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# Gannett Urges Tribune Stockholders to Withhold Votes for ALL Tribune Directors at Upcoming Annual Meeting

**GANNETT**

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# Forward Looking Statements

Certain statements in this press release may be forward looking in nature or constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995, including statements regarding the proposed acquisition of Tribune by Gannett and the benefits of the proposed acquisition. Forward-looking statements include all statements that are not historical facts and can typically be identified by words such as "believe," "expect," "estimate," "predict," "target," "potential," "likely," "continue," "ongoing," "could," "should," "intend," "may," "might," "plan," "seek," "anticipate," "project" and similar expressions, as well as variations or negatives of these words. Any such statements speak only as of the date the statements were made and are not guarantees of future performance. The matters discussed in these forward-looking statements are subject to a number of risks, trends, uncertainties and other factors that could cause actual results and developments to differ materially from those projected, anticipated or implied in the forward-looking statements. These factors include, among other things, the ability of Gannett and Tribune to agree to the terms of the proposed transaction and, in the event a definitive transaction agreement is executed, the ability of the parties to obtain any necessary stockholder and regulatory approvals, to satisfy any other conditions to the closing of the transaction and to consummate the proposed transaction on a timely basis, as well as changes in business strategies, economic conditions affecting the newspaper publishing business and Gannett's ability to successfully integrate Tribune's operations and employees with Gannett's existing business. Additional information regarding risks, trends, uncertainties and other factors that may cause actual results to differ materially from these forward-looking statements is available in Gannett's filings with the U.S. Securities and Exchange Commission, including Gannett's annual report on Form 10-K. Any forward-looking statements should be evaluated in light of these important risk factors. Gannett is not responsible for updating or revising any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## ADDITIONAL INFORMATION

Gannett filed a preliminary proxy statement and an accompanying GOLD proxy card with the U.S. Securities and Exchange Commission (the "SEC") on May 13, 2016, which will be used to solicit withhold votes with respect to the election of all of the director candidates nominated by Tribune for election at Tribune's 2016 annual meeting of stockholders. This communication is not a substitute for such preliminary proxy statement. **INVESTORS AND SECURITY HOLDERS OF TRIBUNE ARE URGED TO READ SUCH PRELIMINARY PROXY STATEMENT, AND ANY OTHER DOCUMENTS FILED WITH THE SEC WITH RESPECT TO GANNETT'S SOLICITATION REGARDING TRIBUNE'S 2016 ANNUAL MEETING OF STOCKHOLDERS IF AND WHEN THEY BECOME AVAILABLE, CAREFULLY IN THEIR ENTIRETY AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE SOLICITATION.** Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC through the web site maintained by the SEC at <http://www.sec.gov>.

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. This communication also relates to a proposal that Gannett has made for a business combination transaction with Tribune. In furtherance of this proposal and subject to future developments, Gannett (and, if a negotiated transaction is agreed, Tribune) may file one or more proxy statements or other documents with the SEC. This communication is not a substitute for any proxy statement or other document Gannett and/or Tribune may file with the SEC in connection with the proposed transaction.

**INVESTORS AND SECURITY HOLDERS OF TRIBUNE ARE URGED TO READ THE PROXY STATEMENTS OR OTHER DOCUMENTS FILED WITH THE SEC WITH RESPECT TO THE PROPOSED TRANSACTION CAREFULLY IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Any definitive proxy statement with respect to the proposed transaction (if and when available) will be mailed to stockholders of Tribune. Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC through the web site maintained by the SEC at <http://www.sec.gov>.

Gannett and its respective directors, executive officers and other employees may be deemed to be participants in the solicitation of proxies with respect to Tribune's 2016 annual meeting of stockholders. This communication does not constitute a solicitation of a proxy from any stockholder with respect to the proposed transaction. However, Gannett and/or Tribune and their respective directors, executive officers and other employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. You can find information about Gannett's directors and executive officers in Gannett's definitive proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on March 23, 2016, and Gannett's annual report on Form 10-K for the fiscal year ended December 27, 2015, which was filed with the SEC on February 25, 2016. You can find information about Tribune's directors and executive officers in Tribune's definitive proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on April 19, 2016. Additional information regarding the interests of such potential participants will be included in one or more proxy statements or other relevant documents filed with the SEC if and when they become available. You may obtain free copies of these documents using the sources indicated above.

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Gannett Co., Inc. (“Gannett”) believes the Board of Tribune Publishing Company (“Tribune”) has not responded appropriately to Gannett’s premium, all-cash, certain offer

Shareholders need to send a clear message to the Board to enter into serious, constructive discussions with Gannett by **WITHHOLDING** their votes on the election of Directors at the June 2, 2016 Annual Meeting

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## Gannett has Commenced a Withhold Campaign Against All 8 Tribune Director Nominees

- Gannett has made a premium, all-cash offer to acquire Tribune for \$12.25 per share, representing a premium of 63% to Tribune's unaffected stock price
- Gannett believes the Tribune Board's outright rejection of Gannett's offer and refusal to constructively engage in serious conversations with Gannett on its offer is not an appropriate response
- Gannett believes recent changes to the Board to add directors with significant ties to Michael Ferro call into question the true independence of Tribune's Board
- Withholding on Tribune's Board will send a clear and coordinated message that its Board should immediately enter into serious, constructive discussions with Gannett regarding its offer and actively pursue superior and certain value for its stockholders, rather than exposing the value of the stockholders' investment to the serious downside risk of Tribune's "new," unproven strategy

