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Gannett offers to buy Tribune for \$815M

Sale would mean new owners for The Capital, The Baltimore Sun and other newspapers

Tribune Newspapers

Newspaper publisher Gannett announced Monday an offer to buy Tribune Publishing for \$815 million, including the assumption of \$390 million in debt, in a deal that would give the owner of USA Today control of the Los Angeles Times, the Chicago Tribune, The Baltimore Sun, The Capital and other newspapers.

The unsolicited, all-cash offer, which translates to \$12.25 a share, represents a 63 percent premium over Friday's \$7.52-a-share closing price, as well as a premium over the \$8.50 share price at which Tribune recently issued common shares, Gannett said.

Gannett wants Tribune so that it can grow its USA Today Network, an effort it



PAUL J. RICHARDS/GETTY-AFP
Gannett looks to add to its extensive newspaper portfolio, led by flagship USA Today.

launched to unite USA Today with its more than 100 daily newspapers. The network allows the company to share stories more easily between USA Today and papers including the Detroit Free Press and The Des Moines Register.

Tribune owns newspapers including the Allentown Morning Call; Hartford Courant; Newport News, Va., Daily Press; Orlando Sentinel; and the South Florida Sun Sentinel.

The offer comes less than

three months after Michael Ferro, who had been majority owner of the Chicago Sun-Times, became the largest shareholder of Chicago-based Tribune Publishing by acquiring through his investment firm, Merrick Me-

dia, 5.2 million shares of newly issued common stock for \$44.4 million. Ferro became nonexecutive chairman of Tribune Publishing's board, and a few weeks later, CEO Jack Griffin was out and Ferro associate Justin Dearborn was named CEO.

In a Monday letter to Dearborn released by Gannett, the company said Tribune was trying to "delay constructive engagement" and noted the all-cash value of the transaction meant it could be completed quickly.

Tribune Publishing acknowledged the offer Monday shortly after Gannett's announcement, saying it received the proposal April 12 and told Gannett that the board would retain advisers to help it evaluate the proposal. "The board is committed to acting in the best interests of shareholders and will respond to Gannett as quickly as feasible," Tribune Publishing said in a statement. It also noted the pro-

posal had "numerous contingencies."

A source said Tribune's board is "taking the offer seriously" but feels Gannett, by making the offer public, is rushing the process and not behaving in a manner consistent with how Gannett acquired Journal Media Group, publisher of the Milwaukee Journal Sentinel and other papers.

Also, the \$12.25 per share offer is "well below" what Tribune Publishing was trading at a year ago and "the new management team has not had time to really put their strategy into effect," the source said.

However, it would net Ferro's Merrick Media a tidy profit of \$19.6 million on the February investment of \$44.4 million, or \$8.50 a share. Shares in Tribune Publishing closed up 53 percent Monday at \$11.50.

Associated Press contributed to this story.



JEFF ROBERSON/AP

Charter Communications is poised to become the country's No. 2 home Internet provider, after Comcast.

Feds OK Charter-Time Warner Cable deal

BY TALI ARBEL
Associated Press

NEW YORK — Federal regulators will impose several conditions meant to protect online video services as they back Charter Communications' bid to buy Time Warner Cable and create the country's second-largest home Internet provider.

The Justice Department approved the deal Monday,

subject to court approval on the conditions, while Federal Communications Commission Chairman Tom Wheeler circulated a draft order to OK the combination. That leaves California's utility regulator, whose approval is expected in May.

Buying Time Warner Cable and Bright House Networks will turn Charter Communications, a midsize cable company, into the country's No. 2 home Inter-

net provider, after Comcast. The new Charter will be No. 3 in video, trailing Comcast and AT&T, which bought DirecTV last year.

To preserve competition from online services, the Justice Department is forbidding Charter from restricting what media companies make available online. The government says Time Warner has been aggressive at imposing such restrictions in contracts,

and without a ban, a bigger company could make online services less competitive.

