

Meredith Completes Acquisition Of Phoenix TV Stations KTVK & KASW; Announces Agreement To Purchase WGGB-TV In Springfield, Mass.

DES MOINES, Iowa, June 19, 2014 /PRNewswire/ -- Meredith Corporation (NYSE:MDP; www.meredith.com) today announced completion of the acquisition of the broadcast assets of two television stations in Phoenix – the nation's 12th-largest television market – from Gannett Co., Inc. (NYSE:GCI) and Sander Media LLC for \$230 million. This transaction will not have a material effect on Meredith's fourth quarter or full year fiscal 2014 financial performance.



Included in the transaction are (1) KTVK-TV, one of the nation's most successful independent stations and (2) KASW-TV, a leading CW network affiliate. At closing, SagamoreHill of Phoenix, LLC simultaneously purchased certain assets of KASW. As part of Federal Communications Commission approval, Meredith and SagamoreHill have voluntarily agreed to divest KASW through a cash sale, swap transaction or combination thereof.

The closing of the Phoenix transaction completes Meredith's previously announced agreement (December 23, 2013) to purchase television assets in Phoenix and St. Louis from Gannett and Sander Media. Meredith closed on the acquisition of KMOV-TV, the CBS affiliate in St. Louis, on February 28, 2014.

Additionally, today Meredith said it has entered into a definitive agreement to purchase the broadcast assets of WGGB-TV, the ABC affiliate in Springfield, Mass., from Gormally Broadcasting LLC for \$53.8 million. Meredith currently owns WSHM-LD, the CBS affiliate in the Springfield market. Meredith expects this transaction to close in the third quarter of calendar 2014, subject to receipt of regulatory approval.

"These acquisitions are consistent with our successful Total Shareholder Return strategy and will be immediately accretive to earnings, excluding upfront transaction costs," said Meredith Chairman and Chief Executive Officer Stephen M. Lacy. "These are high performing stations and will add to our already strong cash flow. We will increase our presence in the large and growing Phoenix market, where we also own KPHO-TV, the CBS affiliate. In Springfield, we will significantly enhance our competitive position as we operate the CBS affiliate in the market as well."

Meredith continues to expect fiscal 2014 full year earnings per share to be approximately at the mid-point of the \$2.60 to \$2.95 range established at the beginning of fiscal 2014. Meredith expects fiscal 2014 fourth quarter earnings per share to range from \$0.81 to \$0.86, compared to \$0.75 in the prior-year period. These estimates are before special items, and exclude operating results and transaction expenses related to the acquisition of the television stations in Phoenix. Meredith's fiscal 2014 ends on June 30, 2014.

SAFE HARBOR

This release contains certain forward-looking statements that are subject to risks and uncertainties.

These statements are based on management's current knowledge and estimates of factors affecting the Company and its operations. Actual results may differ materially from those currently anticipated. Factors that could adversely affect future results include, but are not limited to, downturns in national and/or local economies; a softening of the domestic advertising market; world, national or local events that could disrupt broadcast television; increased consolidation among major advertisers or other events depressing the level of advertising spending; the unexpected loss or insolvency of one or more major clients; the integration of acquired businesses; changes in consumer reading, purchasing and/or television viewing patterns; increases syndicated programming or other costs; unauthorized persons accessing our websites or internal networks; changes in television network affiliation agreements; technological developments affecting products or methods of distribution; changes in government regulations affecting the Company's industries; increases in interest rates; and the consequences of acquisitions and/or dispositions. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

ABOUT MEREDITH CORPORATION

Meredith Corporation (**NYSE: MDP**; www.meredith.com) is the leading media and marketing company serving American women. Meredith reaches 100 million American women every month through multiple well-known national brands – including Better Homes and Gardens, Parents, Family Circle, Allrecipes and Every Day with Rachael Ray – and local television brands in fast-growing markets.

Meredith owns or operates 15 television stations that reach more than 10 percent of U.S. television households:

- WGCL-TV (CBS) and WPCH-TV (TBS), Atlanta, GA
- KPHO-TV (CBS) and KTVK-TV (Ind.), Phoenix, AZ
- KPTV (FOX) and KPDX-TV (MYN), Portland, OR
- KMOV-TV (CBS), St. Louis, MO
- WFSB-TV (CBS), Hartford/New Haven, CT
- WSMV-TV (NBC), Nashville, TN
- KCTV (CBS) and KSMO-TV (MYN), Kansas City, MO
- WHNS-TV (FOX), Greenville-Spartanburg-Anderson, SC/Asheville, NC
- KVVU-TV (FOX), Las Vegas, NV
- WNEM-TV (CBS), Flint/Saginaw, MI
- WSHM-LD (CBS), Springfield, MA

A hallmark of Meredith's business model and financial profile is its ability to consistently generate substantial free cash flow by leveraging the strength of its multi-platform portfolio. Meredith is committed to increasing Total Shareholder Return through dividend payments, share repurchases and strategic business investments. Meredith has paid a dividend for 67 straight years and increased its dividend for 21 consecutive years. Meredith currently pays an annual dividend of \$1.73 per share.

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