**Gannett Urges All Tribune Stockholders to WITHHOLD Their Votes on the GOLD Proxy Card at the Upcoming Annual Meeting**

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## Gannett's Premium, All-Cash Offer Has a High Degree of Certainty and Can Close Quickly

- Gannett has proposed to acquire Tribune for \$12.25 per share in cash, representing:
  - Premium of 63% to Tribune's closing stock price on April 22, 2016; and
  - Premium of 58% to Tribune's volume weighted average trading price over the past 90 days as of April 22, 2016
- Gannett can quickly consummate a transaction without any financing condition and has been advised, after careful consideration, that the proposed combination will not impact tax-free treatment of Tribune's recent spin-off transaction
- Gannett has completed extensive regulatory analysis of the proposed transaction based on publicly available information and is confident that the necessary approval under the HSR Act can be obtained
- Gannett is ready to dedicate the resources necessary to complete due diligence and to negotiate a transaction on an expedited basis

**Call Upon Tribune's Board of Directors to Act in the Best Interests of Tribune Stockholders by Engaging With Gannett on its Offer**

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Gannett believes the Board of Tribune  
acted unreasonably in rejecting  
Gannett's premium, all-cash, certain  
offer

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## Tribune's Rejection of Gannett's Offer is Based on What Gannett Believes are Misleading Valuation Assumptions

- 1 ➤ Inappropriate peer group for public company trading multiples
- 2 ➤ Cherry-picked newspaper transaction multiples highlighting irrelevant "trophy asset" deals
- 3 ➤ Unsubstantiated 2016 EBITDA guidance inconsistent with continuing weak performance, including in 1Q16

**In Absence of Gannett's Offer,  
Significant Downside Risk to Tribune's Current Share Price**



## Gannett Believes Tribune's Self-Selected Peer Group for Trading Multiples is Inappropriate

Name	GCI Peer Group	TPUB Peer Group	Observations
Gannett (GCI)	Yes	Yes	<ul style="list-style-type: none"> <li>Local and national newspaper publisher with international presence</li> <li>Operates national news brand, <i>USA TODAY</i> and 107 dailies in 34 states and Guam, and more than 160 local news brands in the U.K.</li> </ul>
Lee Enterprises (LEE)	Yes	Yes	<ul style="list-style-type: none"> <li>Local newspaper publisher; operates 50 daily newspapers and nearly 300 specialty publications in 22 states (50 markets)</li> </ul>
McClatchy Company (MNI)	Yes	Yes	<ul style="list-style-type: none"> <li>Local newspaper publisher; operates 29 daily newspapers in 14 states (28 markets)</li> <li>Enterprise Value is comprised of approximately 90% debt; debt currently trading at significant market discounts</li> </ul>
New Media Investment Group (NEWM)	Yes	Yes	<ul style="list-style-type: none"> <li>Local newspaper publisher; operates 125 daily newspapers in 35 states</li> <li>Non tax-payer (NOL of \$181 million as of December 27, 2015)</li> </ul>
News Corp. (NWSA)	No	Yes	<ul style="list-style-type: none"> <li>\$7.2 billion market capitalization global diversified media organization</li> <li>Five businesses: news and information services, book publishing (HarperCollins), digital real estate services, cable network programming and digital education</li> <li>~43% of segment EBITDA from non-news businesses</li> <li>No local U.S. newspapers</li> </ul>
The New York Times Company (NYT)	No	Yes	<ul style="list-style-type: none"> <li>National news brand with significant digital traction (1 mm+ digital subscribers)</li> <li>Significantly different financial profile than Tribune</li> <li>NYT's revenue has been roughly stable compared to declining trend for U.S. local newspapers</li> <li>No local newspapers</li> </ul>
Time, Inc. (TIME)	No	Yes	<ul style="list-style-type: none"> <li>Magazine company with national brands</li> <li>Does not own any newspaper assets</li> <li>Different publishing frequency and advertising model</li> </ul>

***"TPUB note print peers trade at 6.4x but this is not a fair comparison as it includes News Corp and NYT, which have stronger performing newspapers and digital assets." – Macquarie Capital, May 5<sup>th</sup>, 2016\****

Source: Company filings, Wall Street research reports, and Capital IQ.



## 2016 EBITDA Trading Multiples<sup>(1)</sup> for What Gannett Believes is an Appropriate Peer Group

### Newspaper Peers



**Median: 5.6x<sup>(4)</sup>**

### Tribune Trading Multiple Prior to GCI Offer (4/22/16)



**4.5x**

**The Appropriate Peer Group Currently Has a Median Trading Multiple of 5.6x vs. the 6.4x Claimed by Tribune**

Note: (1) Enterprise value for multiples includes pension obligation, as applicable.  
 (2) New Media multiple includes the acquisition of Dolan, Erie, ThriveHive, and Journal Multimedia.  
 (3) Gannett multiple pro forma for the acquisition of Journal Media Group, including announced run-rate synergies.  
 (4) Reflects McClatchy at book value of debt. Median includes McClatchy's multiple, which is an outlier due to its significant debt and minimal equity value. Debt currently trading at a significant discount to book value.

