

New Media Investment Group Inc.
Form 10-K
February 25, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 27, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-36097

New Media Investment Group Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
1345 Avenue of the Americas,

New York, New York
(Address of principal executive offices)

38-3910250
(I.R.S. Employer
Identification No.)

10105
(Zip Code)

Telephone: (212) 479-3160

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

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Title of each class:	Name of each exchange on which registered:
Common stock, par value \$0.01 per share	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting common equity held by non-affiliates of the registrant on June 28, 2015, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$795.9 million. The market value calculation was determined using a per share price of \$18.23, the price at which the registrant's common stock was last sold on the New York Stock Exchange on such date. For purposes of this calculation, shares held by non-affiliates excludes only those shares beneficially owned by the registrant's executive officers, directors, and stockholders owning 10% or more of the registrant's outstanding common stock (and, in each case, their immediate family members and affiliates).

As of February 22, 2016, 44,710,497 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our definitive proxy statement, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days of the Company's fiscal year-end, are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

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NEW MEDIA INVESTMENT GROUP INC.

FORM 10-K

FOR THE YEAR ENDED DECEMBER 27, 2015

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CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Certain statements in this report on Form 10-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views regarding, among other things, our future growth, results of operations, performance and business prospects and opportunities, as well as other statements that are other than historical fact. Words such as anticipate(s), expect(s), intend(s), plan(s), target(s), project(s), believe(s), will, aim, would, seek(s), estimate(s) and similar expressions are intended to constitute forward-looking statements.

Forward-looking statements are based on management's current expectations and beliefs and are subject to a number of known and unknown risks, uncertainties and other factors that could lead to actual results materially different from those described in the forward-looking statements. We can give no assurance that our expectations will be attained. Our actual results, liquidity and financial condition may differ from the anticipated results, liquidity and financial condition indicated in these forward-looking statements. These forward looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause our actual results to differ, possibly materially from expectations or estimates reflected in such forward-looking statements, including, among others:

general economic and market conditions;

economic conditions in the Northeast, Southeast and Midwest regions of the United States;

our ability to grow our digital business and digital audience and advertiser base;

the growing shift within the publishing industry from traditional print media to digital forms of publication;

our ability to acquire local media print assets at attractive valuations;

declining advertising and circulation revenues;

the risk that we may not realize the anticipated benefits of our recent or potential future acquisitions;

the availability and cost of capital for future investments;

our indebtedness may restrict our operations and / or require us to dedicate a portion of cash flow from operations to the payment of principal and interest;

our ability to pay dividends consistent with prior practice or at all;

our ability to realize the benefits of the Management Agreement (as defined below);

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the impact of any material transactions with the Manager (as defined below) or one of its affiliates, including the impact of any actual, potential or predicted conflicts of interest;

the competitive environment in which we operate;

our ability to recruit and retain key personnel.

Additional risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the risks identified by us under the heading "Risk Factors" in Item 1A of this report. Such forward-looking statements speak only as of the date on which they are made. Except to the extent required by law, we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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PART I

Item 1. Business
General Overview

New Media Investment Group Inc. (New Media, Company, us, or we), was formed as a Delaware corporation on June 18, 2013. Pursuant to the Restructuring (as defined below), Newcastle Investment Corp. (Newcastle) owned approximately 84.6% of New Media until February 13, 2014, upon which date Newcastle distributed the shares that it held in New Media to its shareholders on a prorata basis. New Media had no operations until November 26, 2013, when it assumed control of GateHouse Media, LLC (formerly known as GateHouse Media, Inc.) (GateHouse or Predecessor) and Local Media Group Holdings LLC (Local Media Parent). GateHouse was determined to be the predecessor to New Media, as the operations of GateHouse comprise substantially all of the business operations of the combined entities. Both New Media and Newcastle are externally managed and advised by an affiliate of Fortress Investment Group LLC (Fortress).

New Media is a company that owns, operates and invests in high quality local media assets. We have a particular focus on owning and acquiring strong local media assets in small to mid-size markets. With our collection of assets, we focus on two large business categories; consumers and small to medium size businesses (SMBs).

Our portfolio of media assets today spans across 489 markets and 31 states. Our products include 564 community print publications, 489 websites, 476 mobile sites and six yellow page directories. We reach over 19 million people per week and serve over 193,000 business customers.

We are focused on growing our consumer revenues primarily through our penetration into the local consumer market that values comprehensive local news and receives their news primarily from our products. We believe our rich local content, our strong media brands, and multiple platforms for delivering content will impact our reach into the local consumers leading to growth in subscription income. We also believe our focus on smaller markets will allow us to be a dominant provider of valuable, unique local news to consumers in those markets. We believe that one result of our local consumer penetration in these smaller markets will be transaction revenues as we link consumers with local businesses. For our SMB business category, we focus on leveraging our strong local media brands, our in-market sales force and our high consumer penetration rates with a variety of products and services that we believe will help SMBs expand their marketing, advertising and other digital lead generation platforms. We also believe our strong position in our local markets will allow us to develop other products that will be of value to our SMBs in helping them run and grow their businesses.

Our business strategy is to be the preeminent provider of local news, information, advertising and digital services in the markets we operate in today. We aim to grow our business organically through both our consumer and SMB strategies. We also plan to pursue strategic acquisitions of high quality local media assets at attractive valuation levels. Finally, we intend to distribute a substantial portion of our free cash flow as a dividend to stockholders through a quarterly dividend, subject to satisfactory financial performance, approval by our board of directors (the Board of Directors or Board) and dividend restrictions in the New Media Credit Agreement (as defined below). The Board of Directors determinations regarding dividends will depend on a variety of factors, including the Company's U.S. generally accepted accounting principles (GAAP) net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results.

We believe that our focus on owning and operating dominant local-content-oriented media properties in small to mid-size markets puts us in a position to better execute our strategy. We believe that being the dominant provider of local news and information in the markets in which we operate and distributing that content across multiple print and digital platforms, gives us an opportunity to grow our audiences and reach. Further, we believe our strong local media brands and our in-market sales presence gives us the opportunity to expand our advertising and lead generation products with local business customers.

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Central to our business strategy are our digital marketing services products called Propel Marketing (Propel). We launched the products in 2012 and have seen rapid growth since then. Revenues have grown from \$1 million in 2012 to \$31.3 million in 2015. We believe Propel and our other digital marketing service products, combined with our strong local brands and in market sales force, position this product group to be a key component to our overall organic growth strategy.

We believe that Propel will allow us to capitalize on the following opportunities in the marketplace:

There are approximately 27.9 million SMBs in the U.S. according to the 2011 U.S. Census data. Of these, approximately 26.7 million have 20 employees or less.

Many of the owners and managers of these SMBs do not have resources or expertise to navigate the fast evolving digital marketing sector, but are increasingly aware of the need to establish and maintain a digital presence in order to stay connected with current and future customers.

Propel is designed to offer a complete set of turn-key digital marketing services to SMBs that provides transparent results to the business owners. Propel provides four broad categories of services: building businesses a presence, helping businesses to be located by consumers online, engaging with consumers, and growing their customer base.

We believe our local media properties and local sales infrastructure are uniquely positioned to sell these digital marketing services to local business owners and give us distinct advantages, including:

our strong and trusted local brands, with 85% of our daily newspapers having been publishing local content for more than 100 years;

our ability to market through our print and online properties, driving branding and traffic; and

our more than 1,480 local, direct, in-market sales professionals with long standing relationships with small businesses in the communities we serve.

Our core products include:

124 daily newspapers with total paid circulation of approximately 1.5 million;

322 weekly newspapers (published up to three times per week) with total paid circulation of approximately 321,000 and total free circulation of approximately 2.0 million;

118 shoppers (generally advertising-only publications) with total circulation of approximately 2.8 million;

489 locally focused websites and 476 mobile sites, which extend our businesses onto the internet and mobile devices with approximately 226 million page views per month;

six yellow page directories, with a distribution of approximately 348,000, that cover a population of approximately 620,000 people; and

Propel digital marketing services.

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In addition to our core products, we also opportunistically produce niche publications that address specific local market interests such as recreation, sports, healthcare and real estate. Similarly, GateHouse Live, our events business, concentrates on local markets and interests.

Our print and online products focus on the local community from a content, advertising, and digital marketing perspective. As a result of our focus on small and midsize markets, we are usually the primary, and sometimes, the sole provider of comprehensive and in-depth local market news and information in the communities we serve. Our content is primarily devoted to topics that we believe are highly relevant and of interest to our audience such as local news and politics, community and regional events, youth sports, opinion and editorial pages, local schools, obituaries, weddings and police reports.

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More than 85% of our daily newspapers have been published for more than 100 years and 100% have been published for more than 50 years. We believe that the longevity of our publications demonstrates the value and relevance of the local information that we provide and has created a strong foundation of reader loyalty and a highly recognized media brand name in each community we serve. As a result of these factors, we believe that our publications have high local audience penetration rates in our markets, thereby providing advertisers with strong local market reach.

We believe the large number of publications we have, our focus on smaller markets, and our geographic diversity also provide the following benefits to our strategy:

Diversified revenue streams, both in terms of customers and markets;

Operational efficiencies realized from clustering of business assets;

Operational efficiencies realized from centralization of back office functions;

Operational efficiencies realized from improved buying power for key operating cost items through our increased size and scale;

Ability to provide consistent management practices and ensure best practices; and

Less competition and high barriers to entry.

The newspaper industry has experienced declining revenue and profitability dating back to 2007 due to, among other things, advertisers' shift from print to digital media and general market conditions. Our Predecessor was affected by this trend and experienced a history of net operating losses.

The revenues derived from our SMB category come from a variety of print and digital advertising products, digital service products we offer through Propel, and commercial printing services. Our consumer category revenue comes primarily from subscription income as consumers pay for our deep, rich local contents, both in print and online, however primarily print today.

Our operating costs consist primarily of labor, newsprint, and delivery costs. Our selling, general and administrative expenses consist primarily of labor costs. Compensation represents just under 50% of our operating expenses. Over the last few years, we have worked to drive efficiencies through centralization of back office functions, outsourcing and leveraging our scale to purchase more effectively. Additionally, we have taken steps to cluster our operations, thereby increasing the usage of facilities and equipment while increasing the productivity of our labor force. We expect to continue to employ these steps as part of our business and clustering strategy.

Local Media Acquisition

Newcastle acquired Local Media Group Inc. (formerly known as Dow Jones Local Media Group, Inc.) ("Local Media") on September 3, 2013 from News Corp. Inc. and contributed to New Media 100% of the stock of Local Media Parent (which owns all of Local Media's stock) on GateHouse's emergence from bankruptcy on November 26, 2013 (the "Effective Date"). In exchange for the contribution of Local Media, Newcastle received shares of common stock, par value \$0.01 per share, of New Media ("New Media Common Stock" or our "Common Stock"), equal in value to the cost of the acquisition of Local Media by Newcastle ("Local Media Acquisition"). Local Media Parent became a wholly owned subsidiary of New Media.

GateHouse managed the assets of Local Media pursuant to a management and advisory agreement ("Local Media Management Agreement"). The agreement had a two-year term, with automatic renewal for successive two-year periods unless terminated. While the agreement was in effect, GateHouse received an annual management fee of \$1.1 million, subject to adjustments (up to a maximum annual management fee of \$1.2 million), and an annual incentive compensation fee based on exceeding EBITDA targets of Local Media. The Local Media Management

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Agreement was terminated effective June 4, 2014.

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Restructuring and Spin-off from Newcastle Investment Corp.

We acquired our operations as part of the restructuring (the *Restructuring*) of our Predecessor, GateHouse. On September 27, 2013, GateHouse commenced the Restructuring in which it sought confirmation of its bankruptcy plan sponsored by Newcastle, as the holder of the majority of the Outstanding Debt (as defined as follows). The Plan relates to the Restructuring of our Predecessor's obligations under the amended and restated credit agreement by and among certain affiliates of GateHouse, the lenders from time to time thereto and Cortland Products Group, as administrative agent, dated February 27, 2007 (as amended, the *2007 Credit Facility*) and certain interest rate swaps (collectively, the *Outstanding Debt*). The U.S. Bankruptcy Court for the District of Delaware confirmed the reorganization plan (the *Plan*) on November 6, 2013 and GateHouse consequently emerged from Chapter 11 protection on November 26, 2013.

Pursuant to the Restructuring, Newcastle offered to purchase the Outstanding Debt in cash and at 40% of (i) \$1,167 million of principal claims under the 2007 Credit Facility, plus (ii) accrued and unpaid interest at the applicable contract non-default rate with respect thereto, plus (iii) all amounts, excluding any default interest, arising from transactions in connection with interest rate swaps secured under the 2007 Credit Facility (the *Cash-Out Offer*) on the Effective Date. The holders of the Outstanding Debt had the option of receiving, in satisfaction of their Outstanding Debt, their pro rata share of the (i) Cash-Out Offer or (ii) New Media Common Stock and net proceeds, if any, of the GateHouse Credit Facilities. All pensions, trade and all other unsecured claims will be paid in the ordinary course.

On the Effective Date (1) GateHouse became our wholly-owned subsidiary as a result of (a) the cancellation and discharge of the currently outstanding equity interests in GateHouse (the holders of which received warrants issued by New Media) and (b) the issuance of equity interests in the reorganized GateHouse to New Media; (2) Local Media Parent, which was a wholly-owned subsidiary of Newcastle, following the Local Media Acquisition became a wholly-owned subsidiary of New Media as a result of Newcastle's transfer of Local Media Parent to New Media; (3) New Media entered into the Management Agreement (as defined below) with our Manager (as defined below), (4) New Media entered into the GateHouse Management and Advisory Agreement (the *GateHouse Management Agreement*) with GateHouse; and (5) all of GateHouse's Outstanding Debt was cancelled and discharged and the holders of the Outstanding Debt received, at their option, their pro rata share of the (i) Cash-Out Offer or (ii) New Media Common Stock and the net proceeds of the two certain Term Loan and Security Agreements dated November 26, 2013 (the *GateHouse Credit Facilities*). Pursuant to the Cash-Out Offer, Newcastle offered to buy the claims of the holders of the Outstanding Debt. As a result of these transactions, Newcastle owned 84.6% of New Media as of the Effective Date. The GateHouse Management Agreement was terminated effective June 4, 2014.

On the Effective Date, New Media entered into a management agreement with FIG LLC (the *Manager*) (the *Management Agreement*) pursuant to which the Manager will manage the operations of New Media. The annual management fee is 1.50% of New Media's Total Equity (as defined in the Management Agreement) and the Manager is eligible to receive incentive compensation.

On September 27, 2013, Newcastle announced that its board of directors unanimously approved a plan to spin-off our Company. Newcastle's board of directors made the determination to spin-off our assets because it believed that our value can be increased over time through a strategy aimed at acquiring local media assets and organically growing our digital marketing business.

In order to effect the separation and spin-off of our Company, we filed a registration statement on Form S-1, as amended, which was declared effective by the Securities and Exchange Commission (the *SEC*) on January 30, 2014.

Each share of Newcastle common stock outstanding as of 5:00 PM, Eastern Time, on February 6, 2014, the Record Date, entitled the holder thereof to receive 0.07219481485 shares of our Common Stock (the

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Distribution or the spin-off). The spin-off was completed on February 13, 2014. Immediately thereafter, we became a publicly traded company independent from Newcastle trading on the New York Stock Exchange (the NYSE) under the ticker symbol NEWM.

Acquisitions

On February 28, 2014, we completed the acquisition of five publications from Freedom Communications for a total purchase price of \$7.9 million, including working capital. The acquisition included two daily and three weekly publications serving Southern California with an aggregate circulation of approximately 56,000.

On June 30, 2014, we completed two acquisitions of 20 publications with a total purchase price of \$15.9 million, including working capital. The acquisitions included six daily, ten weekly publications, and four shoppers serving areas of Texas, Oklahoma, Kansas and Virginia with an aggregate circulation of approximately 54,000.

On September 3, 2014, we completed the acquisition of The Providence Journal with a total purchase price of \$48.7 million, including working capital. The acquisition included one daily and two weekly publications serving areas of Rhode Island with a daily circulation of approximately 72,000 and 96,000 on Sunday.

On December 1, 2014, we completed the acquisition of *Foster's Daily Democrat* along with other publications and related assets for \$5.4 million in cash, including working capital, from the Foster family. The publications are located around Dover, NH, and the daily newspaper has a circulation of approximately 12,000.

On January 9, 2015, we completed the acquisition of substantially all of the assets from Halifax Media Group for an aggregate purchase price of \$285.4 million, including working capital and net of assumed debt. The acquisition included 24 daily publications, thirteen weekly publications, and five shoppers serving areas of Alabama, Florida, Louisiana, Massachusetts, North Carolina, and South Carolina with a daily circulation of approximately 635,000 and 752,000 on Sunday.

On March 18, 2015, we completed the acquisition of the assets of Stephens Media, LLC (Stephens Media) for an aggregate purchase price of \$110.8 million, including working capital. The acquisition includes nine daily newspapers, 35 weekly publications and fifteen shoppers serving communities throughout the United States with a combined average daily circulation of approximately 221 and 244 on Sunday.

On June 15, 2015 and September 23, 2015, we acquired substantially all the assets, properties and business of publishing/operating certain newspapers for an aggregate purchase price of \$52.0 million, including estimated working capital. The acquisitions included two daily newspapers, twenty-eight weekly publications, and two shoppers serving Central Ohio and Southern Michigan.

Dispositions

On December 10, 2015, we completed the sale of the *Las Vegas Review-Journal* and related publications (initially acquired in the Stephens Media acquisition), which are located in Las Vegas, Nevada for an aggregate sale price of \$140,000 plus working capital adjustment of \$1,000. As a result, a gain of \$57.0 million is included in (gain) loss on sale or disposal of assets on the consolidated statement of operations and comprehensive income (loss) for this period.

Subsequent Events

Acquisitions

On December 31, 2015, we completed the acquisition of the Business Information Division of Dolan LLC (Dolan) for \$35.0 million in cash, plus working capital. We funded the acquisition with cash on the balance sheet. Dolan is a leading provider of industry-specific news with 39 print and online publications and an audience of over 46,000 paid subscribers.

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On January 12, 2016, we completed the acquisition of substantially all of the publishing operations of the Times Publishing Company, including the *Erie Times-News* daily newspaper, for \$11.5 million in cash, plus the assumption of the assumed liabilities. We funded the acquisition with cash on the balance sheet. *Erie Times-News* is a dominant source of local news and advertising in Erie, PA with an average weekday circulation of over 39,000 and 55,000 on Sunday.

Dividends

On February 25, 2016, the Company announced a fourth quarter 2015 cash dividend of \$0.33 per share of New Media Common Stock. The dividend will be paid on March 17, 2016, to shareholders of record as of the close of business on March 9, 2016.

Corporate Entity Structure

The chart below sets forth our entity structure and that of our direct and indirect subsidiaries. This chart does not include all of our affiliates and subsidiaries or our Manager and, in some cases, we have combined separate entities for presentation purposes.

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Industry Overview

We operate in what is sometimes referred to as the hyper-local or community news market and market within the media industry. Media companies that serve this segment provide highly focused local content and advertising that is generally unique to each market they serve and is not readily obtainable from other sources. Local publications include community newspapers, websites, shoppers, traders, real estate guides, special interest magazines and directories. Due to the unique local nature of their content and audience, community publications compete for advertising customers with other forms of traditional media, including direct mail, directories, radio, television, and outdoor advertising. They also compete with new local and national digital and social media businesses for advertising, digital services and customers. We believe that local print and online publications in smaller markets are the most effective medium for local retail advertising, which emphasizes the price of goods in an effort to move inventory on a regular basis, in contrast to radio, broadcast and cable, television, and the internet, which are generally used for image or branding advertising. In addition, we believe local print and online publications generally have the highest local audience penetration rates, which allows local advertisers to get their message to a large portion of the local audience. Finally, national digital competitors tend to have no local in-market sales presence which we believe gives the local community publications an advantage when selling these types of products and services.