Meanwhile, the FCC is expected to prohibit Charter from charging consumers more for using more data, the way wireless and some home services are priced. Video is one of the biggest consumers of data, and caps or usage-based prices could make consumers reluctant to watch online video.

BUSINESS BRIEFS



FILE PHOTO

When it opened in 2007, the Big Vanilla Athletic Club in Pasadena became the largest gym in the county. It has now been bought by the Y in Central Maryland.

Y of Maryland to buy Big Vanilla in Pasadena

The Y in Central Maryland will purchase the Big Vanilla Athletic Club in Pasadena next month, creating a second location in Anne Arundel County.

The Y, which bought the Big Vanilla's location in Arnold in 2013, said it will take over the 80,000-square-foot club and convert it to the Y in Pasadena. The agreement calls for a 30-day transition period, with the Y taking full ownership and management effective May 23.

John Hoey, president and CEO of the Y in Central Maryland, said most membership fees will be reduced and additional programs will be added over time. There are no plans to change the staff.

Terms of the sale were not released, but Hoey said the Y is buying the club.

"The Y and Big Vanilla share many of the same values. This was a great opportunity to once again join forces with an organization that is community-centric and will continue to support families in the area," said Larry Ray, majority owner and managing member of Big Vanilla.

Ray and his partners will retain ownership of the building at 26 Magothy Beach Road.

Hoey said in announcing the purchase that it would create a hub for family and community gatherings; a place to relax and reconnect with family and friends; "as well as a place to be active and healthy in spirit, mind and body."

"We look forward to working collaboratively with members, program participants, volunteers, associates and others across the community to deliver our charitable mission to as many people and families in the Pasadena and surrounding

areas as possible," he said in a statement.

Big Vanilla Athletic Clubs opened in 1977 in Arnold as a tennis and racquetball club.

Northrop Grumman to share research project

Northrop Grumman in Linthicum is one of 12 companies that will work on an \$800 million contract to develop a new generation of electromagnetic weapons, radar and communication systems.

The Electromagnetic Maneuver Warfare Command and Control program is intended to create and demonstrate prototypes that use radio frequency-based weapons systems, radar, communications and information operations into a common set of multifunction systems.

The prototypes will be capable of producing multiple, simultaneous, independent beams that can together perform any of the above functions. Work is expected to be completed in 2021.

The contract was awarded by the Office of Naval Research in Arlington, Virginia.

People on the move

■ **Melissa Ehrenreich** has been named director of development for the Chesapeake Conservancy in Annapolis. She will lead fundraising and development efforts for the nonprofit environmental group. She previously served as executive director of the D.C. Social Innovation Project, a small social enterprise and innovation incubator focused on tackling the root causes of poverty in Washington, D.C.

■ **Tamara Gill** has joined FLMD Fitness in Crofton as an instructor of yoga, pilates and soul body barre.

Market report

By Associated Press

MONDAY'S MARKET REPORT

U.S. stocks slipped during a quiet day of trading Monday as energy companies dropped with the price of oil and metals and chemicals companies fell. Stocks were sharply lower most of the day, but made a partial recovery

in late-day trading. About a third of the companies in the S&P 500 will report their earnings this week. Wall Street isn't feeling optimistic, with analysts expecting earnings to be down 8 percent from a year earlier.

Perrigo	PRGO	First Data	FDC	Xerox	XRX
Close: \$99.40 ▼-21.95 or -18.1%		Close: \$13.34 ▲0.34 or 2.6%		Close: \$9.68 ▼-1.49 or -13.3%	
The Irish drugmaker cut its profit forecast because of weak prices in Europe, and its CEO left the company.		The electronic commerce and payment services provider reported a larger profit than expected but revenue disappointed.		Xerox cut its profit estimate for the year after rising costs caused its first-quarter earnings to drop 85 percent.	
\$200 150 100 50		\$14 12 10 8		\$12 10 8	
F M A		F M A		F M A	
52-week range	\$98.81 - \$205.72	52-week range	\$8.37 - \$17.99	52-week range	\$8.48 - \$12.23
Vol.: 30.0m (12.5x avg.)	PE: 21.0	Vol.: 11.9m (2.8x avg.)	PE: ...	Vol.: 35.3m (4.3x avg.)	PE: 19.8
Mkt. Cap: \$14.54 b	Yield: 0.6%	Mkt. Cap: \$2.43 b	Yield: ...	Mkt. Cap: \$9.81 b	Yield: 3.2%

