Tribune Co. in deal with creditors to emerge from bankruptcy

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The Tribune Co., which filed for bankruptcy protection in December 2008, said the deal could see the Chicago-based newspaper publisher and television station owner exit from bankruptcy later this year.

The agreement, which is to be submitted to the US Bankruptcy Court in the state of Delaware for approval, has the support of major creditors and lenders including JP Morgan, Angelo Gordon, Centerbridge Partners and the Official Committee of Unsecured Creditors, the Tribune Co. said in a statement.

"Under the plan, the company would emerge from bankruptcy, significantly deleveraged, with its business units intact and with adequate liquidity for operating and capital needs," the Tribune Co. said.

Tribune Co. chief executive Randy Michaels described it as a "significant step forward as we continue to transform our media businesses, attract and retain talented people, and seize opportunities to grow."

The Tribune Co. said that under the plan, holders of senior notes would receive 7.4 percent of the company's distributable value, which would be paid in a combination of cash, debt and stock.

It said senior credit facility lenders would receive cash and debt and stock representing over 91 percent of the equity of the reorganized company.

Chicago real estate titan Sam Zell led an eight-billion-dollar leveraged buyout of the Tribune Co. in 2007.

Besides the Chicago Tribune and Los Angeles Times, the Tribune Co. also owns the Baltimore Sun, the Orlando Sentinel, the Hartford Courant and several other newspapers. It owns 23 television stations.

The Tribune Co. sold the Chicago Cubs baseball franchise and its iconic stadium, Wrigley Field, last year.