Locally focused media in small and midsize communities is distinct from national and urban media delivered through outlets such as television, radio, metropolitan and national newspapers and the internet. Larger media outlets tend to offer broad based information to a geographically scattered audience, which tends to be more of a commodity. In contrast, locally focused media delivers a highly focused product that is often the only source of local news and information in the market it serves. Our segment of the media industry is also characterized by high barriers to entry, both economic and social. Small and midsize communities can generally only sustain one newspaper. Moreover, the brand value associated with long-term reader and advertiser loyalty, and the high start-up costs associated with developing and distributing content and selling advertisements, help to limit competition.

We also believe there is a growing need among small to mid-size businesses to be able to generate leads and interact with consumers across all the digital platforms, which takes many forms including websites, mobile sites, tablets and social media. These local business owners and managers lack the time, expertise and resources to capitalize on the potential of these new consumer-reaching channels. National competitors in this category do not generally have a local in-market presence. Newly formed competitors lack a known and credible brand name in addition to generally not having a local in-market presence. We believe this represents a substantial opportunity for our local media business.

Advertising Market

The primary sources of advertising revenue for local publications are small businesses, corporations, government agencies and individuals who reside in the market that a publication serves. By combining paid circulation publications with total market coverage (TMC) publications such as shoppers and other specialty publications (tailored to the specific attributes of a local community), local publications are able to reach nearly 100% of the households in a distribution area. As macroeconomic conditions in advertising change due to increasing internet and mobile usage and the wide array of available information sources, we have seen advertisers shift their focus to incorporate a digital advertising and services component into their overall local marketing strategy. To that end, in addition to printed products, the majority of our local publications have an online presence that further leverages the local brand, ensures higher penetration into the market, and provides a digital alternative for local advertisers to reach consumers. We also have strong digital marketing services, Propel.

Digital Media

The time spent online and on mobile devices each day by media consumers continues to grow and newspaper web and mobile sites offer a wide variety of content providing comprehensive, in-depth and up to the

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minute coverage of news and current events. The ability to generate, publish and archive more news and information than most other sources has allowed newspapers to produce some of the most visited sites on the internet. Newspaper websites have proven to be some of the most visited websites by online media news consumers.

We believe that our local publications are well positioned to capitalize on their existing market presence and grow their total audience base by publishing proprietary local content digitally: via the internet, mobile websites and mobile applications. Local digital media include traditional classifieds, directories of business information, local advertising, databases, audience-contributed content and mobile applications. We believe this additional community-specific content will further extend and expand both the reach and the brand of our publications with readers and advertisers. We believe that building a strong local digital business extends the core audience of a local publication.

The opportunity created by the digital extension of the core audience makes local digital advertising an attractive complement for existing print advertisers, while opening up opportunities to attract new local advertisers that have not previously advertised with local publications. In addition, we believe that national advertisers have an interest in reaching buyers on a hyper-local level and, although they historically have not been significant advertisers in community publications, we believe the digital media offers them a powerful medium to reach local audiences. This opportunity is further enhanced by our behavioral targeting products, which allow advertisers to reach specific demographics of our audience and follow that audience across multiple websites, delivering advertisements across the platforms. Further, digital marketing services businesses are poised to benefit from the rise in internet marketing spend, which grew 16% between 2013 and 2014, and 294% between 2005 and 2014, according to the 2014 IAB Internet Advertising Revenue Report issued in April 2015.

We believe that a strong digital business will enhance our revenues. In addition, we believe that we have the expertise and sales resources to help other businesses maximize their digital opportunities. Accordingly, we have launched our digital marketing services business, including Propel, which is designed to help SMBs utilize the digital space to generate leads, interact with consumers and grow their businesses. New Media's digital revenue derived from advertising, circulation, and other revenue has grown since the launch of Propel in 2012. New Media's digital revenue was \$106.9 million for the year ended December 27, 2015, an 85% growth as compared with the same period in 2014, which had digital revenue of \$57.9 million. Of this, \$31.3 million, or 29% of digital revenue for the year ended December 27, 2015 was attributable to Propel. See

Risk Factors - Risks Related to Our Business We have invested in growing our digital business, including Propel, but such investments may not be successful, which could adversely affect our results of operations.

We anticipate that the digital marketing services sector will continue to grow as SMBs move from print to digital marketing in connection with consumers spending more time online. According to the 2011 U.S. Census data, there are approximately 27.9 million SMBs in the US, 26.7 million of the SMBs have 20 employees or less, and these businesses are expected to spend \$42.6 billion on digital marketing by 2016 (according to the 2015 U.S. Local Media Forecast by BIA/Kelsey). Owners of these businesses often lack the resources and expertise to navigate the digital marketing services sector. A recent study done by SCORE Association in 2014 indicated that 97% of consumers search for local businesses online, 49% of SMBs do not have a website, 93% are not mobile compatible, and 27% of SMBs with websites were found to not have a phone number on their home page. Propel offers SMBs digital services, including website design, search engine optimization, mobile websites, social media, retargeting and other advertising services. Our Predecessor believed, and we too believe, that Propel is well positioned to assist SMBs in the digital space and expect Propel to contribute meaningfully to future revenue growth. Propel is also able to leverage our local media properties and local sales infrastructure and give us distinct advantages, including:

our strong and trusted local brands, with 85% of our daily newspapers having been publishing local content for more than 100 years;

our ability to market through our print and online properties, driving branding and traffic; and

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our more than 1,480 local, direct, in-market sales professionals with long standing relationships with small businesses in the communities we serve.

Circulation

Overall daily newspaper print circulation, including national and urban newspapers, has been declining slowly over the past several years. Small and midsize local market newspapers have generally had smaller declines and more stability in their paid print circulation volumes due to the relevant and unique hyper-local news they produce combined with less competition than larger markets. In addition, we believe this unique and valuable hyper-local content along with multiple delivery platforms now available will allow smaller market newspapers to continue to raise prices, leading to stable circulation revenues. Data and technology now available to newspapers allow them to target pricing more at the household level rather than purely by market. This will lead to more effective pricing strategies and enhance stability for circulation revenues. According to the Newspaper Association of America, pay meters and pricing helped the newspaper industry grow circulation revenue by 9% from 2011 to 2013.

Our Strengths

High Quality Assets with Leading Local Businesses. Our publications benefit from a long history in the communities we serve as one of the leading, and often sole, providers of comprehensive and in-depth local content. More than 85% of our daily newspapers have been published for more than 100 years and 100% have been published for more than 50 years. This has resulted in brand recognition for our publications, reader loyalty and high local audience penetration rates, which are highly valued by local advertisers. We continue to build on long-standing relationships with local advertisers and our in-depth knowledge of the consumers in our local markets. We believe our local news content is unique and highly valued by consumers who live in our markets, and there are limited, and in some cases no competing sources of local content for our target customers.

Large Locally Focused Sales Force. We have large and well known in-market local sales forces in the markets we serve, consisting of over 1,480 sales representatives, including 42 dedicated to Propel and 17 third party sales affiliations. Our sales forces are generally among the largest locally oriented media sales forces in their respective communities. We have long-standing relationships with many local businesses and have the ability to be face to face with most local businesses due to these unique characteristics we enjoy. We believe our strong brands combined with our in-market presence give us a distinct advantage in selling and growing in the digital services sector given the complex nature of these products. We also believe that these qualities provide leverage for our sales force to grow additional future revenue streams in our markets, particularly in the digital sector.

Ability to Acquire and Integrate New Assets. We have created a national platform for consolidating local media businesses and have demonstrated an ability to successfully identify, acquire and integrate local media asset acquisitions. Together with our Predecessor, we have acquired over \$2.2 billion of assets since 2006, including both traditional newspaper and directory businesses. We have a scalable infrastructure and platform to leverage for future acquisitions.

Scale Yields Operating Profit Margins and Allows Us to Realize Operating Synergies. We believe we can generate higher operating profit margins than our publications could achieve on a stand-alone basis by leveraging our operations and implementing revenue initiatives, especially digital initiatives, across a broader local footprint in a geographic cluster and by centralizing certain back office production, accounting, administrative and corporate operations. We also benefit from economies of scale in the purchase of insurance, newsprint and other large strategic supplies and equipment. Finally, we have the ability to further leverage our centralized services and buying power to reduce operating costs when making future strategic accretive acquisitions.

Local Business Profile Generates Significant Cash Flow. Our local business profile allows us to generate significant recurring cash flow due to our diversified revenue base and high operating profit margins and

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maintain our low capital expenditure and working capital requirements. As a result of the Restructuring, which extinguished GateHouse's obligations under the 2007 Credit Facility and certain interest rate swaps secured thereunder on November 6, 2013, the confirmation date of the Plan, our interest and debt servicing expenses are significantly lower than our Predecessor's interest and debt servicing expenses. As of December 27, 2015, our debt structure consists of the New Media Credit Agreement and Advantage Credit Agreements (as defined below). We currently estimate that we will have significant free cash flow totaling \$115.0 million to \$135.0 million in 2016, which we believe will lead to stockholder value creation through our investments in organic growth, investments in accretive acquisitions and the return of cash to stockholders in the form of dividends, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. We further believe the strong cash flows generated and available to be invested will lead to consistent future dividend growth.

Experienced Management Team. Our senior management team is made up of executives who have an average of over 20 years of experience in the media industry, including strong traditional and digital media expertise. Our executive officers have broad industry experience with regard to both growing new digital business lines and identifying and integrating strategic acquisitions. Our management team also has key strengths in managing wide geographically disbursed teams, including the sales force, and identifying and centralizing duplicate functions across businesses leading to reduced core infrastructure costs.

Our Strategy

We intend to create stockholder value through a variety of factors including organic growth driven by our consumer and SMB strategies, pursuing attractive strategic acquisitions of high quality local media assets, and through the distribution of a substantial portion of our free cash flow as a dividend, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. However, there is no guarantee that we will be able to accomplish any of these strategic initiatives.

A key component of our strategy is to acquire and operate traditional local media businesses and transform them from print-centric operations to dynamic multi-media operations through our existing online advertising and digital marketing services businesses. We will also leverage our existing platform to operate these businesses more efficiently. We believe all of these initiatives will lead to revenue and cash flow growth for New Media and will enable us to pay dividends to our stockholders. We intend to distribute a substantial portion of our free cash flow as a dividend to stockholders, through a quarterly dividend, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. The Board of Directors' determinations regarding dividends will depend on a variety of factors, including the Company's GAAP net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. The key elements of our strategy include:

Maintain Our Leading Position in the Delivery of Proprietary Local Content in Our Communities. We seek to maintain our position as a leading provider of unique local content in the markets we serve and to leverage this position to strengthen our relationships with both readers and local businesses, thereby increasing penetration rates and market share. A critical aspect of this approach is to continue to provide local content that is not readily obtainable elsewhere and to be able to deliver that content to our customers across multiple print and digital platforms.

Grow Our New Digital Marketing Services Business. We plan to scale and expand our digital marketing services, including Propel. We believe Propel will allow us to sell digital marketing services to SMBs both in and outside existing New Media markets. The SMB demand for digital service solutions is great and represents a rapidly expanding opportunity. According to the 2011 U.S. Census data, there are approximately 27.9 million SMBs in the U.S. and, according to a 2015 U.S. Local Media Forecast by BIA/Kelsey, digital revenues are expected to grow to \$42.6 billion in 2016, representing a 3.8% growth rate. Owners of SMBs often lack the

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resources and expertise to navigate the digital marketing services sector, with 49% of SMBs not having a website and 93% not having mobile-friendly websites according to a SCORE Association Small Business Study in 2014. We believe local SMBs will turn to our trusted local media brands to help them navigate through developing their digital marketing presence and strategy. We believe our local media properties and local sales infrastructure gives us a distinct advantage to being the leading local provider of digital marketing services, through Propel.

Pursue Strategic Accretive Acquisitions. We intend to capitalize on the highly fragmented and distressed local print industries which have greatly reduced valuation levels. We initially expect to focus our investments primarily in the local newspaper sector in small to mid-size markets. We believe we have a strong operational platform as well as scalable digital marketing services, including Propel. This platform, along with deep industry specific knowledge and experience that our management team has can be leveraged to reduce costs, stabilize the core business and grow digital revenues at acquired properties. The size and fragmentation of the addressable print media market place in the United States, the greatly reduced valuation levels that exist in these industries, and our deep experience make this an attractive place for our initial consolidation focus and capital allocation. Over the longer term we also believe there may be opportunity to diversify and acquire these types of assets internationally, as well as other traditional local media assets such as broadcast TV, out of home advertising (billboards) and radio, in the United States and internationally. We also believe there may be opportunities to acquire other strong businesses that have strong local brands and local sales infrastructure or digital product companies, both of which could quickly scale for Propel.

Stabilize Our Core Business Operations. We have four primary drivers in our strategic plans to stabilize our core business operations, including: (i) identifying permanent structural expense reductions in our traditional business cost infrastructure and re-deploying a portion of those costs toward future growth opportunities, primarily on the digital side of our business; (ii) accelerating the growth of both our digital audiences and revenues through improvements to current products, new product development, training, opportunistic changes in hiring to create an employee base with a more diversified skill set and sharing of best practices; (iii) accelerating our consumer revenue growth through subscription pricing increases, pay meters for digital content and growth in our overall subscriber base; and (iv) stabilizing our core print advertising revenues through improvements to pricing, packaging of products for customers that will produce the best results for them, and more technology and training for sales management and sales representatives.

The newspaper industry has experienced declining revenue and profitability over the past several years due to, among other things, advertisers shift from print to digital media following the consumer shift, and general market conditions. The Restructuring significantly reduced New Media's interest expense. In addition, New Media intends to focus its business strategy on building its digital marketing business and growing its online advertising business, which we believe will offset some of the challenges experienced by GateHouse. With its improved capital structure and digital focus, combined with its strengths and strategy and dividend strategy, we believe that New Media will be able to grow stockholder value. However, there can be no assurance of this. See Risk Factors under Item 1A of this Annual Report on Form 10-K.

Challenges

We will likely face challenges commonly encountered by recently reorganized entities, including the risk that even under our improved capital structure, we may not be profitable.

As a publisher of locally based print and online media, we face a number of additional challenges, including the risks that:

the growing shift within the publishing industry from traditional print media to digital forms of publication may compromise our ability to generate sufficient advertising revenues;

investments in growing our digital business may not be successful, which could adversely affect our results of operations;

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our advertising and circulation revenues may decline if we are unable to compete effectively with other companies in the local media industry; and

we may not be able to successfully acquire local print media assets at attractive valuations due to a rise in valuations from a more competitive landscape of acquirors.

For more information about New Media's risks and challenges, see "Risk Factors" under Item 1A of this Annual Report on Form 10-K.

Products

Our product mix consists of four publication types: (i) daily newspapers, (ii) weekly newspapers, (iii) shoppers and (iv) niche publications. Most of these publications have a digital presence as discussed in the following table. Some of the key characteristics of each of these types of publications are also summarized in the table below.

	Daily Newspapers	Weekly Newspapers	Shoppers	Niche Publications
Cost:	Paid	Paid and free	Paid and free	Paid and free
Distribution:	Distributed four to seven days per week	Distributed one to three days per week	Distributed weekly	Distributed weekly, monthly or on annual basis
Format:	Printed on newsprint, folded	Printed on newsprint, folded	Printed on newsprint, folded or booklet	Printed on newsprint or glossy, folded, booklet, magazine or book
Content:	50% editorial (local news and coverage of community events, some national headlines) and 50% ads (including classifieds)	50% editorial (local news and coverage of community events, some national headlines for smaller markets which cannot support a daily newspaper) and 50% ads (including classifieds)	Almost 100% ads, primarily classifieds, display and inserts	Niche content and targeted ads (e.g., Chamber of Commerce city guides, tourism guides and special interest publications such as, seniors, golf, real estate, calendars and directories)
Income:	Revenue from advertisers, subscribers, rack/box sales	<i>Paid:</i> Revenue from advertising, subscribers, rack/box sales <i>Free:</i> Advertising revenue only, provide 100% market coverage.	<i>Paid:</i> Revenue from advertising, rack/box sales <i>Free:</i> Advertising revenue only, provide 100% market coverage	<i>Paid:</i> Revenue from advertising, rack/box sales <i>Free:</i> Advertising revenue only
Internet Availability:	Maintain locally oriented websites, mobile sites and mobile apps, for select locations	Major publications maintain locally oriented websites and mobile sites for select locations	Major publications maintain locally oriented websites	Selectively available online

Overview of Operations

We operate in three publication groups: Eastern US Publishing, Central US Publishing and Western US Publishing. We also operate over 489 related websites and 360 mobile sites.

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The following table sets forth information regarding our publications.

Operating Group	Number of Publications			Circulation ⁽¹⁾		Total Circulation
	Dailies	Weeklies	Shoppers	Paid	Free	
Eastern US Publishing	38	135	15	972,914	1,261,140	2,234,054
Central US Publishing	42	86	42	507,002	2,322,001	2,829,003
Western US Publishing	44	101	61	327,279	1,215,305	1,542,584
Total	124	322	118	1,807,195	4,798,446	6,605,641

(1) Circulation statistics are estimated by our management as of December 27, 2015.

Eastern US Publishing. Eastern US Publishing operates in six publication group clusters: the (1) New England Publishing Group, (2) Cape Publishing Group, (3) Providence Publishing Group, (4) Mid-Atlantic Publishing Group, (5) South Atlantic Publishing Group, and (6) Coastal Publishing Group.

New England Publishing Group. We are one of the largest community newspaper publishers in Massachusetts by number of daily publications and also publish a large concentration of weekly newspapers, serving 113 communities in markets across eastern Massachusetts. The three largest daily newspapers in this region are: *The Patriot Ledger* (founded in 1837 with circulation of 23,800), the *Enterprise* (founded in 1880 with circulation of 13,314) and the *MetroWest Daily News* (founded in 1897 with circulation of 11,783). We also have over 170 web sites, with more than 3.5 million combined monthly unique visitors in Massachusetts.

Many of the towns within our Massachusetts footprint were founded in the 1600s and our daily and weekly newspapers in the region have long been institutions within these communities. In fact, our Massachusetts publications have 29 daily and weekly newspapers that are over 100 years old. The Boston designated market area (DMA) is the eighth largest market in the United States with 2.5 million households and 6.5 million people, and ranks first nationally in concentration of colleges and universities. Massachusetts has more than 1.0 million households in the region earning greater than \$75,000, and a substantial homeownership rate. We reach 1.4 million readers in the eastern Massachusetts market. Eastern Massachusetts is also an employment center for technology, biotechnology, healthcare and higher education.

Cape Publishing Group. This cluster includes Worcester, Massachusetts, the Cape Cod Media Group, the Southcoast Media Group, and the Seacoast Media Group.

In Worcester, Massachusetts, the *Telegram & Gazette* has been the premier daily newspaper in Central Massachusetts since 1866. The *Telegram & Gazette*, with daily circulation of 46,634 and its website, *telegram.com*, covers all of Worcester county, as well as surrounding areas including editorial coverage and distribution in over 60 towns which represents over 20% of the towns in the state of Massachusetts. Coverage is in our primary market of Worcester county with secondary focus in Middlesex and Hampden counties.

The Cape Cod Media Group publishes one paid daily, one paid weekly newspaper and one shopper. The flagship publication of the Cape Cod Media Group is the *Cape Cod Times*. The *Cape Cod Times*, with a daily circulation of 29,750 is the premier daily and Sunday local paper on Cape Cod. The *Barnstable Patriot*, the paid weekly newspaper, has a weekly circulation of 2,068.

The Southcoast Media Group publishes one paid daily newspaper, four paid weekly newspapers and two shoppers. The flagship publication of the Southcoast Media Group is the *Standard-Times*. The *Standard-Times*, with a daily circulation of 16,993, is the premier daily and Sunday local paper in the New Bedford, MA area. The other paid weeklies, the *Spectator*, the *Chronicle*, the *Middleboro Gazette* and the *Advocate*, have weekly circulations of 3,096, 1,429, 2,697 and 640, respectively.

Seacoast Media Group publishes two paid daily and seven paid weekly newspapers. The flagship publication of the Seacoast Media Group is the *Portsmouth Herald*. The *Portsmouth Herald*, with a daily

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circulation of 8,438, is the premier daily and Sunday local paper in coastal New Hampshire. The *Hampton Union* and the *Exeter News-Letter* are weeklies with circulations of 2,442 and 1,973, respectively. The *York County Coast Star* and the *York Weekly* in southern Maine have weekly circulations of 2,181 and 1,450, respectively. In addition, the group publishes *Foster's Daily Democrat*, 7,374 circulation, and the *Rochester (NH) Times* and *Sanford (ME) News*, both paid weeklies. *Seacoast Sunday* is a regional Sunday newspaper for the entire market with circulation of 11,581 and is the second largest Sunday paper in New Hampshire.