Dow High: 17,990.94 Low: 17,855.55 Previous: 18,003.75



Nasdaq

▼ -10.44 (-.21%)

Close	4,895.79
High	4,904.87
Low	4,878.37
Previous	4,906.23

S&P 500

▼ -3.79 (-.18%)

Close	2,087.79
High	2,089.37
Low	2,077.52
Previous	2,091.58

Russell 2000

▼ -8.59 (-.75%)

Close	1,138.10
High	1,146.25
Low	1,134.85
Previous	1,146.69

LOCAL STOCKS

STOCK	XCHG.	CLOSE	CHG.	STOCK	XCHG.	CLOSE	CHG.	STOCK	XCHG.	CLOSE	CHG.
Adams Divers Eqty	N	12.76	-.05	General Motors Co	N	31.95	-.23	PNC Financial	N	87.71	-.38
Adams Nat Rescs Fd	N	19.01	-.24	Glen Burnie Bancorp	O	10.90	unch.	PharmAthene Inc	N	2.49	+.05
Aegion NV	N	5.82	-.25	Hannon Armstrong	N	19.93	+.14	T. Rowe Price	O	76.97	-.61
BB&T Corp	N	35.46	-.37	Honeywell Intl	N	113.25	-.92	Procter & Gamble	N	81.41	+.46
Bay Bancorp Inc	O	5.05	+.13	Howard Bancorp Inc	O	12.29	+.05	Sandry Spring Bcp	O	28.44	+.11
Becton Dickinson	N	160.26	+.38	KEYW Holding Corp	O	7.22	+.10	Severn Bancorp	O	5.72	+.10
Berkshire Hath A	N	219278	+240	Kratos Defense Sec	O	5.12	-.18	Sinclair Bdcst	O	32.67	-.23
CSX Corp	O	27.14	-.39	Legg Mason	N	34.63	-.52	Swst Airlines	N	46.85	-.40
Ciena Corporation	N	16.89	-.21	Leidos Holdings Inc	N	51.32	-.30	Stanley Black & Deck	N	111.52	-.15
Cisco Syst	O	28.23	+.08	Lockheed Martin	N	226.30	-.53	Suntrust Bks	N	41.99	+.03
Comcast Corp A	O	61.00	-.10	M&T Bank	N	118.89	-.15	TESSCO Tech	O	16.66	-.07
Corp Office Prop	N	26.36	+.38	McCormick & Co	N	93.29	+1.53	Tailored Brands	N	17.39	-.68
Exelon Corp	N	34.17	+.08	Medifast Inc	N	30.41	-.08	Textron Inc	N	38.99	-.79
FNB Corp FL pF	N	29.70	-.03	Northrop Grumman	N	200.73	-.02	Tribune Publishing	N	11.50	+3.98
FTI Consulting	N	34.52	-.55	Old Line Bancshares	O	18.93	-.01	Under Armour Inc	N	46.59	-.40
Fulton Financial	O	14.05	-.09	Omega Hthcare	N	34.52	+.12	Univ Secur Inst	N	4.21	-.04
GP Strategies	N	25.28	-.144	Oracle Corp	N	40.78	+.08	Verizon Comm	N	50.76	+2.1
GSE Systems	N	2.55	unch.	Orbital ATK Inc	N	84.72	-.18				
Gen Dynamics	N	136.79	-1.11	Osiris Therapeutics	O	6.14	-.02				
Gen Growth Prop	N	28.67	+.09	PHH Corp	N	12.70	+.50				

Exchange key: N=NYSE, O=NASDAQ