Source: Company filings, Wall Street research reports, and Capital IQ.

## Gannett Believes Tribune's Cherry-Picked Precedent Transactions are Inappropriate

### Sale of Financial Times to Japanese Publisher Nikkei

#### Suggested Metrics:

35.2x EBITDA<sup>(1)</sup>  
\$171/Share<sup>(2)</sup>

?

- Sale of a leading London-based international newspaper to a Japanese buyer acquiring an asset for global reach has little in common with Tribune
- The New York Times's 2015 10K lists major international news publications and Tribune is not one
  - *"The international print edition competes with international sources of English-language news, including The Wall Street Journal's European and Asian Editions, the Financial Times, Time, Bloomberg Business Week and The Economist."* \*
- Furthermore, the 35.2x multiple cited by Tribune is not an EBITDA multiple but an EBITA multiple
  - *"This is a revenue multiple of 2.5x and EBITA multiple of 35x, which is a high price and reflects trophy asset status for the FT."* – Nomura, 7/23/15\*

### Sale of The Washington Post to Jeff Bezos

#### Suggested Metrics:

11.4x EBITDA<sup>(1)</sup>  
\$48/Share<sup>(2)</sup>

?

- Deal widely acknowledged to have non-economic motivations
  - *"Based on the math, it is hard to justify a \$250 million valuation for The Washington Post."* – The New York Times, 8/5/13\*
  - *"Going by the valuations of other newspaper deals and publicly traded media companies, though, the Washington Post would have been worth closer to \$60 million."* – Reuters, 8/7/13\*
- Such high multiples not seen in other large market newspaper transactions. For example, Boston Globe sold for 3.5x EBITDA
- No evidence "vanity" buyers of newspapers are currently willing to spend anywhere near the amount required to buy all of Tribune
  - The Washington Post: \$250 million; Boston Globe: \$70 million; Las Vegas Review-Journal: \$140 million

**Is Tribune Seriously Suggesting These Valuations are Credible?**

## Gannett Believes Tribune's Cherry-Picked Precedent Transactions are Inappropriate (cont'd)

***“[Gannett’s \$12.25 bid], Tribune points out, compared to the 35.2 times Ebitda the Financial Times fetched in its sale to Japanese publisher Nikkei last year – a valuation that would imply a price tag for Tribune of about \$6 billion.***

***[...]***

***And so far, no billionaire has emerged from the wings to plop down a big chunk of change for all of Tribune without concern for the return on his, or her, investment.”***

***– Bloomberg Gadfly, “Tribune’s Paper Chase,” May 5<sup>th</sup>, 2016\****

## Tribune is More Than Just Two Large Market Newspapers

Tribune's portfolio includes 9 local dailies that are comparable in size and profitability to other U.S. dailies that have been acquired and are highly relevant benchmarks of value

MARKET	BRANDS
Los Angeles, CA	<b>Los Angeles Times</b>
Chicago, IL	<b>Chicago Tribune</b>
South Florida, FL	<b>SunSentinel</b> MEDIA GROUP
Orlando, FL	<b>Orlando Sentinel</b> MEDIA GROUP
Baltimore, MD	<b>THE BALTIMORE SUN</b> baltimoresun.com
Annapolis, MD	<b>CAPITAL GAZETTE</b> Your Town. Your News. www.CapitalGazette.com
Carroll County, MD	<b>Carroll County Times</b>
San Diego, CA	<b>The San Diego Union-Tribune</b>
Hartford, CT	<b>Hartford Courant</b> courant.com
Newport News, VA	<b>Daily Press</b>
Allentown, PA <sup>(1)</sup>	<b>THE MORNING CALL</b> themorningcall.com

Note: (1) *The Morning Call* focuses primarily on the Lehigh Valley region.

## Set of Recent U.S. Newspaper Transactions that Gannett Believes is More Appropriate Supports Gannett's Offer

ANN DATE	ACQUIROR	TARGET
Dec-15	News + Media Capital	Las Vegas Review Journal
Oct-15	Gannett	Journal Media Group <sup>(1)</sup>
Jun-15	New Media Investment	The Columbus Dispatch
Mar-15	Tribune Publishing	San Diego Union Tribune
Feb-15	New Media Investment	Stephens Media <sup>(2)</sup>
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Nov-14	New Media Investment	Halifax Media Group
Jul-14	New Media Investment	Providence Journal
May-14	Tribune Publishing	Annapolis Capital Gazette (Landmark)
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Sep-13	Gatehouse Media	Dow Jones Local Media Group
Aug-13	John W. Henry	Boston Globe (New York Times)
May-13	BH Media Group	Roanoke Times (Landmark)
Feb-13	BH Media Group	Tulsa World (Lorton Family)
Jan-13	BH Media Group	Greensboro News & Record

