

Meredith Corp to buy Time Inc. for \$2.8bn

WASHINGTON, USA - Time Inc. is selling for \$2.8bn to media conglomerate Meredith Corporation, backed by the billionaire Koch brothers known for supporting conservative causes, in an unlikely ending to a saga over the future of CNN's parent company.



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Time, which also publishes its eponymous magazine, *Fortune*, and *Sports Illustrated*, began looking for a buyer late last year before giving up several months later, while welcoming options.

Meredith had expressed interest in buying *Time* earlier this year then walked away because it could not secure the necessary financing.

Time revealed in October an aggressive plan to boost revenue that included focusing less on magazine journalism and more on digital activities.

Time Inc was spun off from media and entertainment giant Time Warner, which was seeking to shed its journalism assets.

Meredith's offer is for \$18.50 per Time share, up about 10 percent from the shares' closing price of \$16.90 on Friday. Share prices rose over the past week on speculation over the purchase.

The boards of both companies have approved the transaction, which is due to be finalised in the first semester of 2018, Meredith said in a statement.

The all-cash transaction includes about \$1.7bn for the company assets plus more than \$1bn in debt.

Among the funds financing the purchase are \$650m from Koch Equity Development, a fund belonging to Charles and David Koch.

"We are creating a premier media company serving nearly 200 million American consumers across industry-leading digital, television, print, video, mobile and social platforms positioned for growth," said Meredith Corporation chairman and CEO Stephen Lacy.

The transaction will create a company with a combined revenues of \$4.8bn for 2016, including \$2.7bn of total advertising revenues with nearly \$700m of digital advertising revenues.

Meredith also anticipates savings of \$400m to \$500m in the first full two years of operation thanks to synergies.

Meredith's portfolio includes 17 local television stations in 12 US markets, as well as publications such as *Better Homes & Gardens*, *Allrecipes*, *Parents* and *Shape*.

Source: AFP

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