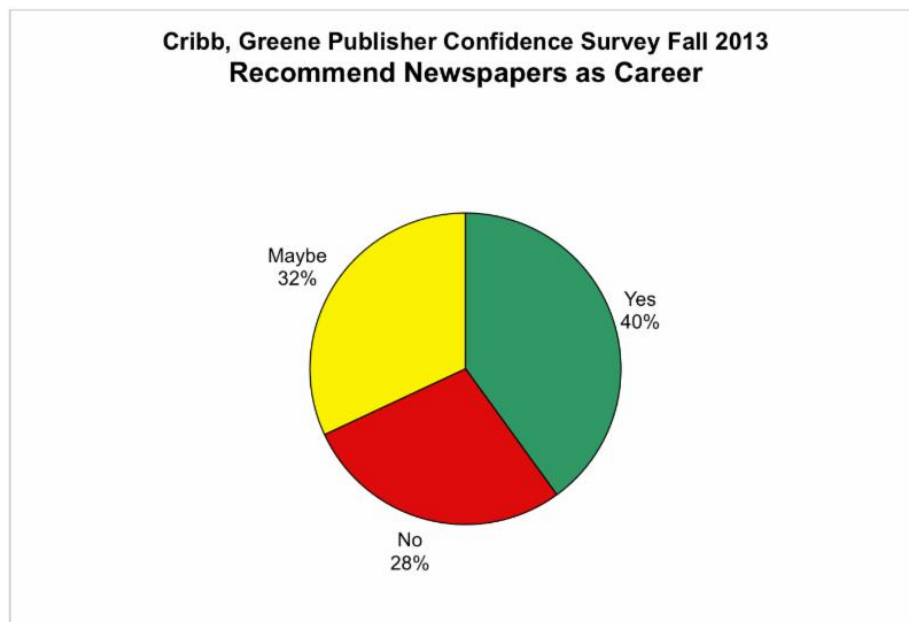
APPRAISAL BROKERAGE
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Would you recommend the newspaper business as a career for your children?

Yes: 40%; No: 28%; Maybe: 32%



Cribb Greene Website



*For Cribb, Greene Publisher Confidence Survey results from Fall 2009 through Fall 2012 please email [here](#).

Survey Respondent Comments:

"I would be happy if my children pursued a career in journalism, because it's rewarding and vital to society, but I'd be quietly concerned if they defined that as the newspaper business. Even while I remain fairly bullish on the newspaper industry in the medium term, I'd worry that the grinding pressure on the traditional (largely print-oriented) newspaper business model will mean fewer opportunities for personal development and reasonable remuneration for someone beginning their career."

"Media is growing, but the word "newspaper" is no longer relevant."

"Even if it a stepping stone to something else. A background in newspapers is still a strong base for many career paths."

"Growth for 2014 will come primarily from new products and services (primarily digitally-focused) and price increases, not a fundamental improvement of traditional revenues (display, preprints)."

"Business remains strong. I see strong financial results going forward. We are interested in purchasing newspapers in good markets."

"If newspapers are your passion, you will succeed."

"It would have to have a good digital component."

"Trying to get my children to take over the newspaper now."

"We are not going away. There simply are others that would like the general population to believe that."

"We are entering an exciting era in which progressive community newspapers that adapt to readers through creative content and new strategies will actually prosper and advance. Those that maintain the old ways will wither on the vine."

"If they have the resilience necessary and understand the risks."

"The information we provide - in a verified and ethically managed way - is essential and always will be. The distribution channels are changing, and the way we monetize our products are changing, but our industry will survive - and will grow again in the future."

"The industry is still transitioning. It is no longer relevant to talk just about newspapers without specifying if you include digital and mobile properties."

"Ours is a career of communication, has been for hundreds of years and will continue to be. The print medium is a sophisticated product that will continue for many years at which point customers will consume as they please...which makes it incumbent upon us to believe in what we've been, are today, and what we'll be."

"Career in Media, Yes. Newspapers Only No. Short-term experience in newspapers can be a plus now for a career, but I'd help them establish career goals broader than just daily newspapers."

"Go on take the money and run..."

"Let's see how the next few years play out. Right now we look like we will be around for a while and have reached a stable level."

"As our economy gets better, competitors come out of the woodwork. Everybody wants a piece of the action: EDDM, the local Chamber selling ads for a directory that they distribute outside the paper, vendors outside the community selling ads for the school, etc. Advertisers' options are more numerous: We are strong, but are sharing a diluted marketplace with many vendors. My children are better equipped than their parents to grow the business with social media, but they do not live here."

"just helped my son buy a paper"

"Let me wait till they are out of diapers before I make that call."

"A young person going into the community newspaper business today has to be an entrepreneur, a good financial manager, and if not a journalist, able to hire journalists that will seek out the story that a community needs to read. If my child doesn't have those attributes, I wouldn't recommend our business. Needless to say, and I've told my children this, we wouldn't hire them to a management track position without at least 2 years experience in the industry elsewhere."

"In a nation beset by an epidemic of ignorance, neither the future of newspapers nor of the nation is shining bright."

"There continues to be no better business to be in when it comes to making a living and making a difference!"

"For community newspaper publishers there is opportunity for those willing to look beyond the traditional. The secret, as it has always been, is the readers. Give them what they want, in the format they want, and the rest is easy. Quality community journalism, that is accurate, that is fair and that shows strong community leadership is wanted, desired and expected!"

"It is a good and fulfilling career for those willing to work. There's no longer any room for the non-productive. And that is good."

"Competition is active, comes in numerous challenges, and those who cannot

compete will fail."

Cribb, Greene & Associates

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- Strategic planning
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- Operations
- Organizational structuring
- Employee psychological evaluations
- Key executive placement

All work is confidential and fees are based on the scope of the engagement. An initial no-cost assessment is provided.

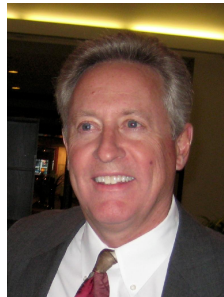
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Cribb, Greene & Associates Contact Information:

Montana office:

John Cribb, Managing Director
7512 Loon Road
Helena, MT 59602

Phone:
Cell: 406-579-2925 Land: 406-586-6621
jcribb@cribb.com

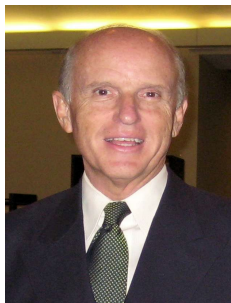


John Cribb

Virginia office:

Gary Greene, Managing Director
943 Glenwood Station Lane,
Suite 101
Charlottesville, VA 22901

Phone: 434-227-0952 · Fax:
866-776-8010
ggreene@cribb.com



Gary Greene



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