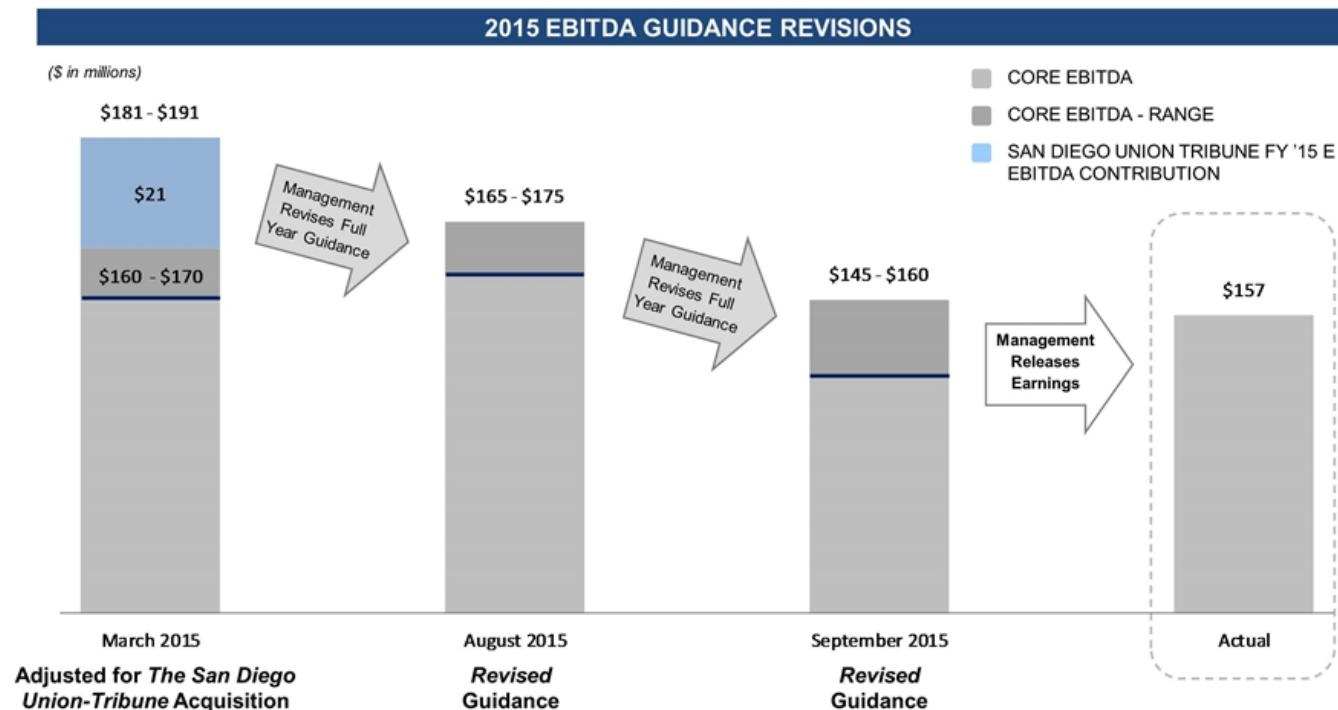
### EV / EBITDA Multiples:

MEAN:	4.5x
MEDIAN:	4.3x

Note: (1) Main markets included Milwaukee, WI; Knoxville, TN; Memphis, TN; Naples, FL; Treasure Coast, FL.  
(2) Included Las Vegas Review Journal.

## In Rejecting Gannett's Offer, did the Board Consider Tribune's Poor Track Record of Meeting EBITDA Guidance?

Tribune has had issues over the past 12 months projecting its near-term performance. As highlighted below, in 2015 Tribune repeatedly decreased guidance, and EBITDA fell significantly short of initial guidance



Source: Tribune filings and earnings releases. San Diego Union Tribune EBITDA estimate from Macquarie Research (9/18/2015) by Matthew Brooks, CFA.

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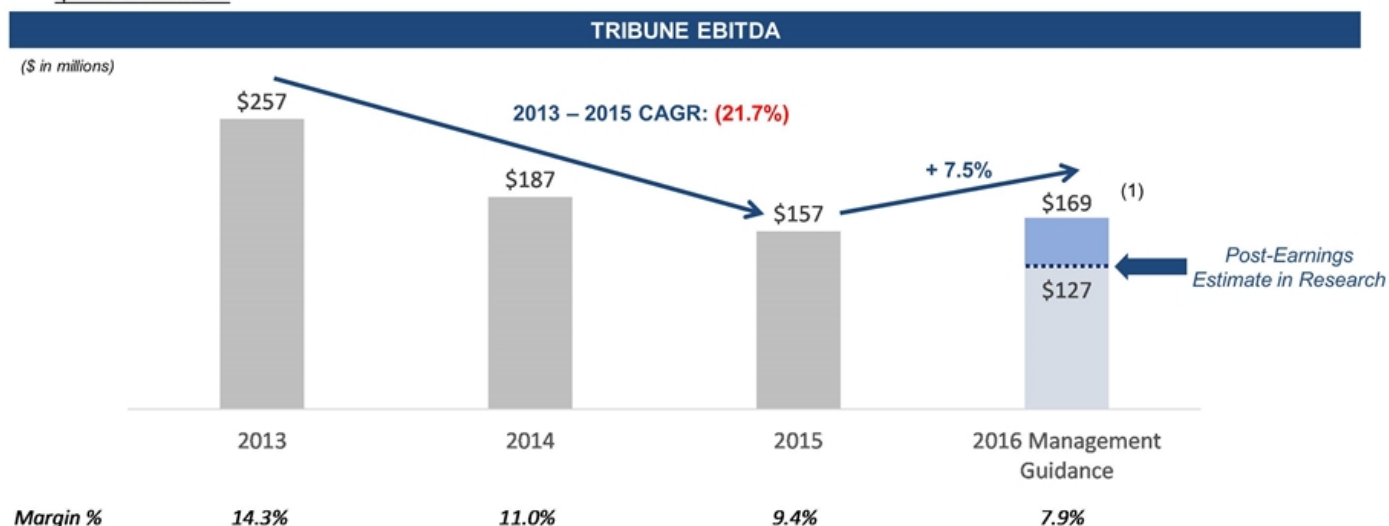
## In Rejecting Gannett's Offer, did the Board Consider Tribune's Poor Track Record of Meeting EBITDA Guidance? (cont'd)

