

FOR IMMEDIATE RELEASE:

**LOCAL BUSINESS INVESTORS PURCHASE
PHILADELPHIA MEDIA NETWORK**

New owners cite “civic investment” and commitment to print and digital journalism

PHILADELPHIA – Convinced that a great city requires great newspapers, a group of local business leaders today announced their purchase of Philadelphia Media Network (PMN), the parent company of *The Philadelphia Inquirer*, *Philadelphia Daily News*, and Philly.com, the region’s largest and most popular online news source. PMN was previously owned by a group of hedge funds and banks, including Angelo, Gordon & Co., L.P.; Alden Global Capital; Credit Suisse Securities LLC; and McDonnell Investment Management CFA.

The new owners, all of whom have deep ties to Philadelphia, include local business magnates Lewis Katz and George E. Norcross III, Board Chairman of Cooper Health System and Executive Chairman of Conner Strong and Buckelew, one of the nation’s largest insurance brokerage and consulting firms, with headquarters in Marlton, New Jersey and Philadelphia; H. F. “Gerry” Lenfest, the former Lenfest Communications founder who is widely recognized as one of the preeminent philanthropists in the nation; William P. Hankowsky, the Chairman and CEO of Liberty Property Trust and Chairman of the Greater Philadelphia Chamber of Commerce; Dr. Kris Singh, President and CEO of Holtec International, a world-renowned nuclear energy technology company founded in Marlton; and Joseph Buckelew, Chairman of Connor Strong and Buckelew. They have formed Interstate General Media, LLC to own and operate PMN, though the company will still trade under its current name.

The purchase price was approximately \$55 million, plus an additional investment of as much as \$10 million in working capital to operate the company.

“A world-class city needs world-class journalism to tell its story, and that’s what we have at *The Inquirer*, the *Daily News*, and Philly.com,” said Katz, himself a former journalist who upon graduating from Temple University began his career as an editorial assistant to famed syndicated columnist Drew Pearson. “These newspapers have an historic tradition of outstanding journalism in our city, and we want to preserve that tradition and marry it to the exciting digital opportunities that are revolutionizing the news business.

In assembling the new ownership team, Katz indicated that his priority was to attract a diverse collection of prominent local business and civic leaders who recognize the importance of the newspapers to the region’s future.

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“Great cities and great newspapers go together,” he said. “You can’t have one without the other. Journalists speak truth to power, hold our leaders accountable, and keep readers informed about the important issues of the day. We depend upon the news to tell us about the issues that impact the future of our region, and we trust them to tell us the truth.”

Noting the unparalleled civic commitment of the new ownership team, whose members have led numerous civic projects and have collectively contributed more than \$1 billion in the last decade alone to the region’s cultural and educational institutions, Norcross also stressed that ownership’s focus is on providing a sound financial platform that will allow the company to become the dominant regional media company in America.

“This is first and foremost a business decision,” Norcross said. “The news industry is in the midst of a period of historic change, and news organizations all over the nation are attempting to redefine who they are and how they will compete in the digital age.

“The company needs to be innovative in building a successful model that will provide outstanding news content across multiple platforms – print, digital, on the web and through the use of social media – that excites our readers and our advertisers.

“I think the one common link that all of us share is a lifetime of being innovators in our business careers,” Norcross said. “We understand that it’s important to bring energy and creativity to the task of turning this business around, and we are committed to making the investment in resources and time to make this great Philadelphia institution successful again.”

“These newspapers have been a part of our lives in Philadelphia for as long as any of us can remember,” said Lenfest, who will serve as Chairman of the Board. “In fact, I got my start in this business from the late Walter Annenberg, so coming back to purchase the company that he built is like coming home again.

“We all recognize that the newspapers hold a unique position of public trust throughout the Philadelphia region, and as owners we are stewards of that trust,” Lenfest said. “In a very real sense, we view the purchase as a civic investment for Philadelphia’s future, and we are committed to upholding the great journalistic tradition that has been the hallmark of the newspapers and philly.com.”

The new owners made it clear that they also are committed to a policy of non-interference with the operations of the newsrooms, and they will sign a pledge to that effect, one that was drafted with the participation of the newsroom leadership.

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“Our intention is to own the business and find new ways to make the business successful,” said Norcross. “But we have no intention of running the business or influencing news decisions.”

Hankowsky said he expects the company to place greater emphasis on forging a dynamic new relationship with the region’s business community to drive advertising and sponsorship revenues that can support the high-quality journalism that has been a hallmark of the newspapers.

“The newspapers are good for business in Philadelphia,” Hankowsky said, “because they focus on the issues and projects that are important to our future. We need the journalists who are committed day in and day out to writing compelling, informative stories, because having outstanding content is the key to the entire enterprise. At the same time, given the local nature of this ownership team, we can build support for the company in the business community.

“We believe that good journalism can be good business.”

Katz said the new owners have agreed that PMN Publisher and CEO Greg Osberg will remain at the helm of the company.

“From the beginning, Greg has worked to put together a strategy and team that will provide a solid foundation to meet the challenges of improving the company’s competitiveness in the digital age,” said Katz. “We believe that while the process may take time, the company is on the right track as a leading innovator in the news industry.”

“From the start, my goal was to attract a diverse, committed group of Philadelphia’s leading citizens to invest in a long-term strategy for the company’s future,” said Osberg. “These are some of the region’s leading corporate and public citizens, and they recognize the value proposition that the newspapers and philly.com represents. By their actions today, they are demonstrating that they’re convinced, as I am, that the company has a very bright future.”

The sellers of PMN were advised by Evercore Partners and Drinker Biddle & Reath LLP, and the buyers were advised by The Blackstone Group and Dilworth Paxson LLP.

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“We want to thank the previous ownership group for the stability that they provided as the company exited bankruptcy in October 2010, and for the technology investments that were made to help PMN’s newsrooms and business functions compete more effectively in a digital world,” said Osberg.

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