In addition, Coulter Press, publishers of two paid weeklies, *The Item* and *The Banner*, is older than Clinton, Massachusetts, the town it calls home. *The Item*, covering Clinton, Lancaster, Sterling, Bolton, Berlin and Boylston, was founded in July 1893, more than 120 years ago.

Providence Publishing Group. This cluster includes the Providence Journal Group, the Nantucket Island Media Group, and Norwich, Connecticut.

In Providence, Rhode Island, is our Pulitzer Prize winning publication *The Providence Journal*, which publishes one paid daily newspaper and one shopper. *The Providence Journal* is the preeminent newspaper in its market and the oldest continuously-published daily newspaper in the United States. Its market includes all of Rhode Island as well as seven cities and towns in Bristol county Massachusetts with a daily circulation of 85,323. With an evolving digital platform, the market's top local media website *providencejournal.com* offers an online source for award-winning news, sports, lifestyles, entertainment, editorials, and more and has monthly page views of over 9.7 million.

The Nantucket Island Media Group publishes *The Inquirer and Mirror*. With a weekly circulation of 6,339, it has the largest circulation of any island newspaper.

Our Norwich, Connecticut publication, *The Bulletin*, with a daily circulation of 10,219, diversifies this group as the eastern Connecticut economy differs from the nation and New England markedly. Primary economic drivers include casinos, military submarine manufacture and pharmaceutical research. Major industrial employers in the region include General Dynamics, Pfizer, Dow Chemical, Dominion Resources and the United States Navy.

Mid-Atlantic Publishing Group. This cluster includes the Hudson Valley Media Group and the Pocono Mountains Media Group.

The Hudson Valley Media Group publishes one paid daily, two free weekly newspapers, and one shopper. The flagship publication of the Hudson Valley Media Group is the *Times Herald-Record*. With a daily circulation of 46,260, the *Times Herald-Record* is the premier daily newspaper serving Orange, Ulster and Sullivan counties in New York and Pike county, Pennsylvania. The Pocono Mountains Media Group publishes one paid daily, one free weekly newspaper, and one shopper. The flagship publication of the Pocono Mountains Media Group is the *Pocono Record*. The *Pocono Record*, with a daily circulation of 13,640, is the premier daily and Sunday local paper in the Pocono Mountains area. The Hudson Valley Media group's commercial print division publishes 120 weekly, bi-weekly and monthly publications. They are endorsed by both NY and NJ Newspaper Publisher Association groups. Hudson Valley Media also produces Orange and Ulster Magazine. Both are perfect bound glossy magazines.

South Atlantic Publishing Group. This cluster includes publications in North Carolina, South Carolina, and Tennessee.

The North Carolina cluster publishes ten daily newspapers and two weekly newspapers. In western North Carolina, we publish the *Times-News* in Hendersonville (daily circulation of 9,763). Our Piedmont newspapers include *The Star* in Shelby (daily circulation of 8,268) and *The Gaston Gazette* in Gastonia (daily circulation of 20,298). Central North Carolina newspapers include *The Dispatch* in Lexington (publishing six days per week).

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with daily circulation of 6,246), *Times-News* in Burlington (daily circulation of 15,200), and *The Courier Tribune* in Asheboro (publishing six day per week with daily circulation of 7,709). Coastal publications in North Carolina include *The Free Press* in Kinston (daily circulation of 6,153), *Sun Journal* in New Bern (daily circulation of 9,963), *The Daily News* in Jacksonville (daily circulation of 11,419), and *Star News* in Wilmington (daily circulation of 29,494). Combined, these newspapers won 151 editorial and advertising awards in the 2015 North Carolina Press Association contest of which 51 were first place awards including for Investigative Reporting, City/County Government Reporting, Deadline Reporting, Business Writing, Photography, and Overall Appearance and Design.

In South Carolina we operate one daily publication, *Spartanburg Herald-Journal*, with a daily circulation of 24,663. Spartanburg is the largest city, and the county seat of, Spartanburg county. The *Herald-Journal*'s primary distribution area is Spartanburg and Union counties. In 2015, the *Herald-Journal* won 43 awards issued by the South Carolina Press Association, including 12 first-place awards and the President's Cup for overall excellence.

In Columbia, Tennessee our daily publication is the *Columbia Daily Herald*, with daily circulation of 7,476. The *Columbia Daily Herald* publishes six days a week (Sunday through Friday) and serves Maury county, Tennessee and the surrounding Middle Tennessee region. The *Columbia Daily Herald* also publishes one weekly newspaper and one shopper. In 2015, the *Daily Herald* won Tennessee Press Association awards for Best Education reporting, Sports Writing, Editorial and Breaking News.

Coastal Publishing Group. This cluster includes publications in Florida and Alabama.

The Florida cluster publishes nine daily newspapers, ten weekly newspapers, and four shoppers. On Florida's east coast in Daytona Beach is our daily publication *The Daytona Beach News-Journal*, which serves Volusia and Flagler counties with a daily circulation of 57,008. *The Daytona Beach News-Journal* also publishes four shoppers with a total combined circulation of 185,163 and operates a successful website *news-journalonline.com* that receives monthly page views of over 3.5 million. To the north is our two-time Pulitzer Prize winning daily publication, *The Gainesville Sun*, with daily circulation of 24,042 and monthly page views of 4.6 million. *The Gainesville Sun* also produces *GatorSports.com*, our University of Florida athletics free website which has approximately 3.5 million monthly page views. To the south of Gainesville in the middle of Marion county is our daily publication, *Ocala Star Banner*, with daily circulation of 25,091. The *Ocala Star Banner* also publishes a successful website *ocala.com* which receives monthly page views of over 5.1 million and monthly unique visitors over 510,000. In Central Florida, *The Ledger* in Lakeland has daily circulation of 39,278 and operates a robust commercial print operation generating millions of dollars a year. Also in Central Florida, our Leesburg publication the *Daily Commercial*, with its daily circulation of 15,027, covers a region known for seaplanes, upscale retirement living and rural small towns. Located in an area contiguous to Orlando, the *Daily Commercial* also publishes a weekly newspaper, *South Lake Press* and two websites that are enjoying significant audience growth. On the West Coast of Florida serving Sarasota and Manatee counties is the Pulitzer Prize winning *Herald-Tribune* with daily circulation of 61,494 which operates a family of digital products anchored by the successful *heraldtribune.com* website that receives monthly page views of over 4.2 million. The *Herald-Tribune* was named a 2015 10 Newspapers That Do It Right by Editor & Publisher.

In the northwest Florida panhandle, we publish two dailies and eight weeklies across a ten-county area stretching from Franklin in the east to Santa Rosa in the west, and north to the state line. Our daily in the East, the *Panama City News Herald*, with daily circulation of 15,851, was awarded a Pulitzer Prize in 1962 for investigative journalism and in 2015 won 20 awards in two statewide contests. It also operates a growing website, *news herald.com*, which receives a monthly average of 2.0 million page views and over 312,000 monthly unique visitors.

To the west in Fort Walton Beach, the *Northwest Florida Daily News*, with a circulation of 18,904 also has a dominant website, *nwfdailynews.com* that receives monthly page views of over 4.0 million and 430,000 monthly unique visitors. Their staff also garnered statewide awards in 2015, including in categories like sports writing, column writing and headline writing.

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In Alabama we publish two daily publications; *The Tuscaloosa News* and *The Gadsden Times*. Our Pulitzer Prize winning, daily publication, *The Tuscaloosa News*, has daily circulation of 21,668 and a successful website *Tuscaloosanews.com* with more than 1.9 million page views per month. *The Tuscaloosa News* also publishes *TideSports.com*, a paid subscription-based website that focuses on University of Alabama athletics. With daily circulation of 11,666, *The Gadsden Times* is the oldest continually operating business in Etowah county.

The following table sets forth information regarding the number of publications and production facilities in the Eastern US Publishing:

State of Operations	Dailies	Publications		Production Facilities
		Weeklies	Shoppers	
Massachusetts	9	109	5	2
Florida	9	10	4	6
North Carolina	10	2	1	3
New Hampshire	2	5	0	2
New York	1	2	1	1
Pennsylvania	1	3	1	0
Maine	0	3	0	0
Tennessee	1	1	1	1
Alabama	2	0	0	1
Connecticut	1	0	1	0
Rhode Island	1	0	1	1
South Carolina	1	0	0	1
Total	38	135	15	18

Central US Publishing. Our Central US Publishing operates in the states of Illinois, Ohio, New York, Michigan, Delaware, Pennsylvania, West Virginia, and Virginia.

From the western shore of Lake Michigan to the eastern shore of the Mississippi River and running over 400 miles north to south, Illinois is a picture of manufacturing, agricultural and recreational diversity. Coupled with major daily newspapers from our publications in Rockford, Peoria, and the state capital of Springfield, we are the largest publishing company in Illinois. Nineteen paid daily newspapers, 22 paid weekly newspapers, and sixteen shoppers provide coverage across the state which, is supported by four print production facilities.

Approximately 85 miles to the west of Chicago, Illinois is the *Rockford Register Star* supported by its 54,652 daily paid circulation base and its TMC product *The Weekly*, with six zoned editions. The *Rockford Register Star* operates successful websites that receives a monthly average of over 2.1 million page views.

The Journal (Freeport, IL) Standard is published Tuesday through Sunday. The newspaper's coverage area includes Carroll, Jo Daviess, Ogle and Stephenson counties. The newspaper has a daily circulation of 5,565. The Journal Standard also publishes a website *journalstandard.com* and receives monthly page views of over 975,000 and average monthly unique visitors over 135,000.

The *Peoria Journal Star* with its daily paid circulation of 52,234 is the dominant newspaper in Peoria, Tazewell and Woodford counties and is also distributed in an additional 17 surrounding counties. There are two shoppers *The Marketplace* and *Pekin Extra* which have a combined weekly circulation of 94,981. The Peoria facility provides print services to our neighboring New Media publications and commercial printing for Lee Enterprises *The Pantagraph*. The market includes manufacturing facilities for Caterpillar and Komatsu, and higher education at Bradley University, Illinois Central College and Midstate College. Peoria has a large medical community including OSF Healthcare, Methodist Medical Center, Proctor Hospital, University Of Illinois College Of Medicine and St. Jude Children's Hospital Midwest Affiliate. It has agricultural facilities Archer Daniels Midland, LG Seeds and the USDA Ag Lab. The *Journal Star* has *pjstar.com* and *pjstar.mobi* with combined monthly page views of over 6.0 million per month. The combined monthly unique visitors are over 935,000.

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The Springfield *State Journal-Register* with a daily paid circulation of 28,578 covers the state capital of Illinois. The daily paid circulation includes a branded edition of 2,351 of the Lincoln Courier. *The State Journal-Register* also has successful web sites with monthly page views of more than 5.0 million.

The Columbus Dispatch is a metropolitan daily newspaper and is the trusted source for comprehensive news, politics, sports and entertainment coverage across Central Ohio. One of the country's strongest papers and the single daily in a top 40 media market, *The Columbus Dispatch* is located in Columbus, Ohio which is the largest city in Ohio and the fastest growing in the Midwest. The newspaper is distributed to homes and single copy outlets across Franklin county with a daily and Sunday circulation of 116,442 and 208,315, respectively. The Columbus Dispatch's websites, which represent the primary online source for Columbus-area news, receives over 9.0 million monthly page views.

The Ohio cluster is anchored in Canton, Ohio and covers Stark and Tuscarawas counties. It is comprised of three daily newspapers, one weekly publication and two shoppers. *The Repository* is a 40,864 daily newspaper that covers the entire area of Stark county. *The Dover New Philadelphia Times Reporter* is a 13,914 daily publication located 40 miles south of Canton in Tuscarawas county. *The Massillon Independent* is a 7,225 circulation daily that circulates in western Stark county. *The Suburbanite* is a 32,600 weekly publication that circulates in the affluent northern Stark county area. The Ohio facility also provides commercial print services to the *Akron Beacon Journal*. The Ohio cluster has very successful web sites with more than 6.4 million combined monthly page views and more than 960,000 combined monthly unique visitors. Together the newspapers and web sites dominate their local markets.

Central New York is anchored by the *Observer-Dispatch* in Utica, New York which has circulation of 22,560 daily and 29,519 Sunday subscribers. The Utica operations include one daily and two weekly newspapers in Hamilton. Utica also has web sites with combined monthly unique visitors of more than 395,000. In addition to the *Observer Dispatch*, *Times-Telegram*, which has a daily circulation of 2,922 covering both the towns of Herkimer and Little Falls, rounds out our coverage in the Mohawk Valley.

Also in New York we operate and own a combination of sixteen publications in Suburban Rochester that span four counties and have a combined circulation of 111,605. This market has a tourism industry and is known for boutique wineries and recreational activities. The flagship of Messenger Post Media is the 7,938 circulation *Daily Messenger* in Canandaigua.

In southwestern New York, our operations are centered around five publications based in Steuben county. In Corning, *The Leader*, a 5,791 circulation daily newspaper, dominates the eastern half of the county and shares its hometown namesake with Corning Incorporated. The *Evening Tribune* in Hornell circulates daily throughout the western half of the county. Situated directly between these two dailies in the county seat of Bath is the 10,850 circulation *Steuben Courier*, a free-distribution weekly. The *Pennysaver Plus*, a standalone shopper, solidifies this flagship group.

We also have a strong presence in the print advertising markets in three other New York counties that surround Steuben. In Allegany county to the west, the *Wellsville Daily Reporter* and its shopper, the *Pennysaver Plus*, cover most households. In Livingston county to the north, the *Pennysaver Plus* and the *Genesee Country Express* complement one another with combined circulation of 24,115. In Yates county to the north and east, *The Chronicle-Express* and *Chronicle Ad-Visor* shopper distribute weekly to nearly 13,421 households centered around the county seat of Penn Yan.

In nearby Chemung county, the 15,000 circulation *Horseheads Shopper* anchors our presence in this area. The majority of the southwestern New York cluster parallels Interstate 86 across the central southern tier of New York State, which is benefiting from continued improvement and expansion under an omnibus federal highway appropriations bill. Moreover, the cluster has several colleges and universities nearby, including Cornell University, Ithaca College, Elmira College and Houghton College.

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We have a strong presence in southern Michigan where six of our dailies, Adrian, Monroe, Coldwater, Holland, Hillsdale and Sturgis, along with two weekly and eight shoppers blanket the southern tier of the state and into Indiana. The 15,178 Sunday circulation *Holland Sentinel* is the flagship publication of the group. This area has several large employers, including Delphi, ConAgra, Tecumseh Products, Kellogg, JCI, Herman Miller, Hayworth, Gentex, Jackson State Prison, and a number of colleges and universities.

In Delaware, we publish seven weekly newspapers and various specialty papers that cover most of the state of Delaware and range from suburban Wilmington in the north to Georgetown, Delaware at the southern end of the state. Circulation for the cluster is primarily free and totals approximately 72,377 weekly.

Our Honesdale cluster, approximately 30 miles from Scranton, Pennsylvania, consists of four publications in the cities of Honesdale and Hawley, Pennsylvania. The cluster was created from our daily and shopper operations in Honesdale and later supplemented by our acquisition of one weekly and one shopper in Hawley. Local employers include General Dynamics, Blue Cross/Blue Shield, Commonwealth Telephone and various colleges and universities, medical centers and governmental agencies.

Our Pennsylvania/West Virginia cluster includes dailies in Waynesboro, Pennsylvania, Keyser and Ripley, West Virginia. We also have two weeklies in Ripley and a commercial printing operation in Ravenswood, West Virginia.

The communities we serve in Central US Publishing are largely rural but also support educational institutions, government agencies (including prisons and military bases), tourism, veterinary medicine and ethanol and agricultural chemical manufacturing. The area also includes automotive (including recreational vehicles), boat, home construction products and furniture manufacturing businesses.

The following table sets forth information regarding the number of publications and production facilities in Central US Publishing:

State of Operations	Dailies	Publications		Production Facilities
		Weeklies	Shoppers	
Illinois	19	29	16	4
Ohio	4	28	2	3
New York	6	16	9	2
Michigan	9	2	11	3
Delaware	0	7	0	1
Pennsylvania	2	2	2	2
West Virginia	1	2	2	2
Virginia	1	0	0	1
Total	42	86	42	18

Western US Publishing. Western US Publishing operates in the states of Missouri, Arkansas, Texas, California, Kansas, Iowa, Louisiana, Minnesota, Oklahoma, Colorado, Nebraska, Oregon, North Dakota, and Tennessee.

The greatest concentration of circulation and market presence in Missouri is in the northern part of the state where we operate five daily newspapers, four weekly newspapers and five shoppers. We serve the 22,000 square mile area from Hannibal, on the state's eastern border, to the western border and from Columbia in the south to the Iowa border in the north. Local employers include the University of Missouri and other colleges, local and federal governments, State Farm Insurance and 3M.

Our southern Missouri operations are clustered around Lake of the Ozarks. Located midway between Kansas City and St. Louis and approximately 90 miles from Springfield, Missouri, our three daily newspapers, seven weekly newspapers and three shoppers that serve the Lake of the Ozarks area reach approximately 165,000 people.

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Located in southwest Missouri and southeast Kansas is our Joplin cluster with three daily and seven weekly newspapers and four shoppers, serving a population of approximately 170,000. There are several colleges and universities in the area, a National Guard Fort, several large medical centers and a diverse mix of retail businesses, including the 120-store Northpark Mall.

This group also includes our Kansas City cluster with nine publications (two daily and five weekly newspapers and two shoppers) located in the eastern Kansas cities of Leavenworth and Lansing and in Independence, Missouri. The *Leavenworth Times* was one of our original daily newspapers and the balance of the cluster was acquired afterward. In addition, we secured the military publication, *The Fort Leavenworth Lamp*, in Fort Leavenworth. The Kansas City cluster is home to several prominent companies, including Hallmark, H&R Block, Sprint, Cerner, Garmin, and the University of Kansas.

The Wichita cluster consists of two dailies, five weeklies and three shoppers in the towns of El Dorado, Pratt, Wellington, Newton and McPherson near Wichita, Kansas. The clustering of the small dailies in this area allows the group to sell advertising packages providing access to multiple communities. Major aircraft manufacturers Boeing, Bombardier, Cessna and Raytheon have facilities nearby and McConnell Air Force Base is a major component of the local economy.

Also located in the southwest is our operation in the state of Texas, with 24 publications (four daily, nine weekly newspapers, and eleven shoppers). The group based in Texas consists of two distinct operations. The first is a collection of small-market dailies and companion publications in central Texas in the towns of Stephenville, Brownwood and Waxahachie. The second is a well-established shopper group serving the growing cities of the Rio Grande Valley in south Texas. These shoppers serve Brownville, Harlingen, Laredo, McAllen, Alice and Corpus Christi, Texas.

The *Herald Democrat* principally serves Grayson county, Texas, with the largest metropolitan area served located in Sherman, Texas with a daily circulation of 13,646. The *Herald Democrat* has a growing digital platform with their website heralddemocrat.com and extends the newspapers reach to consumers nationwide with monthly page views of over 568,000. The *Herald Democrat* also publishes three weekly newspapers and five shoppers.

In Louisiana, we have an operating cluster in the southwestern part of the state, located between Lake Charles and Alexandria. This cluster consists of five publications located in the cities of Leesville, Sulphur, DeRidder and Vinton. Local employers include major manufacturers such as Alcoa, Firestone, International Paper and Proctor & Gamble.

Our Baton Rouge cluster consists of three dailies, four weeklies and three shoppers in the southeastern Louisiana cities of Houma, Thibodaux, Donaldsonville, Gonzales, and Plaquemine. Numerous petrochemical companies such as BASF, Exxon Mobil and Dow Chemical, plus universities including Louisiana State, support the local economies.