- Gannett believes that, once again, Tribune has set itself up for failure by providing 2016 EBITDA guidance of \$166 – \$172 million, despite a deteriorating advertising environment
  - Represents 7.5% year-over-year increase in EBITDA compared to a (21.7%) CAGR decline in the prior two years (2013 – 2015)
  - Tribune's advertising revenue declined (12.4%) in 1Q16, worse than declines of (8.7%) in 4Q15, (9.6%) in 3Q15, and (10.5%) in 2Q15
  - Total revenue declined (7.4%) on a comparable basis in 1Q16
- Improvement in EBITDA margins despite a projected \$63 million decline in 2016 revenue

***"Ferro himself has already failed twice in crafting digital strategies, at the Chicago News Cooperative and the Chicago Sun-Times. " – Crain's Chicago Business, May 7<sup>th</sup>, 2016\****

## In Rejecting Gannett's Offer, did the Board Consider Tribune's Poor Track Record of Meeting EBITDA Guidance? (cont'd)

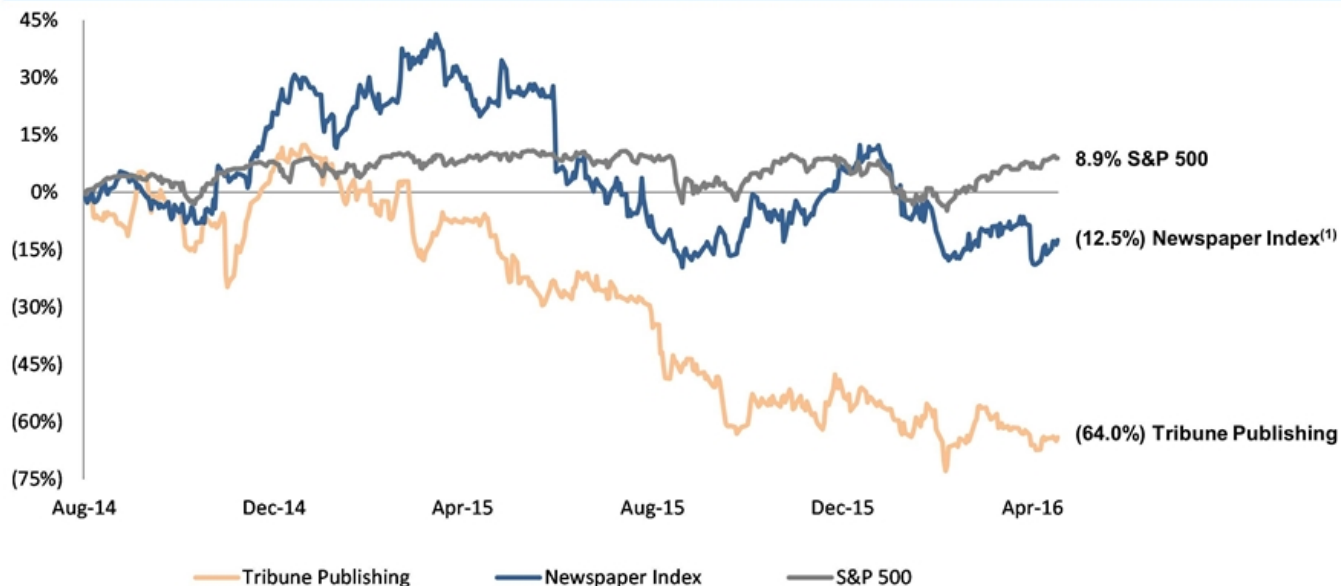
- Very little substance was provided by management to support its "new" plan
- The only research report with an EBITDA estimate published after Tribune's earnings call projects 2016 EBITDA of \$127 million compared to management's guidance of \$166 – \$172 million



***"Boosting EBITDA as sales fall \$60m will be a challenge but it is not uncommon for a stock subject to takeover offers to have optimistic earnings projections" – Macquarie Capital, May 5<sup>th</sup>, 2016***

