

# Tribune Publishing rejects Gannett's 'opportunistic' bid

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In this Monday, April 25, 2016, file photo, Gannett's USA Today, top, and Tribune Publishing's Chicago Tribune newspapers are displayed at Chicago's O'Hare International Airport. The Tribune Publishing Co. said Wednesday, May

4, 2016, it has rejected Gannett's more than \$388 million bid to buy the business. (AP Photo/Kiichiro Sato, File)

Tribune Publishing Co. on Wednesday rejected Gannett's more than \$388 million buyout offer, saying it's too little for the company that owns The Los Angeles Times, Chicago Tribune and other newspapers.

USA Today owner Gannett wanted to buy Tribune Publishing so it could expand its USA Today Network, an effort to unite USA Today with its more than 100 local daily newspapers.

It made an unsolicited offer last month of \$12.25 per share for Chicago-based Tribune Publishing, which it said had refused to have meaningful discussions about a deal.

But Tribune Publishing said Wednesday that "after thorough consideration" its board decided the proposal from Gannett Co. understates its true value and is not in the best interests of its shareholders.

Tribune Publishing "is in the early stages of a compelling transformation" that will be better for shareholders, CEO Justin Dearborn said in a statement. While the company's board is open to evaluating "credible" offers, Gannett's "opportunistic proposal" is not up for further discussion, he said.

Gannett, based in McLean, Virginia, was critical of the analysis that led to the decision.

Chairman John Jeffry Louis said the Tribune Publishing decision to reject the bid reaffirms his company's view that Tribune's board "never

intended to engage with us."

Gannett reiterated that it wants Tribune shareholders to withhold votes for its board member nominees up for election in June to send a message to resume takeover talks.

Tribune Publishing's rejection of the Gannett offer Wednesday came as it also reported a first-quarter loss.

It lost \$6.5 million, or 22 cents per share, for the three months that ended March 27. After adjusting for restructuring and layoff costs, the company earned 23 cents per share.

A year ago it earned \$2.5 million, or 10 cents a share.

Total operating revenue for the period was flat at \$389.2 million as a drop in advertising revenue was offset by gains in circulation revenue.

Shares of Tribune Publishing jumped 4 percent in after-hours trading following the announcements. Its shares have lost 36 percent of their value in the past 12 months through the close of regular-session trading Wednesday.

Gannett's shares were unchanged in extended trading.

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