In Fort Smith, Arkansas is the *Southwest Times-Record*, which has been a primary news source in Northwest Arkansas for over a century with a daily circulation of 23,880. The *Southwest Times Record* digital platform extends the newspaper's reach to consumers nationwide through its website swtimes.com with monthly page views of over 755,000. The *Southwest Times Record* also publishes five weekly newspapers and a shopper and principally serves Sebastian and Crawford counties in Arkansas and Le Flore and Sequoyah counties in Oklahoma with the largest metropolitan area served being Fort Smith, Arkansas. In Southeast Arkansas is our award-winning newspaper *The Pine Bluff Commercial*, which serves as the primary source of news in Central and Southeast Arkansas with daily circulation of 8,104. *The Pine Bluff Commercial* also reaches its readers through their successful website pbcommercial.com with monthly page views of over 400,000.

To the West in Oklahoma is the *Examiner-Enterprise* in Bartlesville, which is one of the state's largest daily newspaper with circulation of 6,043. The *Examiner-Enterprise* is an award-winning publication with awards including Oklahoma Press Association recognition for website, editorials, photography, and news coverage. The *Examiner-Enterprise* also publishes one weekly newspaper and one shopper.

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We are represented in California by two daily newspapers in Ridgecrest and Yreka, five paid weekly papers in Dunsmuir, Mt. Shasta, Weed, Gridley and Taft, and three shoppers in Gridley, Mt. Shasta and Ridgecrest. These publications reach from northern California through the southern desert and China Lake naval base in Ridgecrest. In the Stockton, California area we publish one paid daily, one free weekly paper, and two shoppers. The flagship publication of the area is the *Record*. The *Record*, with a daily circulation of 27,841, is the premier daily and Sunday local paper in the Stockton, California area.

In Oregon we publish two paid daily papers and one shopper with the flagship publication being the *Medford Mail Tribune*. The *Medford Mail Tribune*, with a daily circulation of 18,839, is the premier daily and Sunday local paper in southern Oregon. The other paid daily paper, the *Ashland Daily Tidings*, has a daily circulation of 1,405.

La Junta, in the southeastern part of the state, represents the Colorado properties. Along with La Junta we also serve Bent county and Fowler and produce the weekly agricultural newspaper, *The Ag Journal*.

We also have clusters in and around Grand Forks, North Dakota (home to the Grand Forks Air Force Base and the University of North Dakota), and Iowa, where Cargill, ConAgra, Kraft, Winnebago and Fort Dodge Animal Health, a division of Wyeth, each maintain significant operations.

We are represented in southwestern Minnesota through seven paid weekly newspapers and four shoppers. St. James, Redwood Falls, Sleepy Eye, Granite Falls, Cottonwood, Wabasso, and Montevideo are all communities with populations of 10,000 and under. These papers represent the primary local news and information source for these communities.

The *Ames Tribune* is Central Iowa's Pulitzer Prize-winning newspaper, with a daily circulation of 6,817. The *Ames Tribune*'s digital platform allows customers, both local and nationwide, to access content through its market-leading website, *amestrib.com* with over 560,000 monthly page views. *Ames Tribune* also publishes six weekly newspapers and five shoppers.

The following table sets forth information regarding the number of publications and production facilities in the Western Publishing Group:

State of Operations	Publications			Production Facilities
	Dailies	Weeklies	Shoppers	
Missouri	10	15	10	4
Arkansas	5	27	1	3
Texas	4	11	15	4
California	5	9	8	2
Kansas	5	9	7	0
Iowa	2	7	5	0
Louisiana	3	8	4	2
Minnesota	1	7	5	0
Oklahoma	4	3	3	3
Colorado	1	3	0	1
Nebraska	0	2	1	0
Oregon	2	0	1	1
North Dakota	1	0	1	1
Tennessee	1	0	0	0
Total	44	101	61	21

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Directories

The core of our directory portfolio is comprised of the three yellow page directories, which are located in and around the Sacramento, California area, primarily in Roseville, California. The three directories have an aggregate circulation of approximately 348,000 and service Roseville, Auburn/Grass Valley/Nevada City and Folsom/El Dorado/Placerville, reaching four counties within the Sacramento region.

Our SureWest Directories portfolio is highlighted by the Roseville directory. The Roseville directory is the incumbent (with a circulation of approximately 210,000) and has served the local Roseville community for over 100 years and has achieved more than 50% market share.

We also own three additional directories including two Michigan and Indiana phone guides servicing St. Joseph county, Michigan and LaGrange county, Indiana, and Branch county, Michigan and Steuben county, Indiana, respectively, and one yellow page directory based in Mt. Shasta, California.

Propel Marketing

Propel is our digital marketing product line with digital products designed for SMBs. We believe the digital services industry represents a large and expanding opportunity. Propel is a product offering we created to attack that opportunity.

There are approximately 27.9 million SMBs in the United States today and about 26.7 million have less than 20 employees according to the 2011 U.S. Census data. Although these businesses are increasingly beginning to recognize the need to establish and maintain a strategy for the digital space, most do not have the time, expertise or resources to handle this themselves.

Propel is a product line that can become the outsourced digital marketing services department for those SMBs. Propel's products help an SMB build a presence across digital platforms, help them get found by consumers, help them engage with and grow their customer base. We pull these products together for the SMB with a proprietary customer dashboard which integrates activity and results for all Propel products.

We also believe Propel gives us an opportunity to expand beyond our current geographic boundaries, as its product set could be of value to SMBs around the country.

Revenue

Our operations generate three primary types of revenue: (i) advertising, (ii) circulation (including home delivery subscriptions, single copy sales and digital subscriptions) and (iii) other (primarily commercial printing and digital marketing services). In 2015, these revenue streams accounted for approximately 58%, 32% and 10%, respectively, of our total revenue. The contribution of advertising, circulation and other revenue to our total revenue for New Media, known as the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013 and the Predecessor Company for the ten months ended November 6, 2013 was as follows:

	Successor Company		Predecessor Company	
(in thousands)	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013
Revenue:				
Advertising	\$ 696,696	\$ 385,399	\$ 63,340	\$ 265,078
Circulation	378,263	195,661	29,525	118,810
Commercial printing and other	120,856	71,263	10,366	29,402
Total revenue	\$ 1,195,815	\$ 652,323	\$ 103,231	\$ 413,290

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Advertising

Advertising revenue, which includes revenue generated from online and mobile products, is the largest component of our revenue, accounting for approximately 58%, 59% and 63% of our total revenue in 2015, 2014 and 2013, respectively. We categorize advertising as follows:

Local Retail local retailers, local stores for national retailers, grocers, drug stores, department and furniture stores, local financial institutions, niche shops, restaurants and other consumer related businesses.

Local Classified local legal, obituaries, employment, automotive, real estate and other advertising.

Online banner, display, classified, behavioral targeting, audience extension, search and other advertising on websites or mobile devices.

National national and major accounts such as wireless communications companies, airlines and hotels, generally placed with us through agencies.

We believe that our advertising revenue tends to be less volatile than the advertising revenue of large metropolitan and national print media because we rely primarily on local, rather than national advertising and our classified revenue, tends to be more local market oriented (job listing for example). We generally derive 95% or more of our advertising revenue from local advertising (local retail, local classified and online) and less than 5% from national advertising. We believe that local advertising tends to be less sensitive to economic cycles than national advertising because local businesses generally have fewer effective advertising channels through which they may reach their customers.

Our advertising rate structures vary among our publications and are a function of various factors, including local market conditions, competition, circulation, readership and demographics. Management works with local newspaper management to set advertising rates and a portion of our publishers' incentive compensation is based upon growing advertising revenue. Our sales compensation program emphasizes digital and new business growth. We share advertising concepts throughout our network of publishers and advertising directors including periodic special section programs, enabling them to utilize advertising products and sales strategies that are successful in other markets we serve.

Substantially all of our advertising revenue is derived from a diverse group of local retailers and local classified advertisers, resulting in very limited customer concentration. No single advertiser accounted for more than 1% of our total revenue in 2015, 2014 or 2013 and our 20 largest advertisers account for less than 10% of total revenue.

Our advertising revenue tends to follow a seasonal pattern, with higher advertising revenue in months containing significant events or holidays. Accordingly, our first quarter, followed by our third quarter, historically are our weakest quarters of the year in terms of revenue. Correspondingly, our second and fourth fiscal quarters, historically are our strongest quarters. We expect that this seasonality will continue to affect our advertising revenue in future periods.

We have experienced declines in advertising revenue over the past few years, due primarily to the secular pressures on the business as consumers and advertisers shift time and spend from traditional media to the internet. We continue to search for organic growth opportunities, specifically with digital advertising and ways to stabilize print revenue declines through strengthening local news product, value based pricing and training of sales staff.

Circulation

Our circulation revenue is derived from home delivery sales to subscribers, single copy sales at retail stores and vending racks and boxes, and digital subscriptions. We own 124 paid daily publications that range in

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circulation from approximately 300 to 116,000 and 213 paid weekly publications that range in circulation from approximately 100 to 12,000. Circulation revenue accounted for approximately 32%, 30% and 29% of our total revenue in 2015, 2014 and 2013, respectively.

Subscriptions are typically sold for three to twelve-month terms and often include promotions to extend the average subscription period or convert someone to become a subscriber. We also provide bundled print and digital subscriptions and employ pay meters for our website content at most of our daily publications. We implement marketing programs to increase readership through subscription and single copy sales, including company-wide and local circulation contests, direct mail programs, door-to-door sales and strategic alliances with local schools in the form of Newspapers in Education programs. In addition, since the adoption of the Telemarketing Sales Rule by the Federal Trade Commission in 2003, which created a national do not call registry, we have increased our use of EZ Pay programs, kiosks, sampling programs, in-paper promotions and online promotions to increase our circulation.

We encourage subscriber use of EZ Pay, a monthly credit card charge or direct bank debit payment program, which has led to higher retention rates for subscribers. We also use an active stop-loss program for all expiring subscribers. Additionally, in order to improve our circulation revenue and circulation trends, we periodically review the need for quality enhancements, such as:

Consumer research to better understand local content of interest;

Increasing the amount of unique hyper-local content;

Increasing the use of color and color photographs;

Improving graphic design, including complete redesigns;

Developing creative and interactive promotional campaigns;

Improving customer service and company wide customer retention efforts; and

Better use of demographic data to specifically target pricing and customer acquisition opportunities.

We believe that our unique and valuable hyper-local content allows us to continue to produce products of great relevance to our local market audiences. This allows us to be able to periodically raise prices, both for home delivery and on a single copy basis, resulting in increased circulation revenues. We also believe this unique hyper-local content will allow us to find ways to grow circulation revenues from our wide array of digital products.

Other

We provide commercial printing services to third parties on a competitive bid basis as a means to generate incremental revenue and utilize excess printing capacity. These customers consist primarily of other publishers that do not have their own printing presses and do not compete with our publications. We also print other commercial materials, including flyers, business cards and invitations. Additionally, this category includes Propel which provides internet marketing solutions for SMBs and GateHouse Live, our events business. Other sources of revenue, including commercial printing and Propel, accounted for approximately 10%, 11% and 8% of our total revenue in 2015, 2014 and 2013, respectively.

Printing and Distribution

We own and operate 57 print facilities. Our print facilities produce eight publications on average and are generally located within 60 miles of the communities served. By clustering our production resources or outsourcing where cost beneficial, we are able to reduce the operating costs of

our publications while increasing the quality of our small and midsize market publications that would typically not otherwise have access to high

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quality production facilities. We also believe that we are able to reduce future capital expenditure needs by having fewer overall pressrooms and buildings. We believe our superior production quality is critical to maintaining and enhancing our position as the leading provider of local news coverage in the markets we serve. As other print media businesses look to reduce costs, we believe we have the opportunity to leverage our unutilized press time to grow our commercial print customer base and revenue.

The distribution of our daily newspapers is typically outsourced to independent, locally based, third-party distributors that also distribute a majority of our weekly newspapers and non-newspaper publications. We continuously evaluate lower cost options for newspaper delivery. In addition, certain of our shopper and weekly publications are delivered via the U.S. Postal Service.

Availability of Raw Materials for Our Business Newsprint

The basic raw material for our publications is newsprint. We generally maintain only a 45 to 55-day inventory of newsprint.

Historically, the market price of newsprint has been volatile, reaching a high of approximately \$823 per metric ton in 2008 and a low of \$410 per metric ton in 2002. However, from 2010 to 2015, there was much less volatility in newsprint pricing and we have benefited from negotiating a fixed annual price for a majority of our newsprint. The average market price of newsprint during 2015 was approximately \$585 per metric ton.

In 2014, we consumed approximately 57,300 metric tons of newsprint (inclusive of commercial printing) and the cost of our newsprint consumption totaled approximately \$36.2 million. In contrast, in 2015, we consumed approximately 119,900 metric tons of newsprint (inclusive of commercial printing), and the cost of our newsprint consumption totaled approximately \$66.9 million. Our newsprint expense typically averages less than 10% of total revenue, which we believe generally compares favorably to larger, metropolitan newspapers.

For our 2014 and 2015 purchases of newsprint, we negotiated a fixed price for approximately 95% and 93%, respectively, of our newsprint tons which allowed us to eliminate some of the volatility of the market price. We expect to purchase 93% of our newsprint with a fixed price again in 2016.

Competition

Each of our publications competes for advertising revenue to varying degrees with traditional media outlets such as direct mail, yellow pages, radio, outdoor advertising, broadcast and cable television, magazines, local, regional and national newspapers, shoppers and other print and online media sources, including local blogs. We also increasingly compete with new digital and social media companies for advertising revenue. However, we believe that barriers to entry remain high in many of the markets we serve in terms of being the preeminent source for local news and information therein, because our markets are generally not large enough to support a second newspaper and because our local news gathering infrastructures, sales networks and relationships would be time consuming and costly to replicate. We also have highly recognized local brand names and long histories in the towns we serve.

We also provide our readers with community-specific content, which is generally not available from other media sources. We believe that our direct and focused coverage of the market and our cost effective advertising rates relative to more broadly circulated metropolitan newspapers allow us to tailor an approach for our advertisers. As a result, our publications generally capture a large share of local advertising in the markets they serve.

The level of competition and the primary competitors we face vary from market to market. Competition tends to be based on market penetration, demographic and quality factors, as opposed to price factors. The competitive environment in each of our operating regions is discussed in greater detail below.

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Eastern US Publishing. In Eastern US Publishing, the *Boston Globe* and *boston.com*, a metropolitan daily and website, respectively, owned by John Henry, compete with us throughout eastern Massachusetts. In addition, we compete in Massachusetts with companies that publish a combined total of approximately 16 dailies and 50 weeklies, three major radio station operators, five local network television broadcasters, one cable company and numerous niche publications for advertising revenues. We believe that our publications generally deliver the highest household coverage in their respective markets.

We believe our publications in these markets are generally the dominant media and that each has an audience far larger than the competitors. Daily newspapers owned by Gannett Company, Inc. (*Poughkeepsie Journal* in Poughkeepsie, New York) and 21st Century Media, Inc. (*Daily Freeman* in Kingston, New York), compete within the New York market. Our Cape Cod and New Bedford, Massachusetts newspapers experience competition from weekly newspapers, local radio stations, shopping guides, directories and niche publications.

Our publication, the *Providence Journal*, is the dominant daily newspaper in its market. Other daily newspaper operators in the state include the Edward Sherman Company, which owns the *Newport Daily News* and numerous non-dailies serving the Newport Rhode Island area and Sun Publishing Company, owner of the *Westerly Sun* and three non-dailies in the state. RISN Operations, Inc. publish four daily papers and five weekly publications serving communities in Providence county and Rhode Island. Three other companies publish more than 16 weeklies in Rhode Island. The Providence market has seven local network television stations and three major radio station operators, one cable company and numerous print and online niche publications.

Our publication *The Gainesville Sun* and *Ocala Star Banner* are the dominant media in their respective markets, primarily Alachua and Marion counties. We compete with four television stations, which is unusual for markets this size. Gainesville has its own DMA and Ocala falls into the Orlando DMA. There are no other dailies in the market other than a slow movement by the Villages Daily Sun into Marion county (Ocala), a concern due to their offering the lowest home delivery and single copy rates of any Florida daily. They operate as part of one of the fastest growing developments in the county, The Villages. We publish a weekly newspaper, *Gainesville Guardian*, in east Gainesville and also a very successful city magazine, *Gainesville Magazine*.

In the Daytona Beach market, our publication *The Daytona Beach News-Journal* is the dominant media. Primary print competition for the west side of our coverage area is the *Orlando Sentinel*, owned by Tribune Publishing. Smaller weekly competitive publications, including The Observer Group and Hometown News are also in the market. Major radio and network television stations are out of the Orlando market.

In the Sarasota market, we believe our publications are generally the dominant media and have an audience far larger than the competitors for the main areas we serve. Daily newspapers owned by McClatchy (*Bradenton Herald*) and Sun Coast Media Group (*Charlotte Sun*) border us on the north and south ends of our market respectively and distribute in our circulation area on the fringes. The Sarasota market has one local network television station and several local radio station operators and cable companies as well as numerous non-daily print and online niche publications.

Located in central Florida, our publication, *The Ledger*, in Lakeland is bordered by the *Orlando Sentinel* to the east and the *Tampa Tribune* to the west. In addition, our competitors also include multiple weekly newspapers and two radio stations. *The Ledger* is the dominant media in the central Florida area it serves.

In Tuscaloosa, the digital space is highly competitive with the competing site AL.com, owned by Advance Local.

Central US Publishing. Central US Publishing operates in 126 markets and we believe our publications are the dominant print advertising media in the vast majority of these markets. There are radio stations in or within 20 miles of every market in which we operate, but we do not believe that any of these radio station operators pose a significant competitive threat to our publications. Yellow page advertising is prevalent in all of our

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markets with either a local phone book or a regional phone book. We believe that, in most cases, yellow page advertising is geared more towards the professional services advertisers, such as attorneys and doctors, and not the local retail advertisers, as is the focus with our non-directory publications.

Lee Enterprises publishes the *Southern Illinoisan* in Carbondale, which is a regional newspaper that competes with our dailies in Marion, Benton, West Frankfort and DuQuoin. In all four of these cases, we believe our publications are the dominant local daily, but do compete on a regional basis with the larger dailies. We also compete with shoppers or weekly newspapers. This competition comes from small independent operators and is not significant. We have very little television competition in this group because of our geographic location in relation to major markets. There are no local television affiliates in our markets.

In the Northeast market of this group we believe our publications are generally the dominant media. The competition we face in this region is from major newspaper companies: daily newspapers owned by Gannett Company, Inc. (*The Star-Gazette* in Elmira, NY and the Chambersburg (PA) *Public-Opinion*); Times-Shamrock Company's Scranton (PA) *The Times-Tribune* and Towanda Daily/Sunday Review; Community Newspaper Holdings, Inc.'s Sunbury Daily Item; and Ogden-Nutting's Williamsport Sun-Gazette. We believe our publications tend to be the dominant local publication in those markets. In the Columbus market, the advertising competition in print is minimal with just a weekly business journal and a few small monthly magazines. On the electronic and digital side, the competition is intense comprised of six network TV stations, three cable companies, ten radio stations, and twelve digital agencies, with SMART 1 being the most aligned with our Propel product set.

In our Great Lakes markets we believe our publications are generally the dominant media in those markets. Our only significant competition comes from regional television stations in Adrian, Michigan. We also face competition from dozens of other competitors such as other local daily and weekly papers and niche publications, as well as radio and television stations, directories, direct mail and non-local internet websites, but none of these have proven to be significant.

Western US Publishing. In the southern regions of this group we believe our publications are generally the dominant media. Our major competition comes from regional daily newspapers, specifically: *The Advocate* in Baton Rouge, Louisiana; *The American Press* in Lake Charles, Louisiana; *The Joplin Globe*; and the *Wichita Eagle*. The community newspapers operate generally in isolated markets where the American Consolidated Media newspapers are by far the leading sources of local news and print advertising. We also face competition from numerous other daily and weekly papers, local radio stations, shopping guides, directories and niche publications. In the Sherman, Texas market, we believe our publications are generally the dominant media in those markets with minor competition with *The Dallas Morning News*, which has minimal circulation, and it does not focus on coverage of local content. All weeklies in the Sherman, Texas market are controlled by us, though there is some weekly competition in outlying Texas and Oklahoma communities. Our publication, the *Herald Democrat* also competes with local TV stations and several locally-owned radio stations in the market.