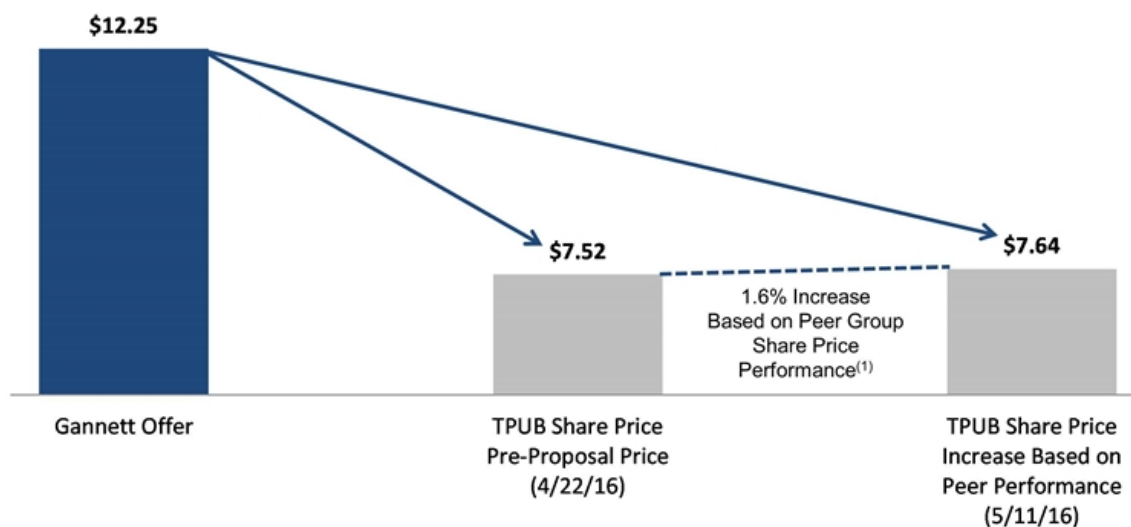
## In Rejecting Gannett's Offer, did the Board Consider that Tribune's Stock Price Has Underperformed the Newspaper Index Since its Spin-Off?

HISTORICAL STOCK PRICE PERFORMANCE: TPUB POST-SPIN TO DAY BEFORE GCI OFFER (8/6/2014 – 4/22/2016)

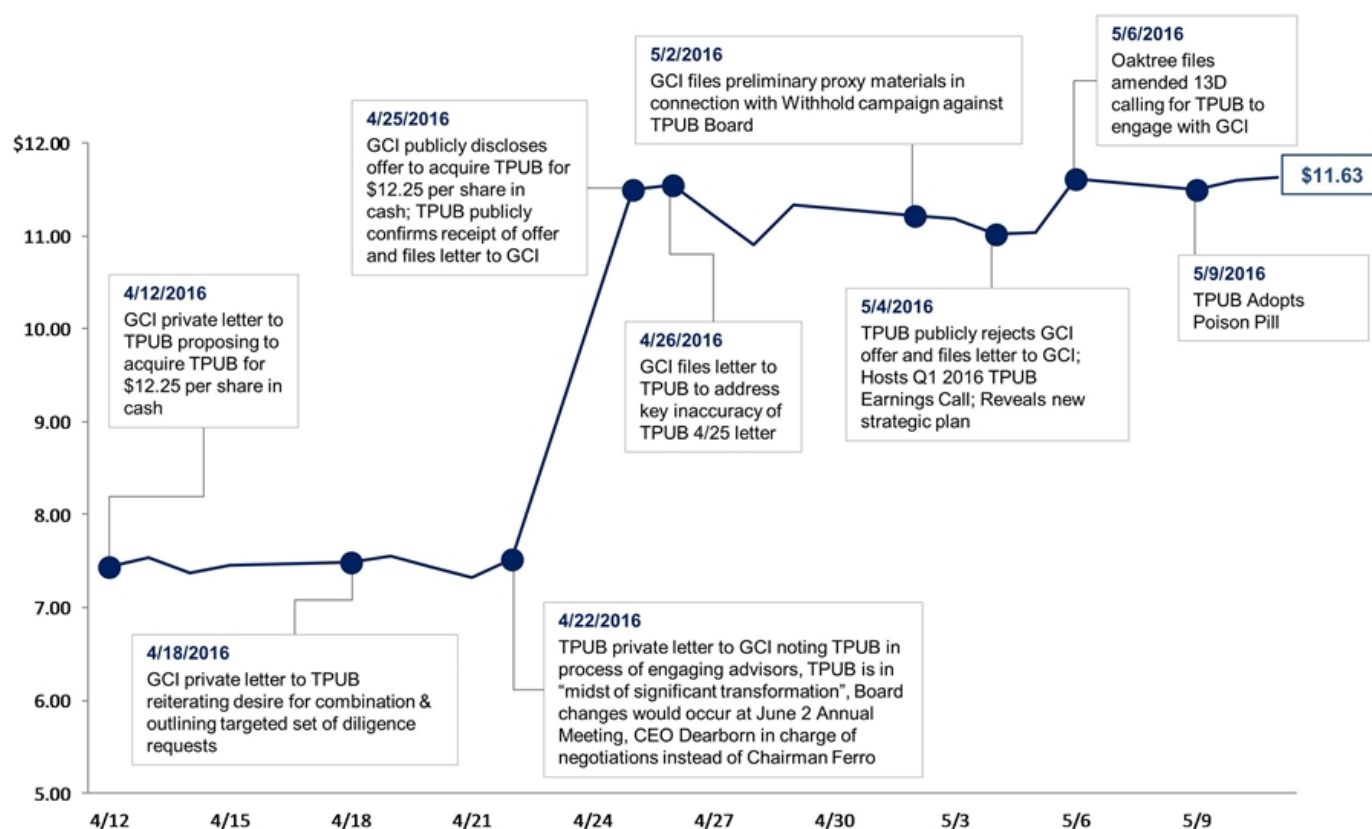


**Prior to Gannett's Offer, Tribune's Stock Price Significantly Underperformed the Newspaper Index Since its Spin-Off in 2014**

## In Rejecting Gannett's Offer, did the Board Consider the Significant Downside Risk for Tribune Shareholders?



# Gannett Believes the Market Supports the Proposed Transaction



Note: "TPUB" (ticker symbol) refers to Tribune. "GCI" refers to Gannett.  
Source: Capital IQ.

## Gannett Believes the Board's Failure to Respond to Gannett's Offer is Rooted in Corporate Governance Deficiencies

- Gannett believes Tribune's lack of constructive engagement is rooted in its Board's corporate governance deficiencies
- Specifically, Tribune's Board:
  - Refuses to engage in serious conversations with Gannett on its offer
  - Added four directors with close ties to its new Chairman
  - "Will undergo some change at the Company's annual meeting of shareholders set for June 2, 2016"<sup>(1)</sup>
    - Two independent directors (Ellen Taus and Renetta McCann) have not been renominated to the Tribune Board
    - Tribune Board will then be comprised of eight directors, including Mr. Ferro, his hand-picked CEO Justin Dearborn and three additional directors (Carol Crenshaw, Richard Reck and Donald Tang) with significant ties to Ferro and no discernable newspaper or, in the case of Ms. Crenshaw and Mr. Tang, public company board experience

**Gannett Believes the Sale of Minority Stake Combined with Changes to the Board Deliver to Ferro Disproportionate Control of the Company, to the Detriment of Tribune's Shareholders**



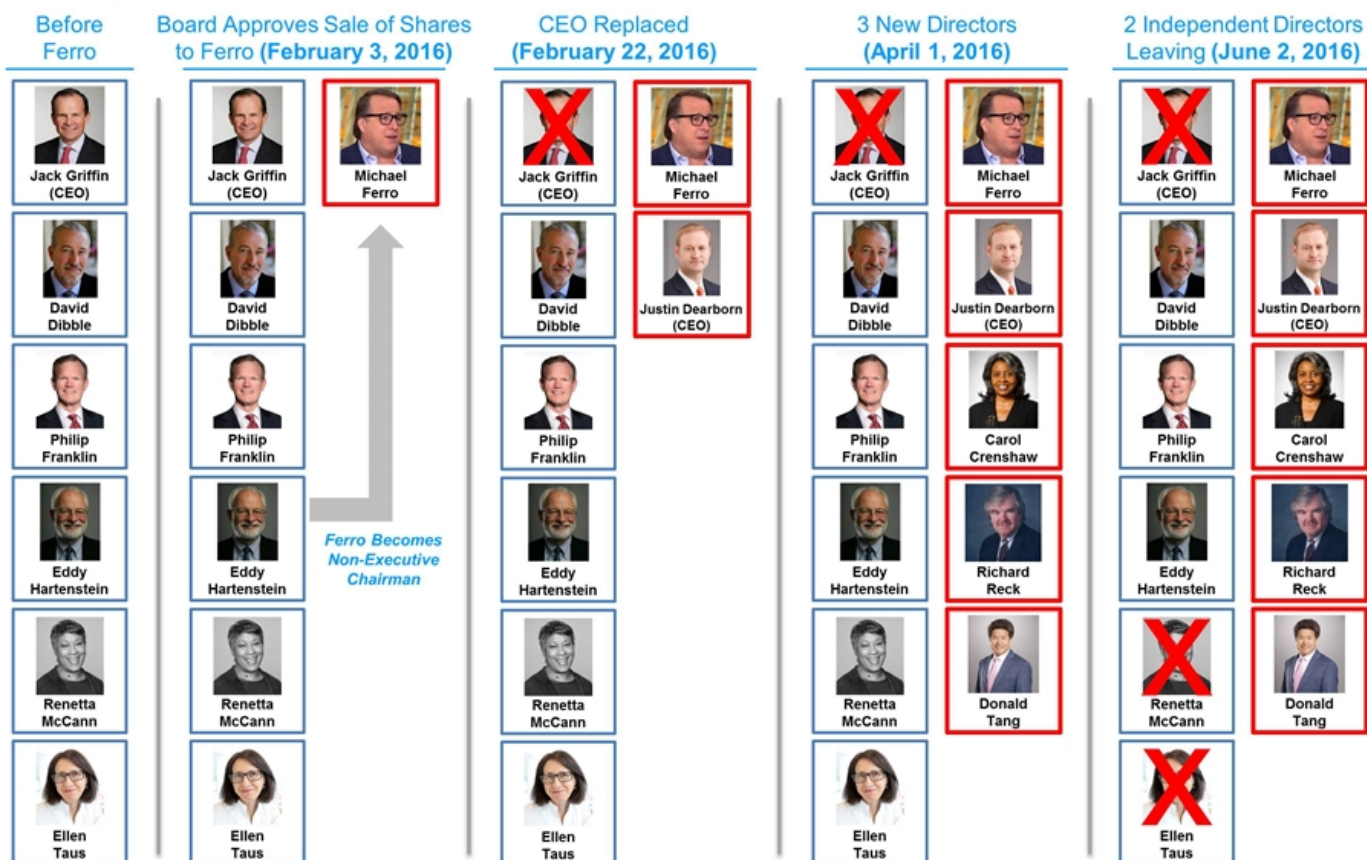
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## Gannett Believes the Board's Failure to Respond to Gannett's Offer is Rooted in Corporate Governance Deficiencies (cont'd)