In Arkansas, there is some minor competition from the *Northwest Arkansas Democrat-Gazette* in northern Crawford county, AR, but they have limited circulation in the Fort Smith market, with some local news coverage. The *Northwest Arkansas Democrat-Gazette* circulates in the market with our publication *The Pine Bluff Commercial*, but does not deliver the community coverage that is most relevant to Pine Bluff and the surrounding counties making our publication the most relevant news source in the area. There are several locally-owned radio stations in the market that compete with *The Pine Bluff Commercial*.

In the northern regions of this group, we control every local weekly and daily paper in Story county, Iowa and have weeklies in other neighboring counties, which is why we believe our publications are the dominant news source in the area. The principal print competition is the *Des Moines Register*, but it does not deliver meaningful local community content.

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We face competition from other newspaper companies that include daily and weekly newspapers, local websites, local radio stations, local television stations, shopping guides, directories and niche publications. None of our competitors have proven to be significant. Our publications and websites have a rich history in our markets which we believe uniquely positions them for unmatched reach and relevancy in their local audiences.

Employees

As of December 27, 2015, we employed 9,509 employees. We employ union personnel at a number of our core publications representing 1,236 employees. As of December 27, 2015, there were 35 collective bargaining agreements covering union personnel. Most of our unionized employees work under collective bargaining agreements that expire in 2017. We believe that relations with our employees are generally good and we have had no work stoppages at any of our publications.

Environmental Matters

We believe that we are in substantial compliance with all applicable laws and regulations for the protection of the environment and the health and safety of our employees based upon existing facts presently known to us. Compliance with federal, state, and local environmental laws and regulations relating to the discharge of substances into the environment, the disposal of hazardous wastes and other related activities has had, and will continue to have, an impact on our operations, but has, since the incorporation of our Predecessor in 1997, been accomplished without having a material adverse effect on its operations. While it is difficult to estimate the timing and ultimate costs to be incurred due to uncertainties about the status of laws, regulations and technology, based on information currently known to us and insurance procured with respect to certain environmental matters, we do not expect environmental costs or contingencies to be material or to have a material adverse effect on our financial performance. Our operations involve risks in these areas, however, and we cannot assure you that we will not incur material costs or liabilities in the future which could adversely affect us.

Corporate Governance and Public Information

The address of New Media's website is <http://www.newmediainv.com/>. Stockholders can access a wide variety of information on New Media's website, under the Investor Relations tab, including news releases, SEC filings, information New Media is required to post online pursuant to applicable SEC rules, newspaper profiles and online links. New Media makes available via its website all filings it makes under the Securities and Exchange Act of 1934, as amended, including Forms 10-K, 10-Q and 8-K, and related amendments, as soon as reasonably practicable after they are filed with, or furnished to, the SEC. All such filings are available free of charge. Neither the content of New Media's corporate website nor any other website referred to in this report are incorporated by reference into this report unless expressly noted. The public may read and copy any information New Media files with the SEC at the SEC's public reference room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website (<http://www.sec.gov>) where New Media's filings filed with the SEC are available free of charge.

Table of Contents**List of New Media s Dailies, Weeklies, Shoppers, Websites and Directories**

As of December 27, 2015, New Media s dailies, weeklies, shoppers, websites and directories were as listed below. New Media maintains registered trademarks in many of the masthead names listed below. Maintaining such trademarks allows us to exclusively use the masthead name to the exclusion of third parties.

Eastern US Publishing

State	City	Masthead	Circulation Type
Massachusetts	Brockton	The Enterprise <i>www.enterpriseneews.com</i>	Daily
	Fall River	The Herald News <i>www.heraldnews.com</i>	Daily
	Framingham	The Metrowest Daily News <i>www.metrowestdailynews.com</i>	Daily
	Hyannis	Cape Cod Times <i>www.capecodtimes.com</i>	Daily
	Milford	The Milford Daily News <i>www.milforddailynews.com</i>	Daily
	New Bedford	The Standard-Times <i>www.southcoasttoday.com</i>	Daily
	Quincy	Patriot Ledger <i>www.patriotledger.com</i>	Daily
	Taunton	Taunton Daily Gazette <i>www.tauntongazette.com</i>	Daily
	Worcester	Telegram & Gazette <i>www.telegram.com</i>	Daily
	Abington	Abington Mariner <i>www.wickedlocal.com/abington</i>	Paid Weekly
	Acton/Roxborough	The Beacon <i>www.wickedlocal.com/acton</i>	Paid Weekly
	Allston	Allston/Brighton Tab <i>www.wickedlocal.com/allston</i>	Paid Weekly
	Arlington	The Arlington Advocate <i>www.wickedlocal.com/arlington</i>	Paid Weekly

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Bedford	Bedford Minuteman	Paid Weekly
	<i>www.wickedlocal.com/bedford</i>	
Belmont	Belmont Citizen-Herald	Paid Weekly
	<i>www.wickedlocal.com/belmont</i>	
Beverly	Beverly Citizen	Paid Weekly
	<i>www.wickedlocal.com/beverly</i>	
Billerica	Billerica Minuteman	Paid Weekly
	<i>www.wickedlocal.com/billerica</i>	
Boxford	Tri-Town Transcript	Paid Weekly
	<i>www.wickedlocal.com/boxford</i>	
Braintree	Braintree Forum	Paid Weekly
	<i>www.wickedlocal.com/braintree</i>	
Brewster	The Cape Codder	Paid Weekly
	<i>www.wickedlocal.com/capecod</i>	
Burlington	Burlington Union	Paid Weekly
	<i>www.wickedlocal.com/burlington</i>	

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State	City	Masthead	Circulation Type
	Cambridge	Cambridge Chronicle & Tab	Paid Weekly
	Carver	www.wickedlocal.com/cambridge Carver Reporter	Paid Weekly
	Chelmsford	www.wickedlocal.com/carver Chelmsford Independent	Paid Weekly
	Clinton	www.wickedlocal.com/chelmsford The Item	Paid Weekly
	Clinton	The Banner	Paid Weekly
	Cohasset	Cohasset Mariner	Paid Weekly
	Concord	www.wickedlocal.com/cohasset The Concord Journal	Paid Weekly
	Danvers	www.wickedlocal.com/concord Danvers Herald	Paid Weekly
	Dedham	www.wickedlocal.com/danvers Dedham Transcript	Paid Weekly
	Dover	www.wickedlocal.com/dedham Dover/Sherborn Press	Paid Weekly
	Easton	www.wickedlocal.com/dover Easton Journal	Paid Weekly
	Framingham	www.wickedlocal.com/easton Westwood Press	Paid Weekly
	Georgetown	www.wickedlocal.com/westwood Georgetown Record	Paid Weekly
	Hamilton	www.wickedlocal.com/georgetown Hamilton-Wenham Chronicle	Paid Weekly
	Hanover	www.wickedlocal.com/hamilton Hanover Mariner	Paid Weekly
	Hingham	www.wickedlocal.com/hanover The Hingham Journal	Paid Weekly
	Holbrook	www.wickedlocal.com/hingham Holbrook Sun	Paid Weekly
	Hopkinton	www.wickedlocal.com/holbrook Hopkinton Crier	Paid Weekly
	Hudson	www.wickedlocal.com/hopkinton Hudson Sun	Paid Weekly
	Hyannis	www.wickedlocal.com/hudson The Register	Paid Weekly

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Hyannis	www.wickedlocal.com/barnstable Barnstable Patriot	Paid Weekly
Ipswich	www.barnstablepatriot.com Ipswich Chronicle	Paid Weekly
Kingston	www.wickedlocal.com/ipswich Kingston Reporter	Paid Weekly
Lexington	www.wickedlocal.com/kingston Lexington Minuteman	Paid Weekly
Lincoln	www.wickedlocal.com/lexington Lincoln Journal	Paid Weekly
Littleton	www.wickedlocal.com/lincoln Littleton Independent	Paid Weekly
	www.wickedlocal.com/littleton	

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State	City	Masthead	Circulation Type
	Malden	Malden Observer	Paid Weekly
	Mansfield	www.wickedlocal.com/malden Mansfield News	Paid Weekly
	Marblehead	www.wickedlocal.com/mansfield Marblehead Reporter	Paid Weekly
	Marion	www.wickedlocal.com/marblehead The Sentinel	Paid Weekly
	Marlborough	www.wickedlocal.com/marion Marlborough Enterprise	Paid Weekly
	Marshfield	www.wickedlocal.com/marlborough Marshfield Mariner	Paid Weekly
	Maynard/Stow	www.wickedlocal.com/marshfield The Beacon-Villager	Paid Weekly
	Medfield	www.wickedlocal.com/maynard Medfield Press	Paid Weekly
	Medford	www.wickedlocal.com/medfield Medford Transcript	Paid Weekly
	Melrose	www.wickedlocal.com/medford Melrose Free Press	Paid Weekly
	Middleboro	www.wickedlocal.com/melrose Middleboro Gazette	Paid Weekly
	Nantucket	www.southcoasttoday.com Nantucket Inquirer & Mirror	Paid Weekly
	Natick	www.ack.net www.discovernantucket.com Natick Bulletin & Tab	Paid Weekly
	New Bedford New Bedford New Bedford North Andover	www.wickedlocal.com/natick Advocate Chronicle Spectator North Andover Citizen	Paid Weekly Paid Weekly Paid Weekly Paid Weekly
	Northborough/Southborough	www.wickedlocal.com/northandover The Northborough/Southborough Villager	Paid Weekly
	Norwell	www.wickedlocal.com/northborough Norwell Mariner	Paid Weekly
	Norwood	www.wickedlocal.com/norwell Norwood Transcript & Bulletin	Paid Weekly

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Pembroke	<i>www.wickedlocal.com/norwood</i> Pembroke Mariner & Express	Paid Weekly
Plymouth	<i>www.wickedlocal.com/pembroke</i> Old Colony Memorial	Paid Weekly
Provincetown	<i>www.wickedlocal.com/plymouth</i> The Provincetown Banner	Paid Weekly
Reading	<i>www.wikedlocal.com/provincetown</i> The Reading Advocate	Paid Weekly
Rockland	<i>www.wickedlocal.com/reading</i> Rockland Standard	Paid Weekly
Roslindale	<i>www.wickedlocal.com/rockland</i> Roslindale Transcript	Paid Weekly
	<i>www.wickedlocal.com/roslindale</i>	

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State	City	Masthead	Circulation Type
	Saugus	Saugus Advertiser	Paid Weekly
	Scituate	www.wickedlocal.com/saugus Scituate Mariner	Paid Weekly
	Sharon	www.wickedlocal.com/scituate Sharon Advocate	Paid Weekly
	Shrewsbury	www.wickedlocal.com/sharon Shrewsbury Chronicle	Paid Weekly
	Somerville	www.wickedlocal.com/shrewsbury Somerville Journal	Paid Weekly
	Stoughton	www.wickedlocal.com/somerville Stoughton Journal	Paid Weekly
	Sudbury	www.wickedlocal.com/stoughton The Sudbury Town Crier	Paid Weekly
	Swampscott	www.wickedlocal.com/sudbury Swampscott Reporter	Paid Weekly
	Tewksbury	www.wickedlocal.com/swampscott Tewksbury Reporter	Paid Weekly
	Wakefield	www.wickedlocal.com/tewksbury Wakefield Observer	Paid Weekly
	Walpole	www.wickedlocal.com/wakefield The Walpole Times	Paid Weekly
	Waltham	www.wickedlocal.com/walpole Waltham News Tribune	Paid Weekly
	Wareham	www.wickedlocal.com/waltham Wareham Courier	Paid Weekly
	Watertown	www.wickedlocal.com/wareham Watertown Tab & Press	Paid Weekly
	Wayland	www.wickedlocal.com/watertown The Wayland Town Crier	Paid Weekly
	Wellesley	www.wickedlocal.com/wayland The Wellesley Townsman	Paid Weekly
	West Roxbury	www.wickedlocal.com/wellesley West Roxbury Transcript	Paid Weekly
	Westborough	www.wickedlocal.com/west-roxbury Westborough News	Paid Weekly
		www.wickedlocal.com/westborough	

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Westford	Westford Eagle	Paid Weekly
	<i>www.wickedlocal.com/westford</i>	
Weston	The Weston Town Crier	Paid Weekly
	<i>www.wickedlocal.com/weston</i>	
Weymouth	Weymouth News	Paid Weekly
	<i>www.wickedlocal.com/weymouth</i>	
Winchester	The Winchester Star	Paid Weekly
	<i>www.wickedlocal.com/winchester</i>	
Bellingham	County Gazette	Free Weekly
	<i>www.wickedlocal.com/franklin</i>	
Boston	Boston Homes	Free Weekly
	<i>www.linkbostonhomes.com</i>	
Bourne	Bourne Courier	Free Weekly
	<i>www.wickedlocal.com/bourne</i>	

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State	City	Masthead	Circulation Type
	Bridgewater	Bridgewater Independent	Free Weekly
	Brookline	<i>www.wickedlocal.com/bridgewater</i> Brookline Tab	Free Weekly
	Canton	<i>www.wickedlocal.com/brookline</i> Canton Journal	Free Weekly
	Danvers	<i>www.wickedlocal.com/canton</i> North Shore Sunday	Free Weekly
	Fall River	Fall River Spirit	Free Weekly
	Fall River	<i>www.southcoasttoday.com</i> OJornal	Free Weekly
	Falmouth	<i>www.ojournal.com</i> The Bulletin	Free Weekly
	Framingham	<i>www.wickedlocal.com/falmouth</i> Framingham Tab	Free Weekly
	Gloucester	<i>www.wickedlocal.com/framingham</i> Cape Ann Beacon	Free Weekly
	Needham	Needham Times	Free Weekly
	Newburyport	<i>www.wickedlocal.com/needham</i> The Newburyport Current	Free Weekly
	Newton	<i>www.wickedlocal.com/newburyport</i> Newton Tab	Free Weekly
	North Attleborough	<i>www.wickedlocal.com/newton</i> The North Attleborough Free Press	Free Weekly
	Randolph	<i>www.wickedlocal.com/northattleborough</i> Randolph Herald	Free Weekly
	Raynham	<i>www.wickedlocal.com/randolph</i> Raynham Call	Free Weekly
	Salem	<i>www.wickedlocal.com/raynham</i> Salem Gazette	Free Weekly
	Sandwich	<i>www.wickedlocal.com/salem</i> Sandwich Broadsider	Free Weekly
	Stoneham	Stoneham Sun	Free Weekly
	Wilmington	<i>www.wickedlocal.com/stoneham</i> Wilmington Advocate	Free Weekly
	Woburn	<i>www.wickedlocal.com/wilmington</i> Woburn Advocate	Free Weekly
		<i>www.wickedlocal.com/woburn</i>	

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Fall River	South Coast Life	Shopper
Hyannis	DollarSaver/TMC	Shopper
Middleboro	Middleboro Gazette Extra/TMC	Shopper
	<i>www.southcoasttoday.com</i>	
New Bedford	SouthCoast MarketPlace/TMC	Shopper
Taunton	Yellow Jacket	Shopper
Amesbury	<i>www.wickedlocal.com/amesbury</i>	On-line Only
Ashland	<i>www.wickedlocal.com/ashland</i>	On-line Only
Avon	<i>www.wickedlocal.com/avon</i>	On-line Only
Bellingham	<i>www.wickedlocal.com/bellingham</i>	On-line Only
Berkley	<i>www.wickedlocal.com/berkley</i>	On-line Only
Bolton	<i>www.wickedlocal.com/bolton</i>	On-line Only
Boston	<i>www.wickedlocal.com/goodlife</i>	On-line Only
Boxborough	<i>www.wickedlocal.com/boxborough</i>	On-line Only

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State	City	Masthead	Circulation Type
	Brewster	www.wickedlocal.com/brewster	On-line Only
	Brockton	www.wickedlocal.com/brockton	On-line Only
	Chatham	www.wickedlocal.com/chatham	On-line Only
	Clinton	www.wickedlocal.com/clinton	On-line Only
	Dennis	www.wickedlocal.com/dennis	On-line Only
	Dighton	www.wickedlocal.com/dighton	On-line Only
	Duxbury	www.wickedlocal.com/duxbury	On-line Only
	East Bridgewater	www.wickedlocal.com/bridgewater-east	On-line Only
	Eastham	www.wickedlocal.com/eastham	On-line Only
	Essex	www.wickedlocal.com/essex	On-line Only
	Fall River	www.wickedlocal.com/fall-river	On-line Only
	Foxborough	www.wickedlocal.com/foxborough	On-line Only
	Gloucester	www.wickedlocal.com/gloucester	On-line Only
	Halifax	www.wickedlocal.com/halifax	On-line Only
	Hanson	www.wickedlocal.com/hanson	On-line Only
	Harvard	www.wickedlocal.com/harvard	On-line Only
	Harwich	www.wickedlocal.com/harwich	On-line Only
	Holliston	www.wickedlocal.com/holliston	On-line Only
	Hopedale	www.wickedlocal.com/hopedale	On-line Only
	Hull	www.wickedlocal.com/hull	On-line Only
	Lakeville	www.wickedlocal.com/lakeville	On-line Only
	Lancaster	www.wickedlocal.com/lancaster	On-line Only
	Manchester	www.wickedlocal.com/manchester	On-line Only
	Mashpee	www.wickedlocal.com/mashpee	On-line Only
	Mattapoisett	www.wickedlocal.com/mattapoisett	On-line Only
	Medway	www.wickedlocal.com/medway	On-line Only
	Mendon	www.wickedlocal.com/mendon	On-line Only
	Middleborough	www.wickedlocal.com/middleborough	On-line Only
	Middleton	www.wickedlocal.com/middleton	On-line Only
	Milford	www.wickedlocal.com/milford	On-line Only
	Millis	www.wickedlocal.com/millis	On-line Only
	Milton	www.wickedlocal.com/milton	On-line Only
	Nantucket	www.wickedlocal.com/nantucket	On-line Only
	Norfolk	www.wickedlocal.com/norfolk	On-line Only
	North Boston	www.wickedlocal.com/north-boston	On-line Only
	Norton	www.wickedlocal.com/norton	On-line Only
	Orleans	www.wickedlocal.com/orleans	On-line Only
	Plainville	www.wickedlocal.com/plainville	On-line Only
	Plymouth	www.plymouthguide.com	On-line Only
	Plympton	www.wickedlocal.com/plympton	On-line Only
	Quincy	www.wickedlocal.com/quincy	On-line Only
	Rehoboth	www.wickedlocal.com/rehoboth	On-line Only
	Rochester	www.wickedlocal.com/rochester	On-line Only
	Rockport	www.wickedlocal.com/rockport	On-line Only
	Sandwich	www.wickedlocal.com/sandwich	On-line Only
	Sherborn	www.wickedlocal.com/sherborn	On-line Only
	Somerset	www.wickedlocal.com/somerset	On-line Only
	Southborough	www.wickedlocal.com/southborough	On-line Only
	Stow	www.wickedlocal.com/stow	On-line Only
	Swansea	www.wickedlocal.com/swansea	On-line Only
	Taunton	www.wickedlocal.com/taunton	On-line Only

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State	City	Masthead	Circulation Type
	Topsfield	www.wickedlocal.com/topsfield	On-line Only
	Truro	www.wickedlocal.com/truro	On-line Only
	Upton	www.wickedlocal.com/upton	On-line Only
	Wellfleet	www.wickedlocal.com/wellfleet	On-line Only
	Wenham	www.wickedlocal.com/wenham	On-line Only
	West Bridgewater	www.wickedlocal.com/bridgewaterwest	On-line Only
	West Port	www.wickedlocal.com/westport	On-line Only
	Whitman	www.wickedlocal.com/whitman	On-line Only
	Wrentham	www.wickedlocal.com/wrentham	On-line Only
	Yarmouth	www.wickedlocal.com/yarmouth	On-line Only
Florida	Daytona Beach	Daytona Beach News-Journal	Daily
	Fort Walton Beach	www.news-journalonline.com Northwest Florida Daily News	Daily
		www.nwfdailynes.com	
		www.destin.com	
		www.emeraldcoast.com	
	Gainesville	www.nwfvarsity.com The Gainesville Sun	Daily
		www.gainesville.com	
	Lakeland	www.gatorsports.com The Ledger	Daily
	Leesburg	www.theledger.com Daily Commercial	Daily
	Ocala	www.dailycommercial.com Ocala Star Banner	Daily
	Panama City	www.ocala.com Panama City News Herald	Daily
		www.newsherald.com	
		www.panamacity.com	
	Sarasota	www.panhandlevarsity.com Herald-Tribune	Daily
	Winter Haven	www.heraldtribune.com News Chief	Daily
	Apalachicola	www.newschief.com The Times	Paid Weekly
	Bonifay	www.apalachitimes.com Holmes County Times Advertiser	Paid Weekly
	Chipley	Washington County News	Paid Weekly

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Crestview	<i>www.chipleypaper.com</i> Crestview News Bulletin	Paid Weekly
Destin	<i>www.crestviewbulletin.com</i> The Destin Log	Paid Weekly
Milton	<i>www.thedestinlog.com</i> Santa Rosa Press Gazette	Paid Weekly
Port St. Joe	<i>www.srpressgazette.com</i> The Star	Paid Weekly
Clermont	<i>www.starfl.com</i> South Lake Press	Free Weekly
Gainesville	<i>www.southlakepress.com</i> Gainesville Sun	Free Weekly

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State	City	Masthead	Circulation Type
	Santa Rosa Beach	The Walton Sun	Free Weekly
		<i>www.waltonsun.com</i>	
	Daytona Beach	Daytona Pennysaver	Shopper
	Daytona Beach	Flagler Pennysaver	Shopper
	Daytona Beach	New Smyrna Pennysaver	Shopper
	Daytona Beach	West Voluisa Pennysaver	Shopper
North Carolina	Asheboro	The Courier-Tribune	Daily
		<i>www.courier-tribune.com</i>	
	Burlington	Times-News	Daily
		<i>www.thetimesnews.com</i>	
	Gastonia	The Gaston Gazette	Daily
		<i>www.gastongazette.com</i>	
	Hendersonville	Times-News	Daily
		<i>www.blueridgenow.com</i>	
	Jacksonville	The Daily News	Daily
		<i>www.jdnews.com</i>	
	Kinston	The Free Press	Daily
		<i>www.kinston.com</i>	
	Lexington	The Dispatch	Daily
		<i>www.the-dispatch.com</i>	
	New Bern	Sun Journal	Daily
		<i>www.newbernsj.com</i>	
	Shelby	The Star	Daily
		<i>www.shelbystar.com</i>	
	Wilmington	Star News	Daily
		<i>www.starnewsonline.com</i>	
	Havelock	Havelock News	Paid Weekly
		<i>www.havenews.com</i>	
	Surf City	Topsail Advertiser	Free Weekly
	Asheboro	CT Marketplace	Shopper
New Hampshire	Dover	Foster s Daily Democrat	Daily
	Portsmouth	Portsmouth Herald	Daily
		<i>www.seacoastonline.com</i>	
	Exeter	Exeter News-Letter	Paid Weekly
	Hampton	Hampton Union	Paid Weekly
	Portsmouth	Seacoast Sunday	Paid Weekly
	Rochester	Rochester Times	Paid Weekly
	Hampton	Beachcomber	Free Weekly
New York	Middletown	Times Herald-Record	Daily
		<i>www.recordonline.com</i>	

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	Middletown	The Gazette	Free Weekly
		<i>www.hudsonvalley.com</i>	
	Middletown	Pointer View	Free Weekly
		<i>www.pointerview.com</i>	
Pennsylvania	Middletown	Extra/TMC	Shopper
	Stroudsburg	Pocono Record	Daily
		<i>www.poconorecord.com</i>	
	Carbondale	The Villager	Paid Weekly
		<i>www.moscowvillager.com</i>	
	Carbondale	Carbondale News	Paid Weekly
		<i>www.thecarbondalenews.com</i>	

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State	City	Masthead	Circulation Type
Maine	Stroudsburg Stroudsburg Kennebunk	Pike & Monroe Life Plus/TMC York County Coast Star	Free Weekly Shopper Paid Weekly
	Sanford York	www.seacoastonline.com Sanford News York Weekly	Paid Weekly Paid Weekly
Tennessee	Columbia	www.seacoastonline.com Columbia Daily Herald	Daily
	Columbia	www.columbiadailyherald.com Spring Hill Advertiser News www.advertisernews.biz www.brentwoodlife.net www.franklinlife.net	Paid Weekly
Alabama	Columbia Gadsden	Value Guide The Gadsden Times	Shopper Daily
	Tuscaloosa	www.gadsdentimes.com The Tuscaloosa News www.tuscaloosanews.com	Daily
Connecticut	Norwich	www.tidesports.com The Bulletin	Daily
Rhode Island	Norwich Providence	www.norwichbulletin.com Bulletin Deals The Providence Journal	Shopper Daily
South Carolina	Providence Spartanburg	www.providencejournal.com Providence Journal Express Herald-Journal www.goupstate.com	Shopper Daily

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State	City	Masthead	Circulation Type
Illinois	Benton	Benton Evening News	Daily
	Canton	<i>www.bentoneveningnews.com</i> Daily Ledger	Daily
	Carmi	<i>www.cantondailyledger.com</i> The Carmi Times	Daily
	Du Quoin	<i>www.carmitimes.com</i> Du Quoin Evening Call	Daily
	El Dorado Freeport	<i>www.duquoin.com</i> El Dorado Daily Journal The Journal Standard	Daily Daily
	Galesburg	<i>www.journalstandard.com</i> The Register-Mail	Daily
	Harrisburg	<i>www.galesburg.com</i> The Daily Register	Daily
	Kewanee	<i>www.dailyregister.com</i> Star-Courier	Daily
	Lincoln	<i>www.starcourier.com</i> The Courier	Daily
	Macomb	<i>www.lincolncourier.com</i> McDonough County Voice	Daily
	Marion	<i>www.mcdonoughvoice.com</i> The Daily Republican	Daily
	Monmouth	<i>www.dailyrepublicannews.com</i> Daily Review Atlas	Daily
	Olney	<i>www.reviewatlas.com</i> The Olney Daily Mail	Daily
	Pekin	<i>www.olneydailymail.com</i> Pekin Daily Times	Daily
	Peoria	<i>www.pekintimes.com</i> Journal Star	Daily
	Pontiac	<i>www.pjstar.com</i> Daily Leader	Daily

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Rockford	www.pontiacdailyleader.com Rockford Register Star www.rrstar.com www.rockfordwoman.com	Daily
Springfield	www.rockfordparent.com The State Journal-Register	Daily
Abingdon	www.sj-r.com Abingdon Argus-Sentinel	Paid Weekly
Aledo	www.eaglepublications.com The Times Record	Paid Weekly
Augusta	www.aledotimesrecord.com Augusta Eagle-Scribe	Paid Weekly
Cambridge	www.eaglepublicatons.com Cambridge Chronicle	Paid Weekly
Carmi	www.cambridgechron.com The Weekly Times	Paid Weekly

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State	City	Masthead	Circulation Type
	Chester	Randolph County Herald Tribune	Paid Weekly
		<i>www.randolphcountyheraldtribune.com</i>	
	Christopher	The Progress	Paid Weekly
	Du Quoin	Du Quoin News	Paid Weekly
	Du Quoin	Ashley News	Paid Weekly
	Fairbury	The Blade	Paid Weekly
	Flora	Advocate Press	Paid Weekly
		<i>www.advocatepress.com</i>	
	Galva	Galva News	Paid Weekly
		<i>www.galvanews.com</i>	
	Geneseo	The Geneseo Republic	Paid Weekly
		<i>www.geneseorepublic.com</i>	
	Newton	Newton Press Mentor	Paid Weekly
		<i>www.pressmentor.com</i>	
	Oquawka	Oquawka Current	Paid Weekly
	Orion	Orion Gazette	Paid Weekly
		<i>www.oriongazette.com</i>	
	Roseville	Roseville Independent	Paid Weekly
		<i>www.eaglepublications.com</i>	
	Shawneetown	Ridgway News	Paid Weekly
	Shawneetown	Gallatin Democrat	Paid Weekly
	Steelville	The Steelville Ledger	Paid Weekly
	Teutopolis	Teutopolis Press	Paid Weekly
		<i>www.teutopolispress.com</i>	
	West Frankfort	SI Trader	Paid Weekly
		<i>www.sitraders.com</i>	
	Chillicothe	Chillicothe Times Bulletin	Free Weekly
		<i>www.chillicothebulletin.com</i>	
	East Peoria	East Peoria Times-Courier	Free Weekly
		<i>www.eastpeoriatimescourier.com</i>	
	Galesburg	Knox County Neighbors	Free Weekly
		<i>www.galesburg.com</i>	
	Macomb	Daily Brief	Free Weekly
	Metamora	Woodford Times	Free Weekly
		<i>www.woodfordtimes.com</i>	
	Morton	Morton Times News	Free Weekly
		<i>www.mortontimesnews.com</i>	
	Washington	Washington Times Reporter	Free Weekly
		<i>www.washingontimesreporter.com</i>	

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Aledo	Town Crier Advertiser	Shopper
Canton	Fulton County Shopper	Shopper
Flora	CCAP Special	Shopper
Freeport	The Scene	Shopper
Geneseo	Henry County Advertiser/Shopper	Shopper
Lincoln	Logan County Shopper	Shopper
Macomb	McDonough County Choice	Shopper
Monmouth	Pennysaver	Shopper
Olney	Richland County Shopper	Shopper
Olney	Jasper County News Eagle	Shopper
Peoria	The Marketplace	Shopper
Peoria	Pekin Extra	Shopper

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State	City	Masthead	Circulation Type
Ohio	Pontiac	Livingston Shopping News	Shopper
	Rockford	The Weekly	Shopper
	Springfield	Springfield Advertiser	Shopper
	Springfield	Springfield Shopper	Shopper
	Canton	The Repository	Daily
		<i>www.cantonrep.com</i>	
	Columbus	The Columbus Dispatch	Daily
		<i>www.dispatch.com</i>	
	Dover/New Philadelphia	The Times-Reporter	Daily
		<i>www.timesreporter.com</i>	
	Massillon	The Independent	Daily
		<i>www.indeonline.com</i>	
	Bexley	This Week Bexley	Free Weekly
		<i>www.thisweeknews.com/bexley</i>	
	Clintonville	This Week Clintonville (Booster)	Free Weekly
		<i>www.thisweeknews.com/clintonville</i>	
	Columbus	The Bag	Free Weekly
	Columbus	Alive	Free Weekly
	Columbus	This Week Southside Shopper	Free Weekly
Columbus	This Week Westside	Free Weekly	
	<i>www.thisweeknews.com/west-side</i>		
Delaware	This Week Delaware	Free Weekly	
	<i>www.thisweeknews.com/delaware</i>		
Dublin	This Week Dublin	Free Weekly	
	<i>www.thisweeknews.com/dublin</i>		
German Village	This Week German Village	Free Weekly	
	<i>www.thisweeknews.com/german-village</i>		
Grandview	This Week Grandview	Free Weekly	
	<i>www.thisweeknews.com/grandview</i>		
Green	The Suburbanite	Free Weekly	
	<i>www.thesuburbanite.com</i>		
Grove City	This Week Grove City	Free Weekly	
	<i>www.thisweeknews.com/grove-city</i>		
Hilliard	This Week Hilliard	Free Weekly	
	<i>www.thisweeknews.com/hilliard</i>		
Johnstown	This Week Johnstown	Free Weekly	
	<i>www.thisweeknews.com/johnstown</i>		
Marysville	This Week Marysville	Free Weekly	

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New Albany	<i>www.thisweeknews.com/marysville</i> This Week New Albany	Free Weekly
Northland	<i>www.thisweeknews.com/new-albany</i> This Week Northland	Free Weekly
Northwest	<i>www.thisweeknews.com/northland</i> This Week Northwest	Free Weekly
Olentangy	<i>www.thisweeknews.com/northwest</i> This Week Olentangy	Free Weekly
Pickerington	<i>www.thisweeknews.com/olentangy</i> This Week Pickerington	Free Weekly
Reynoldsburg	<i>www.thisweeknews.com/pickerington</i> This Week Reynoldsburg	Free Weekly
	<i>www.thisweeknews.com/reynoldsburg</i>	

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State	City	Masthead	Circulation Type
	Rocky Fork	This Week Rocky Fork	Free Weekly
	Upper Arlington	www.thisweeknews.com/gahanna This Week Upper Arlington	Free Weekly
	West Licking	www.thisweeknews.com/upper-arlington This Week Licking County	Free Weekly
	Westerville	www.thisweeknews.com/licking-county This Week Westerville	Free Weekly
	Whitehall	www.thisweeknews.com/westerville This Week Whitehall	Free Weekly
	Winchester	www.thisweeknews.com/whitehall This Week Canal Winchester	Free Weekly
	Worthington	www.thisweeknews.com/canal-winchester This Week Worthington	Free Weekly
New York	Canton Dover/New Philadelphia Canandaigua	www.thisweeknews.com/worthington The Wrap TMC-ExTra Daily Messenger	Shopper Shopper Daily
	Corning	www.mpnnow.com www.mpnnow.com/commercialprinting The Leader	Daily
	Herkimer	www.the-leader.com The Evening Telegram	Daily
	Hornell	www.timestelegram.com Evening Tribune	Daily
	Utica	www.eveningtribune.com Utica Observer-Dispatch	Daily
	Wellsville	www.uticaod.com Wellsville Daily Reporter	Daily
	Dansville	www.wellsvilledaily.com Genesee Country Express	Paid Weekly
	Newark/Palmyra	www.dansvilleonline.com Wayne Post	Paid Weekly
	Penn Yan	www.waynepost.com The Chronicle-Express	Paid Weekly
	Bath	www.chronicle-express.com Steuben Courier-Advocate	Free Weekly

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Brighton/Pittsford	www.steubencourier.com Brighton-Pittsford Post	Free Weekly
Canandaigua Fairport	www.brightonpittsfordpost.com Canandaigua Community Post Fairport-ER Post	Free Weekly Free Weekly
Gates/Chili	www.fairport-erpost.com Gates-Chili Post	Free Weekly
Greece	www.gateschilipost.com Greece Post	Free Weekly
Hamilton Henrietta	www.greecepost.com Mid-York Weekly Henrietta Post	Free Weekly Free Weekly
Irondequoit	www.henrietta-post.com Irondequoit Post	Free Weekly
	www.irondequoitpost.com	

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State	City	Masthead	Circulation Type
	Penfield	Penfield Post	Free Weekly
		<i>www.penfieldpost.com</i>	
	Utica	The Pennysaver	Free Weekly
	Victor	Victor Post	Free Weekly
		<i>www.victorpost.com</i>	
	Webster	Webster Post	Free Weekly
		<i>www.websterpost.com</i>	
	Corning	Corning Pennysaver	Shopper
	Herkimer	Your Valley	Shopper
	Hornell	Pennysaver Plus	Shopper
	Horseheads	The Shopper	Shopper
	Lyons	Lyons Shopping Guide	Shopper
	Newark	Newark Pennysaver	Shopper
	Penn Yan	Chronicle Ad-Visor	Shopper
	Sodus	Sodus Pennysaver	Shopper
	Wayne County	Timesaver	Shopper
Michigan	Adrian	The Daily Telegram	Daily
		<i>www.lenconnect.com</i>	
	Cheboygan	Cheboygan Daily Tribune	Daily
		<i>www.cheboygannews.com</i>	
		<i>www.mackinacjournal.com</i>	
	Coldwater	The Daily Reporter	Daily
		<i>www.thedailyreporter.com</i>	
	Hillsdale	Hillsdale Daily News	Daily
		<i>www.hillsdale.net</i>	
	Holland	The Holland Sentinel	Daily
		<i>www.hollandsentinel.com</i>	
		<i>www.myzeeland.com</i>	
	Ionia	Sentinel-Standard	Daily
		<i>www.sentinel-standard.com</i>	
	Monroe	The Monroe News	Daily
		<i>www.monroenews.com</i>	
	Sault Ste Marie	The Evening News	Daily
		<i>www.sooeveningnews.com</i>	
	Sturgis	Sturgis Journal	Daily
		<i>www.sturgisjournal.com</i>	
	Coldwater	Bronson Journal	Paid Weekly
		<i>www.thebronsonjournal.com</i>	
	Monroe	Bedford News	Free Weekly

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Adrian	<i>www.bedfordnow.com</i> Adrian Access Shopper	Shopper
Allegan	<i>www.accessshoppersguide.com</i> Flashes Shopping Guide (Allegan/Lakeshore)	Shopper
Cheboygan	<i>www.flashespublishers.com</i> Shopper Fair	Shopper
Coldwater	The Reporter Extra	Shopper
Coldwater	Coldwater Shoppers Guide	Shopper
Hillsdale	Tip Off Shopping Guide	Shopper
Holland	<i>www.tipoffonline.com</i> Flashes Shopping Guide (Holland/Zeeland)	Shopper
	<i>www.flashespublishers.com</i>	

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State	City	Masthead	Circulation Type
Delaware	Ionia	Sentinel-Standard TMC	Shopper
	Monroe	Cover Story	Shopper
	Sault Ste Marie	Tri County Buyers Guide	Shopper
	Sturgis	Sturgis Gateway Shopper	Shopper
	Dover	Community Publication	Free Weekly
	Dover	www.communitypub.com Dover Post	Free Weekly
	Dover	www.doverpost.com	
	Dover	www.delmarvaexpress.com Milford Beacon	Free Weekly
	Dover	www.milfordbeacon.com Smyrna/Clayton Sun Times	Paid Weekly
	Dover	www.scsuntimes.com The Middletown Transcript	Paid Weekly
Pennsylvania	Dover	www.middletowntranscript.com The Sussex Countian	Paid Weekly
	Honesdale	www.sussexcountian.com Kent County Sunday The Wayne Independent	Free Weekly Daily
	Waynesboro	www.wayneindependent.com The Record Herald	Daily
	Greencastle	www.therecordherald.com The Echo Pilot	Paid Weekly
	Hawley	www.echo-pilot.com News Eagle	Paid Weekly
West Virginia	Hawley	www.neagle.com The Pike Pennysaver	Shopper
	Honesdale	The Independent Extra	Shopper
	Keyser	Mineral Daily News Tribune	Daily
	Ripley	www.newstribune.info The Jackson Herald	Paid Weekly
	Ripley	www.jacksonnewspapers.com The Jackson Star News	Paid Weekly
Virginia	Keyser	www.jacksonnewspapers.com Today's Shopper	Shopper
	Ravenswood	Star Herald Weekender	Shopper
Virginia	Petersburg	www.jacksonnewspapers.com The Progress-Index	Daily

Table of Contents***Western US Publishing***

State	City	Masthead	Circulation Type
Missouri	Camdenton	Lake Sun Leader <i>www.lakenewsonline.com</i>	Daily
	Chillicothe	Constitution Tribune <i>www.chillicothenews.com</i>	Daily
	Hannibal	Hannibal Courier Post <i>www.hannibal.net</i>	Daily
	Independence	The Examiner <i>www.examiner.net</i>	Daily
	Kirkville	Kirkville Daily Express & News <i>www.kirkvilledailyexpress.com</i>	Daily
	Mexico	The Mexico Ledger <i>www.mexicoledger.com</i>	Daily
	Moberly	Moberly Monitor Index <i>www.moberlymonitor.com</i>	Daily
	Neosho	Neosho Daily News <i>www.neoshodailynews.com</i>	Daily
	Rolla	Rolla Daily News <i>www.theolladailynews.com</i>	Daily
	Waynesville	The Daily Guide <i>www.waynesvilledailyguide.com</i>	Daily
	Aurora	Aurora Advertiser <i>www.auroraadvertiser.net</i>	Paid Weekly
	Boonville	Boonville Daily News <i>www.boonvilledailynews.com</i>	Paid Weekly
	Brookfield	The Linn County Leader <i>www.linncountyleader.com</i>	Paid Weekly
	Carthage	The Carthage Press <i>www.carthagepress.com</i>	Paid Weekly
	St James	St James Leader Journal <i>www.leaderjournal.com</i>	Paid Weekly
	Boonville	Weekly	Free Weekly
	Camdenton	West Side Star	Free Weekly