### The Tribune Board is largely insulated against accountability to its shareholders

- Gannett believes the lack of a corporate governance structure to ensure accountability is exacerbated by the Board's recent issuance of approximately 16% of shares to Michael Ferro at \$8.50/share and Board changes that delivered disproportionate control to him
- Shareholders have NO ability to:
  - Act by Written Consent
  - Call a Special Meeting
  - Nominate Director Candidates Through Proxy Access
- On May 9, 2016, Tribune announced adoption of a poison pill, putting up yet another roadblock to prevent its shareholders from realizing the compelling value of Gannett's offer. The pill does not have a "qualified offer" provision that would allow shareholders to overrule a Board's determination not to redeem the pill in the face of an offer that meets certain specified criteria

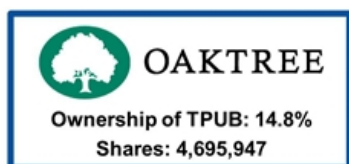
# Significant Ties Among Ferro, Dearborn and Newly Appointed Tribune Directors



## Significant Ties Among Ferro, Dearborn and Newly Appointed Tribune Directors (cont'd)



## Large Tribune Shareholders Are Speaking Out



OAKTREE FILED AMENDED 13D REGARDING  
OWNERSHIP IN TRIBUNE ON MAY 6, 2016

### SCHEDULE 13D/A FILING

TRIBUNE

#### ITEM 4. PURPOSE OF TRANSACTION:\*

It is the Reporting Persons' understanding that, on or around April 25, 2016, Gannett Co., Inc. ("Gannett") submitted a proposal to the Issuer to acquire the Issuer and that, on or around May 4, 2016, the board of directors of the Issuer rejected such proposal. **The Reporting Persons believe that it would be in the best interests of the Issuer and its stockholders for the Issuer to pursue discussions with Gannett to see if an acceptable agreement can be reached for Gannett to acquire the Issuer. In addition, the Reporting Persons believe that the Issuer should, in the event one or more other parties express an interest in acquiring the Issuer, be open to discussions with such parties regarding such an acquisition.**

**Without limiting any of the above, the Reporting Persons expect to communicate with one or more significant stockholders of the Issuer or other third parties about their respective views regarding the Issuer, including, without limitation, their respective views regarding the Issuer's response to any acquisition proposal by Gannett or any other party.** Such communications may result in a plan for common action, including, without limitation, a plan for common action with respect to (i) voting for or against any nominee to the Issuer's board of directors, (ii) voting for or against other matters submitted to the stockholders of the Issuer for a vote, (iii) supporting or opposing any acquisition proposal or other extraordinary transaction involving the Issuer, and (iv) other matters referenced in Items 4(a) through 4(j) of Schedule 13D. There is no assurance that these communications would lead to any definitive plan or proposal.

***"... Oaktree isn't alone, in our view. The shareholders we have spoken to think the company should engage with Gannett and are in favor of a transaction - at a price." – Cowen & Co, May 9<sup>th</sup>, 2016\****

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***“Ferro said, however, that shareholder value is only one of his concerns as the company's chairman”***

***– Los Angeles Times, April 26<sup>th</sup>, 2016\****

***“There’s no price . . . We’re not for sale. We’ll always listen to everybody but we’re not for sale”***

***– Michael Ferro, Chicago Tribune, May 5<sup>th</sup>, 2016\****



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## A Withhold Vote Sends a Clear Directive to the Tribune Board to Listen to its Shareholders

- Gannett's premium offer provides Tribune stockholders immediate and certain cash value
- Gannett continues to be ready to dedicate significant resources to completing due diligence and negotiating a transaction on an expedited basis
- Gannett and its regulatory experts have completed extensive analysis of proposed transaction based on publicly available information and are confident that the necessary HSR approval will be obtained
- By continuing to refuse to engage in constructive dialogue with Gannett, the Tribune Board is delaying its stockholders' ability to realize the value of Gannett's offer and exposing the value of their investments to serious downside risk

**Gannett Urges All Tribune Stockholders to WITHHOLD Their Votes for ALL Tribune Director Nominees at the Annual Meeting on June 2, 2016**