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	<i>www.lakenewsonline.com</i>	
Carthage	The Carthage Press Wednesday TMC	Free Weekly
Hannibal	Salt River Journal	Free Weekly
Neosho	The Neighborhood Showcase	Free Weekly
Osage Beach	Lake Area News Focus	Free Weekly
Osage Beach	Lake of the Ozarks Real Estate	Free Weekly
Osage Beach	Tube Tab	Free Weekly
Osage Beach	Vacation News	Free Weekly
Rolla	Rolla Daily News Extra	Free Weekly
Aurora	Big AA Shopper	Shopper
Brookfield	Sho-Me Shopper	Shopper
Camdenton	Lake Sun Extra	Shopper
Chillicothe	Chillicothe C-T Shopper	Shopper
Joplin	Big Nickel	Shopper
Kirksville	Nemo Trader	Shopper
Kirksville	Kirksville Crier	Shopper

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State	City	Masthead	Circulation Type
Arkansas	Moberly	The Shopper	Shopper
	Osage Beach	Lake of the Ozarks Boats	Shopper
	Waynesville	Daily Guide Extra	Shopper
	Arkadelphia	Daily Siftings Herald	Daily
		<i>www.siftingsherald.com</i>	
	Fort Smith	Ft. Smith Southwest Times Record	Daily
		<i>www.swtimes.com</i>	
	Hope	Hope Star	Daily
		<i>www.hopestar.com</i>	
	Pine Bluff	Pine Bluff Commercial	Daily
		<i>www.pbcommercial.com</i>	
	Stuttgart	Stuttgart Daily Leader	Daily
		<i>www.stuttgartdailyleader.com</i>	
	Booneville	Booneville Democrat	Paid Weekly
		<i>www.boonevilledemocrat.com</i>	
	Cabot	Cabot Star-Herald	Paid Weekly
		<i>www.lonokenews.net/cabot-star-herald</i>	
	Charleston	Charleston Express	Paid Weekly
		<i>www.charlestonexpress.com</i>	
	Greenwood	Greenwood Democrat	Paid Weekly
	<i>www.greenwooddemocrat.com</i>		
Gurdon	Gurdon Times	Paid Weekly	
	<i>www.thegurdontimes.com</i>		
Heber Springs	The Sun Times	Paid Weekly	
	<i>www.thesuntimes.com</i>		
Helena	The Daily World	Paid Weekly	
	<i>www.helena-arkansas.com</i>		
Hope	Nevada County Picayune	Paid Weekly	
	<i>www.picayune-times.com</i>		
Jacksonville	Jacksonville Patriot	Paid Weekly	
	<i>www.pulaskinews.net/jacksonville-patriot</i>		
Lonoke	Lonoke Democrat	Paid Weekly	
	<i>www.lonokenews.net/lonoke-democrat</i>		
Maurnelle	Maurnelle Monitor	Paid Weekly	
	<i>www.pulaskinews.net/maurnelle-monitor</i>		
Newport	Newport Independent	Paid Weekly	
	<i>www.newportindependent.com</i>		

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North Little Rock	North Little Rock Times	Paid Weekly
Paris	<i>www.pulaskinews.net/north-little-rock-times</i> Paris Express	Paid Weekly
Van Buren	<i>www.paris-express.com</i> Press Argus Courier	Paid Weekly
Van Buren White Hall	<i>www.pressargus.com</i> Alma Journal The White Hall Journal	Paid Weekly Paid Weekly
Arkadelphia	<i>www.whitehalljournal.com</i> Arkadelphia Extra	Free Weekly
Carlisle	<i>www.siftingsherald.com</i> Carlisle Independent	Free Weekly
	<i>www.lonokenews.net/carlisle-independent</i>	

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State	City	Masthead	Circulation Type
	Van Buren	Van Buren County Democrat	Free Weekly
	Helena	www.vanburencountydem.com Daily World TMC	Free Weekly
	Hope	www.helena-arkansas.com Star Extra	Free Weekly
	Hot Springs	www.hopestar.com Hot Springs Village Voice	Free Weekly
	Pine Bluff Sherwood	www.hsvoice.com Pine Bluff Commercial Today Sherwood Voice	Free Weekly Free Weekly
	Stuttgart	www.pulaskinews.net/sherwood-voice The Xtra	Free Weekly
	White Hall Fort Smith Brownwood	www.stuttgartdailyleader.com The Arsenel Sentinel River Valley Advertiser Brownwood Bulletin	Free Weekly Shopper Daily
Texas	Sherman	www.brownwoodtx.com Herald Democrat	Daily
	Stephenville	www.heralddemocrat.com Stephenville Empire-Tribune	Daily
	Waxahachie	www.yourstephenvilletx.com Waxahachie Daily Light	Daily
	Alice	www.waxahachietx.com Alice Echo-News Journal	Paid Weekly
	Ballinger Freer Freer Glen Rose	www.alicetx.com Ballinger Ledger Freer Press Duval Press Glen Rose Reporter	Paid Weekly Paid Weekly Paid Weekly Paid Weekly
	Midlothian	www.yourglenrosetx.com Midlothian Mirror	Paid Weekly
	Robstown	www.midlothianmirror.com Neuces County Record Star	Paid Weekly
	Van Alstyne	www.recordstar.com Van Alstyne Leader	Paid Weekly
	Winters Anna	www.vanalsyneleader.com Winters Enterprise Anna-Melissa Tribune	Paid Weekly Free Weekly

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Prosper	<i>www.amtrib.com</i> Prosper Press	Free Weekly
Alice Brownsville	<i>www.prosperpressnews.com</i> Alice Review Valley Bargain Book-South	Shopper Shopper
Brownwood Bryan Cooke County Corpus Christi	<i>www.valleybargainbook.com</i> Heartland Trading Post Bryan County Shopper Cooke County Shopper Ad Sack	Shopper Shopper Shopper Shopper
Harlingen	<i>www.adsack.com</i> Valley Bargain Book-North	Shopper
	<i>www.valleybargainbook.com</i>	

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State	City	Masthead	Circulation Type
	Laredo	Laredo Bargain Book	Shopper
		<i>www.laredobargainbook.com</i>	
	Marshall/Johnston McAllen	Marshall/Johnston County Shopper Valley Town Crier	Shopper Shopper
		<i>www.yourvalleyvoice.com</i>	
	McAllen North Colin Sherman	Edinburg Review North Colin/Denton County Shopper Grayson County Shopper	Shopper Shopper Shopper
		<i>www.heralddemocrat.com/herald-democrat-shopper</i>	
	Stephenville Waxahachie Barstow	Cross Timbers Trading Post Ellis County Trading Post Desert Dispatch	Shopper Shopper Daily
California		<i>www.desertdispatch.com</i>	
	Ridgecrest	The Daily Independent	Daily
		<i>www.ridgecrestca.com</i>	
		<i>www.rocketeer2.com</i>	
	Stockton	The Stockton Record	Daily
		<i>www.recordnet.com</i>	
	Victorville	Victorville Daily Press	Daily
		<i>www.vvdailynews.com</i>	
	Yreka	Siskiyou Daily News	Daily
		<i>www.siskiyoudaily.com</i>	
	Gridley	Gridley Herald	Paid Weekly
		<i>www.gridleyherald.com</i>	
	Lucerne Valley	Lucerne Valley Leader	Paid Weekly
		<i>www.lucernevalleyleader.com</i>	
	Mt Shasta	Weed Press	Paid Weekly
		<i>www.mtshastanews.com</i>	
	Mt Shasta	Dunsmuir News	Paid Weekly
		<i>www.mtshastanews.com</i>	
	Mt Shasta	Mt Shasta Herald	Paid Weekly
		<i>www.mtshastanews.com</i>	
	Taft	Midway Driller	Paid Weekly
		<i>www.taftmidwaydriller.com</i>	
	Hesperia	Hesperia Star	Free Weekly
		<i>www.hesperiarstar.com</i>	
	Stockton Victorville	VIDA El Mojave	Free Weekly Free Weekly

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Apple Valley	<i>www.elmojave.com</i> Apple Valley Review	Shopper
Barstow Gridley	<i>www.applevalley-review.com</i> Barstow Plus Gridley Shopping News	Shopper Shopper
Mt Shasta Ridgecrest Stockton Stockton	<i>www.gridleyherald.com</i> Super Saver Advertiser Super Tuesday Sunday Select The Valley Marketplace/TMC	Shopper Shopper Shopper Shopper
Victorville	<i>www.esanjoaquin.com</i> Review	Shopper

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State	City	Masthead	Circulation Type
Kansas	Dodge City	Dodge City Daily Globe	Daily
		<i>www.dodgeglobe.com</i>	
	Leavenworth	The Leavenworth Times	Daily
		<i>www.leavenworthtimes.com</i>	
	McPherson	McPherson Sentinel	Daily
		<i>www.mcphersonsentinel.com</i>	
	Newton	The Newton Kansan	Daily
		<i>www.thekansan.com</i>	
	Pittsburg	The Morning Sun	Daily
		<i>www.morningsun.net</i>	
	Baxter Springs	Cherokee County News-Advocate	Paid Weekly
		<i>www.sekvoice.com</i>	
	El Dorado	The Butler County Times-Gazette	Paid Weekly
		<i>www.butlercountytimesgazette.com</i>	
Greensburg	Kiowa County Signal	Paid Weekly	
	<i>www.kiowacountysignal.com</i>		
Pratt	The Pratt Tribune	Paid Weekly	
	<i>www.pratttribune.com</i>		
St John	St John News	Paid Weekly	
	<i>www.sjnewsonline.com</i>		
Wellington	Wellington Daily News	Paid Weekly	
	<i>www.wellingtondailynews.com</i>		
Dodge City	La Estrella	Free Weekly	
Leavenworth	Lansing This Week	Free Weekly	
Leavenworth	The Fort Leavenworth Lamp	Free Weekly	
	<i>www.ftleavenworthlamp.com</i>		
Dodge City	Shoppers Weekly	Shopper	
El Dorado	Shoppers Guide	Shopper	
Hiawatha	Penny Press 4	Shopper	
Leavenworth	Chronicle Shopper	Shopper	
McPherson/Newton	South Central Kansas Shoppers Guide	Shopper	
Pittsburg	The Sunland Shopper	Shopper	
Pratt	Sunflower Shopper	Shopper	
Iowa	Ames	Ames Tribune	Daily
	<i>www.amestrib.com</i>		
Boone	Boone News Republican	Daily	
	<i>www.newsrepublican.com</i>		
Adel	Dallas County News	Paid Weekly	
	<i>www.adelnews.com</i>		

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Adel Hamburg	Northeast Dallas County Record Hamburg Reporter	Paid Weekly Paid Weekly
	<i>www.hamburgreporter.com</i>	
Nevada Nevada	Nevada Journal Tri-County Times	Paid Weekly Paid Weekly
	<i>www.tricountytimes.com</i>	
Perry	The Perry Chief	Paid Weekly
	<i>www.theperrychief.com</i>	
Story City	Story City Herald	Paid Weekly
	<i>www.storycityherald.com</i>	
Adel Ames	Dallas County Today Ames Sun/Story County Advertiser	Shopper Shopper

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State	City	Masthead	Circulation Type	
Louisiana	Boone	Boone Shopping News	Shopper	
	Nevada	North Polk Sun	Shopper	
	Perry	Chiefland Shopper	Shopper	
	Bastrop	The Bastrop Daily Enterprise	Daily	
			<i>www.bastropenterprise.com</i>	
	Houma	The Courier	Daily	
			<i>www.houmatoday.com</i>	
	Thibodaux	Daily Comet	Daily	
			<i>www.dailycomet.com</i>	
	DeRidder	Beauregard Daily News	Paid Weekly	
			<i>www.beauregarddailynews.net</i>	
	Donaldsonville	The Donaldsonville Chief	Paid Weekly	
			<i>www.donaldsonvillechief.com</i>	
	Gonzales	Gonzales Weekly Citizen	Paid Weekly	
		<i>www.weeklycitizen.com</i>		
Leesville	Leesville Daily Leader	Paid Weekly		
		<i>www.leesvilledailyleader.com</i>		
Plaquemine	Post South	Paid Weekly		
		<i>www.postsouth.com</i>		
Sulphur	Southwest Daily News	Paid Weekly		
		<i>www.sulphurdailynews.com</i>		
Sulphur	Vinton News	Paid Weekly		
Sterlington	North Quachita Weekly	Free Weekly		
Gonzales	The Marketeer	Shopper		
		<i>www.weeklycitizen.com</i>		
Gonzales	Nickel Ads	Shopper		
		<i>www.weeklycitizen.com</i>		
Plaquemine	West Bank Shopper	Shopper		
		<i>www.postsouth.com</i>		
Sulphur	Calcasieu Shopper	Shopper		
Minnesota	Crookston	Crookston Daily Times	Daily	
		<i>www.crookstontimes.com</i>		
Cottonwood	Tri-County News	Paid Weekly		
Granite Falls	Granite Falls Advocate-Tribune	Paid Weekly		
		<i>www.granitefallsnews.com</i>		
Montevideo	Montevideo American News	Paid Weekly		
		<i>www.montenews.com</i>		
Redwood Falls	Redwood Gazette	Paid Weekly		

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Sleepy Eye	<i>www.redwoodfallsgazette.com</i> Sleepy Eye Herald Dispatch	Paid Weekly
St James	<i>www.sleepyeyenews.com</i> St James Plaindealer	Paid Weekly
Wabasso Crookston Montevideo	<i>www.stjamesnews.com</i> The Wabasso Standard Crookston Valley Shopper The Star Advisor	Paid Weekly Shopper Shopper
Redwood Falls Sleepy Eye St James	<i>www.montenews.com</i> Redwood Falls Livewire Brown County Reminder Town and Country Shopper	Shopper Shopper Shopper

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State	City	Masthead	Circulation Type
Oklahoma	Ardmore	The Daily Ardmoreite	Daily
		<i>www.ardmoreite.com</i>	
	Bartlesville	Examiner Enterprise	Daily
		<i>www.examiner-enterprise.com</i>	
	Miami	Miami News-Record	Daily
		<i>www.miamiok.com</i>	
	Shawnee	The Shawnee News-Star	Daily
	<i>www.news-star.com</i>		
	Grove	Grove Sun	Paid Weekly
		<i>www.grandlakenews.com</i>	
	Jay	Delaware County Journal	Paid Weekly
		<i>www.grandlakenews.com</i>	
	Pawhuska	Pawhuska Journal-Capital	Paid Weekly
		<i>www.pawhuskajournalcapital.com</i>	
Colorado	Ardmore	Entertainment Spotlight	Shopper
	Bartlesville	Hometown Shopper	Shopper
	Miami	Northeast Oklahoma Trading Post	Shopper
	LaJunta	LaJunta Tribune Democrat	Daily
		<i>www.lajuntatribunedemocrat.com</i>	
	LaJunta	Ag Journal	Paid Weekly
		<i>www.agjournalonline.com</i>	
	LaJunta	Fowler Tribune	Paid Weekly
		<i>www.fowlertribune.com</i>	
	Las Animas	Bent County Democrat	Paid Weekly
Nebraska		<i>www.bcdemocratonline.com</i>	
	Nebraska City	Nebraska City News Press	Paid Weekly
		<i>www.ncnewspress.com</i>	
	Syracuse	Syracuse Journal Democrat	Paid Weekly
		<i>www.journaldemocrat.com</i>	
Oregon	Nebraska City	Penny Press 1	Shopper
	Medford	Ashland Daily Tidings	Daily
		<i>www.dailytidings.com</i>	
	Medford	Mail Tribune	Daily
		<i>www.mailtribune.com</i>	
	Medford	Nickel	Shopper
		<i>www.medfordnickel.com</i>	
North Dakota	Devils Lake	Devils Lake Daily Journal	Daily

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Tennessee	Devils Lake Oak Ridge	www.devilslakejournal.com The Country Peddler The Oak Ridger	Shopper Daily
		www.oakridger.com	

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Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Annual Report in evaluating us and our common stock. Any of the following risks could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following groups: Risks Related to Our Business, Risks Related to Our Manager, and Risks Related to Our Common Stock.

Risks Related to Our Business

We depend to a great extent on the economies and the demographics of the local communities that we serve, and we are also susceptible to general economic downturns, which have had, and could continue to have, a material and adverse impact on our advertising and circulation revenues and on our profitability.

Our advertising revenues and, to a lesser extent, circulation revenues, depend upon a variety of factors specific to the communities that our publications serve. These factors include, among others, the size and demographic characteristics of the local population, local economic conditions in general and the economic condition of the retail segments of the communities that our publications serve. If the local economy, population or prevailing retail environment of a community we serve experiences a downturn, our publications, revenues and profitability in that market could be adversely affected. Our advertising revenues are also susceptible to negative trends in the general economy that affect consumer spending. The advertisers in our newspapers and other publications and related websites are primarily retail businesses that can be significantly affected by regional or national economic downturns and other developments. Declines in the U.S. economy could also significantly affect key advertising revenue categories, such as help wanted, real estate and automotive.

Uncertainty and adverse changes in the general economic conditions of markets in which we participate may negatively affect our business.

Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction for the economy as a whole. It is even more difficult to estimate growth or contraction in various parts, sectors and regions of the economy, including the markets in which we participate. Adverse changes may occur as a result of weak global economic conditions, declining oil prices, wavering consumer confidence, unemployment, declines in stock markets, contraction of credit availability, declines in real estate values, or other factors affecting economic conditions in general. These changes may negatively affect the sales of our products, increase exposure to losses from bad debts, increase the cost and decrease the availability of financing, or increase costs associated with publishing and distributing our publications.

Our ability to generate revenues is correlated with the economic conditions of three geographic regions of the United States.

Our Company primarily generates revenue in three geographic regions: the Northeast, the Southeast, and the Midwest. During the year ended December 27, 2015, approximately 28% of our total revenues were generated in three states in the Northeast: Massachusetts, Rhode Island, and New York. During the same period, approximately 21% of our total revenues were generated in two states in the Southeast: Florida and North Carolina. Also during the same period, approximately 19% of our total revenues were generated in two states in the Midwest: Illinois and Ohio. As a result of this geographic concentration, our financial results, including advertising and circulation revenue, depend largely upon economic conditions in these principal market areas. Accordingly, adverse economic developments within these three regions in particular could significantly affect our consolidated operations and financial results.

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Our indebtedness and any future indebtedness may limit our financial and operating activities and our ability to incur additional debt to fund future needs or dividends.

As of December 27, 2015, New Media's outstanding indebtedness consists primarily of the New Media Credit Agreement. The New Media Credit Agreement provides for (i) a \$200 million senior secured term facility and (ii) a \$25 million senior secured revolving credit facility, with a \$5 million sub-facility for letters of credit and a \$5 million sub-facility for swing loans. In addition, we may request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of \$75 million, subject to certain conditions. On September 3, 2014, the New Media Credit Agreement was amended to provide for additional term loans under the Incremental Facility in an aggregate principal amount of \$25 million. On November 20, 2014, the New Media Credit Agreement was further amended to increase the amount available thereunder for incremental term loans from \$75 million to \$225 million in order to facilitate the financing of the acquisition of substantially all of the assets from Halifax Media Group LLC. On January 9, 2015, the New Media Credit Agreement was amended to provide for additional term loans and revolving commitments under the Incremental Facility in a combined aggregate principal amount of \$152 million and to make certain amendments to the Revolving Credit Facility (as defined below). On February 13, 2015, the New Media Credit Agreement was amended to, amongst other things, replace the existing term loans with a new class of replacement term loans with extended call protection. On March 6, 2015, the New Media Credit Agreement was amended to provide for \$15 million in additional revolving commitments under the Incremental Facility. On May 29, 2015, the New Media Credit Agreement was amended to provide for \$25 million in additional term loans under the Incremental Facility. As of December 27, 2015, \$0 was drawn under the Revolving Credit Facility.

The Advantage Credit Agreements, which arose from debt obligations assumed by us in connection with our acquisition of substantially all of the assets from Halifax Media Group LLC on January 9, 2015, are comprised of; (i) debt in the principal amount of \$10 million that bears interest at the rate of 5.25% per annum, payable quarterly in arrears, maturing on December 31, 2016 and (ii) debt in the principal amount of \$8 million that bears interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears, maturing on March 31, 2019. As of December 27, 2015, \$18 million was outstanding under the Advantage Credit Agreements.

All the above indebtedness and any future indebtedness we incur could:

require us to dedicate a portion of cash flow from operations to the payment of principal and interest on indebtedness, including indebtedness we may incur in the future, thereby reducing the funds available for other purposes, including dividends or other distributions;

subject us to increased sensitivity to increases in prevailing interest rates;

place us at a competitive disadvantage to competitors with relatively less debt in economic downturns, adverse industry conditions or catastrophic external events; or

reduce our flexibility in planning for or responding to changing business, industry and economic conditions.

In addition, our indebtedness could limit our ability to obtain additional financing on acceptable terms or at all to fund future acquisitions, working capital, capital expenditures, debt service requirements, general corporate and other purposes, which would have a material effect on our business and financial condition. Our liquidity needs could vary significantly and may be affected by general economic conditions, industry trends, performance and many other factors not within our control.

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Each of the New Media Credit Agreement and Advantage Credit Agreements contains covenants that restrict our operations and may inhibit our ability to grow our business, increase revenues and pay dividends to our stockholders.

The New Media Credit Agreement contains various restrictions, covenants and representations and warranties. If we fail to comply with any of these covenants or breach these representations or warranties in any material respect, such noncompliance would constitute a default under the New Media Credit Agreement (subject to applicable cure periods), and the lenders could elect to declare all amounts outstanding under the agreements related thereto to be immediately due and payable and enforce their respective interests against collateral pledged under such agreements.

The covenants and restrictions in the New Media Credit Agreement generally restrict our ability to, among other things:

incur or guarantee additional debt;

make certain investments, loans or acquisitions;

transfer or sell assets;

make distributions on capital stock or redeem or repurchase capital stock;

create or incur liens;

enter into transactions with affiliates;

consolidate, merge or sell all or substantially all of our assets; and

create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries.

The Advantage Credit Agreements contain covenants substantially consistent with those contained in the New Media Credit Facilities in addition to those required for compliance with the New Markets Tax Credit program.

The restrictions described above may interfere with our ability to obtain new or additional financing or may affect the manner in which we structure such new or additional financing or engage in other business activities, which may significantly limit or harm our results of operations, financial condition and liquidity. A default and any resulting acceleration of obligations under any of the New Media Credit Agreement or the Advantage Credit Agreements could also result in an event of default and declaration of acceleration under our other existing debt agreements. Such an acceleration of our debt would have a material adverse effect on our liquidity and our ability to continue as a going concern. A default under any of the New Media Credit Agreement or the Advantage Credit Agreements could also significantly limit our alternatives to refinance both the debt under which the default occurred and other indebtedness. This limitation may significantly restrict our financing options during times of either market distress or our financial distress, which are precisely the times when having financing options is most important.

We may not generate a sufficient amount of cash or generate sufficient funds from operations to fund our operations or repay our indebtedness.

Our ability to make payments on our indebtedness as required depends on our ability to generate cash flow from operations in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

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If we do not generate sufficient cash flow from operations to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise

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additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

We may not be able to pay dividends in accordance with our announced intent or at all.

We have announced our intent to distribute a substantial portion of our free cash flow as a dividend to our stockholders, through a quarterly dividend, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. The Board of Directors' determinations regarding dividends will depend on a variety of factors, including the Company's GAAP net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. Although we recently paid a third quarter 2015 cash dividend of \$0.33 per share of Common Stock and have paid regularly quarterly dividends since the third quarter of 2014, there can be no guarantee that we will continue to pay dividends in the future or that this recent dividend is representative of the amount of any future dividends. Our ability to declare future dividends will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for our products and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate free cash flow depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, capital expenditures or debt servicing requirements.

Our Predecessor suspended the payments of dividends commencing with the second quarter of 2008. We own substantially all of our Predecessor's assets, and our Predecessor experienced revenue and cash flow declines in the past. In addition, we may acquire additional companies with declining cash flow as part of a strategy aimed at stabilizing cash flow through expense reduction and digital expansion. If our strategy is not successful, we may not be able to pay dividends.

As a holding company, we are also dependent on our subsidiaries being able to pay dividends to us. Our subsidiaries are subject to restrictions on the ability to pay dividends under the various instruments governing their indebtedness. If our subsidiaries incur additional debt or losses, such additional indebtedness or loss may further impair their ability to pay dividends or make other distributions to us. In addition, the ability of our subsidiaries to declare and pay dividends to us will also be dependent on their cash income and cash available and may be restricted under applicable law or regulation. Under Delaware law, approval of the board of directors is required to approve any dividend, which may only be paid out of surplus or net profit for the applicable fiscal year. As a result, we may not be able to pay dividends in accordance with our announced intent or at all.

We have invested in growing our digital business, including Propel, but such investments may not be successful, which could adversely affect our results of operations.

We continue to evaluate our business and how we intend to grow our digital business. Internal resources and effort are put towards this business and key partnerships have been entered into to assist with our digital business, including Propel. We continue to believe that our digital businesses, including Propel, offer opportunities for revenue growth to support and, in some cases, offset the revenue trends we have seen in our print business. There can be no assurances that the partnerships we have entered into or the internal strategy being employed will result in generating or increasing digital revenues in amounts necessary to stabilize or offset trends in print revenues. In addition, we have a limited history of operations in this area, and there can be no

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assurances that past performance will be indicative of future performance or future trends. If our digital strategy, including with regard to Propel, is not as successful as we anticipate, our financial condition, results of operations and ability to pay dividends could be adversely affected.

Acquisitions have formed a significant part of our growth strategy in the past and are expected to continue to do so. If we are unable to identify suitable acquisition candidates or successfully integrate the businesses we acquire, our growth strategy may not succeed. Acquisitions involve numerous risks, including risks related to integration, and these risks could adversely affect our business, financial condition and results of operations.

Our business strategy relies on acquisitions. We expect to derive a significant portion of our growth by acquiring businesses and integrating those businesses into our existing operations. We continue to seek acquisition opportunities, however we may not be successful in identifying acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities or consummating acquisitions on acceptable terms. Furthermore, suitable acquisition opportunities may not even be made available or known to us. In addition, valuations of potential acquisitions may rise materially, making it economically unfeasible to complete identified acquisitions.

Additionally, our ability to realize the anticipated benefits of the synergies between New Media and our recent or potential future acquisitions of assets or companies will depend, in part, on our ability to appropriately integrate the business of New Media and the businesses of other such acquired companies. The process of acquiring assets or companies may disrupt our business and may not result in the full benefits expected. The risks associated with integrating the operations of New Media and recent and potential future acquisitions include, among others:

uncoordinated market functions;

unanticipated issues in integrating the operations and personnel of the acquired businesses;

the incurrence of indebtedness and the assumption of liabilities;

the incurrence of significant additional capital expenditures, transaction and operating expenses and non-recurring acquisition-related charges;

unanticipated adverse impact on our earnings from the amortization or write-off of acquired goodwill and other intangible assets;

not retaining key employees, vendors, service providers, readers and customers of the acquired businesses; and

the diversion of management's attention from ongoing business concerns.

If we are unable to successfully implement our acquisition strategy or address the risks associated with integrating the operations of New Media and past acquisitions or potential future acquisitions, or if we encounter unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, our growth and ability to compete may be impaired, we may fail to achieve acquisition synergies and we may be required to focus resources on integration of operations rather than other profitable areas. Moreover, the success of any acquisition will depend upon our ability to effectively integrate the acquired assets or businesses. The acquired assets or businesses may not contribute to our revenues or earnings to any material extent, and cost savings and synergies we expect at the time of an acquisition may not be realized once the acquisition has been completed. Furthermore, if we incur indebtedness to finance an acquisition, the acquired business may not be able to generate sufficient cash flow to service that indebtedness. Unsuitable or unsuccessful acquisitions could adversely affect our business, financial condition, results of operations, cash flow and ability to pay dividends.

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If we are unable to retain and grow our digital audience and advertiser base, our digital businesses will be adversely affected.

Given the ever-growing and rapidly changing number of digital media options available on the internet, we may not be able to increase our online traffic sufficiently and retain or grow a base of frequent visitors to our websites and applications on mobile devices.

Our Predecessor experienced declines in advertising revenue due in part to advertisers' shift from print to digital media, and we may not be able to create sufficient advertiser interest in our digital businesses to maintain or increase the advertising rates of the inventory on our websites.

In addition, the ever-growing and rapidly changing number of digital media options available on the internet may lead to technologies and alternatives that we are not able to offer or about which we are not able to advise. Such circumstances could directly and adversely affect the availability, applicability, marketability and profitability of the suite of SMB services and the private ad exchange we offer as a significant part of our digital business. Specifically, news aggregation websites and customized news feeds (often free to users) may reduce our traffic levels by driving interaction away from our websites or our digital applications. If traffic levels stagnate or decline, we may not be able to create sufficient advertiser interest in our digital businesses or to maintain or increase the advertising rates of the inventory on our digital platforms. We may also be adversely affected if the use of technology developed to block the display of advertising on websites proliferates.

Technological developments and any changes we make to our business strategy may require significant capital investments. Such investments may be restricted by our current or future credit facilities.

If there is a significant increase in the price of newsprint or a reduction in the availability of newsprint, our results of operations and financial condition may suffer.

The basic raw material for our publications is newsprint. We generally maintain only a 45 to 55-day inventory of newsprint, although our participation in a newsprint-buying consortium has helped ensure adequate supply. An inability to obtain an adequate supply of newsprint at a favorable price or at all in the future could have a material adverse effect on our ability to produce our publications. Historically, the price of newsprint has been volatile, reaching a high of approximately \$823 per metric ton in 2008 and experiencing a low of almost \$410 per metric ton in 2002. The average price of newsprint during 2015 was approximately \$585 per metric ton. Recent and future consolidation of major newsprint suppliers may adversely affect price competition among suppliers. Significant increases in newsprint costs for properties and periods not covered by our newsprint vendor agreement could have a material adverse effect on our financial condition and results of operations.

Our Predecessor experienced declines in advertising revenue, and further declines, which could adversely affect our results of operations and financial condition, may occur.

Our Predecessor previously experienced declines in advertising revenue, due primarily to the economic recession and advertisers' shift from print to digital media. Advertising revenue decreased by \$29.6 million, or 9.0%, in the year ended December 29, 2013, as compared to the year ended December 30, 2012 for total company excluding Local Media. Advertising revenue increased by \$57.0 million, or 17.4%, in the year ended December 28, 2014, as compared to the year ended December 29, 2013, however, excluding acquisitions, there was a decrease in advertising revenue. Advertising revenue increased by \$311.3 million, or 80.8%, in the year ended December 27, 2015, as compared to the year ended December 28, 2014, however, excluding acquisitions, there was a decrease in advertising revenue. We continue to search for organic growth opportunities, including in our digital advertising business, and for ways to stabilize print revenue declines through new product launches and pricing. However, there can be no assurance that our advertising revenue will not continue to decline. In addition, the range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have historically resulted in significantly lower rates for digital advertising

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than for print advertising. Consequently, our digital advertising revenue may not be able to replace print advertising revenue lost as a result of the shift to digital consumption. Further declines in advertising revenue could adversely affect our results of operations and financial condition.

Our Predecessor had a history of losses and filed a voluntary petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in 2013.

Our Predecessor experienced losses from continuing operations of approximately \$27.5 million and \$21.0 million in 2012 and 2011, respectively. On September 27, 2013, GateHouse filed a voluntary petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code and emerged from Chapter 11 protection on November 26, 2013. We may not be able to maintain profitable operations in the future and our failure to achieve profitability in the future could adversely affect the trading price of our Common Stock and our ability to pay dividends and raise additional capital for growth.

We compete with a large number of companies in the local media industry; if we are unable to compete effectively, our advertising and circulation revenues may decline.

Our business is concentrated in newspapers and other print publications located primarily in small and midsize markets in the United States. Our revenues primarily consist of advertising and paid circulation. Competition for advertising revenues and paid circulation comes from direct mail, directories, radio, television, outdoor advertising, other newspaper publications, the internet and other media. For example, as the use of the internet and mobile devices has increased, we have lost some classified advertising and subscribers to online advertising businesses and our free internet sites that contain abbreviated versions of our publications. Competition for advertising revenues is based largely upon advertiser results, advertising rates, readership, demographics and circulation levels. Competition for circulation is based largely upon the content of the publication and its price and editorial quality. Our local and regional competitors vary from market to market, and many of our competitors for advertising revenues are larger and have greater financial and distribution resources than us. We may incur increased costs competing for advertising expenditures and paid circulation. We may also experience further declines of circulation or print advertising revenue due to alternative media, such as the internet. If we are not able to compete effectively for advertising expenditures and paid circulation, our revenues may decline.

We are undertaking strategic process upgrades that could have a material adverse financial impact if unsuccessful.

We are implementing strategic process upgrades of our business. Among other things we are implementing the standardization and centralization of systems and processes, the outsourcing of certain financial processes and the use of new software for our circulation, advertising and editorial systems. As a result of ongoing strategic evaluation and analysis, we have made and will continue to make changes that, if unsuccessful, could have a material adverse financial impact.

Our business is subject to seasonal and other fluctuations, which affects our revenues and operating results.

Our business is subject to seasonal fluctuations that we expect to continue to be reflected in our operating results in future periods. Our first fiscal quarter of the year tends to be our weakest quarter because advertising volume is at its lowest levels following the December holiday season. Correspondingly, our second and fourth fiscal quarters tend to be our strongest because they include heavy holiday and seasonal advertising. Other factors that affect our quarterly revenues and operating results may be beyond our control, including changes in the pricing policies of our competitors, the hiring and retention of key personnel, wage and cost pressures, distribution costs, changes in newsprint prices and general economic factors.

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We could be adversely affected by declining circulation.

Overall daily newspaper circulation, including national and urban newspapers, has declined in recent years. For the year ended December 27, 2015, our circulation revenue increased by \$182.6 million, or 93.3%, as compared to the year ended December 28, 2014, of which \$180.1 million relates to acquisitions. There can be no assurance that our circulation revenue will not decline again in the future. Our Predecessor and us were able to maintain annual circulation revenue from existing operations in recent years through, among other things, increases in per copy prices. However, there can be no assurance that we will be able to continue to increase prices to offset any declines in circulation. Further declines in circulation could impair our ability to maintain or increase our advertising prices, cause purchasers of advertising in our publications to reduce or discontinue those purchases and discourage potential new advertising customers, all of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends.

The increasing popularity of digital media could also adversely affect circulation of our newspapers, which may decrease circulation revenue and cause more marked declines in print advertising. Further, readership demographics and habits may change over time. If we are not successful in offsetting such declines in revenues from our print products, our business, financial condition and prospects will be adversely affected.

The value of our intangible assets may become impaired, depending upon future operating results.

As a result of the Restructuring, which was considered a triggering event for the non-amortizable intangibles, our Predecessor performed a valuation analysis to determine if an impairment existed as of September 29, 2013. The fair values of our Predecessor's reporting units for goodwill and newspaper mastheads were estimated using the expected present value of future cash flows, recent industry transaction multiples and using estimates, judgments and assumptions that management believed were appropriate in the circumstances and were consistent with the terms of the Plan. The estimates and judgments used in the assessment included multiples for revenue and EBITDA, the weighted average cost of capital and the terminal growth rate. Given the Restructuring, our Predecessor determined that discounted cash flows provided the best estimate of the fair value of its reporting units. The estimated fair value of the Large Daily reporting unit exceeded its carrying value and Step 2 of the analysis was not necessary. The Small Community reporting unit failed the Step 1 goodwill impairment analysis. Our Predecessor performed Step 2 of the analysis using consistent assumptions, as discussed above, and determined an impairment was not present for this reporting unit. The estimated fair value of each reporting unit's mastheads exceeded their carrying values, using consistent assumptions as discussed above. The masthead fair value was estimated using the relief from royalty valuation method. For further information on goodwill and intangible assets, see Note 7 to the condensed consolidated financial statements, [Goodwill and Intangible Assets](#).

Due to reductions in our Predecessor's operating projections during the third quarter of 2013 in conjunction with the Restructuring, an impairment charge of \$68.6 million was recognized for advertiser relationships within the Predecessor's Metro and Small Community reporting units, an impairment charge of \$19.1 million was recognized for subscriber relationships within the Company's Metro and Small Community reporting units, an impairment charge of \$2.1 million was recognized for customer relationships within the Company's Metro reporting unit and an impairment charge of \$1.8 million was recognized for trade names and publication rights within the Directories business unit.

During the fourth quarter of 2015, we reorganized our management structure to align with the geography of the market served. As a result, an additional impairment analysis was performed. The analysis of masthead values suggested impairment, and a charge of \$4.8 million was recorded in December.

At December 27, 2015 the carrying value of our goodwill is \$171.1 million, mastheads is \$86.0 million, and amortizable intangible assets is \$217.6 million.

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We are subject to environmental and employee safety and health laws and regulations that could cause us to incur significant compliance expenditures and liabilities.

Our operations are subject to federal, state and local laws and regulations pertaining to the environment, storage tanks and the management and disposal of wastes at our facilities. Under various environmental laws, a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property. Such laws often impose liability on the owner or operator without regard to fault, and the costs of any required investigation or cleanup can be substantial. Although in connection with certain of our Predecessor's acquisitions, as well as certain of our acquisitions, we have rights to indemnification for certain environmental liabilities, these rights may not be sufficient to reimburse us for all losses that we might incur if a property acquired by us has environmental contamination. In addition, although in connection with certain of our acquisitions we have obtained insurance policies for coverage for certain potential environmental liabilities, these policies have express exclusions to coverage as well as express limits on amounts of coverage and length of term. Accordingly these insurance policies may not be sufficient to provide coverage for us for all losses that we might incur if a property acquired by us has environmental contamination.

Our operations are also subject to various employee safety and health laws and regulations, including those pertaining to occupational injury and illness, employee exposure to hazardous materials and employee complaints. Environmental and employee safety and health laws tend to be complex, comprehensive and frequently changing. As a result, we may be involved from time to time in administrative and judicial proceedings and investigations related to environmental and employee safety and health issues. These proceedings and investigations could result in substantial costs to us, divert our management's attention and adversely affect our ability to sell, lease or develop our real property. Furthermore, if it is determined that we are not in compliance with applicable laws and regulations, or if our properties are contaminated, it could result in significant liabilities, fines or the suspension or interruption of the operations of specific printing facilities.

Future events, such as changes in existing laws and regulations, new laws or regulations or the discovery of conditions not currently known to us, may give rise to additional compliance or remedial costs that could be material.

Sustained increases in costs of employee health and welfare benefits may reduce our profitability. Moreover, our pension plan obligations are currently underfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

In recent years, we and our Predecessor experienced significant increases in the cost of employee medical benefits because of economic factors beyond our control, including increases in health care costs. At least some of these factors may continue to put upward pressure on the cost of providing medical benefits. Although we have actively sought to control increases in these costs, there can be no assurance that we will succeed in limiting cost increases, and continued upward pressure could reduce the profitability of our businesses.

Our pension and postretirement plans were underfunded by \$11.2 million at December 27, 2015. Our pension plan invests in a variety of equity and debt securities, many of which were affected by the disruptions in the credit and capital markets in 2009 and 2010. Future volatility and disruption in the stock markets could cause further declines in the asset values of our pension plans. In addition, a decrease in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, we may need to make additional pension contributions above what is currently estimated, which could reduce the cash available for our businesses.

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We may not be able to protect intellectual property rights upon which our business relies and, if we lose intellectual property protection, our assets may lose value.

Our business depends on our intellectual property, including, but not limited to, our titles, mastheads, content and services, which we attempt to protect through patents, copyrights, trade laws and contractual restrictions, such as confidentiality agreements. We believe our proprietary and other intellectual property rights are important to our success and our competitive position.

Despite our efforts to protect our proprietary rights, unauthorized third parties may attempt to copy or otherwise obtain and use our content, services and other intellectual property, and we cannot be certain that the steps we have taken will prevent any misappropriation or confusion among consumers and merchants, or unauthorized use of these rights. If we are unable to procure, protect and enforce our intellectual property rights, we may not realize the full value of these assets, and our business may suffer. If we must litigate to enforce our intellectual property rights or determine the validity and scope of the proprietary rights of third parties, such litigation may be costly and divert the attention of our management from day-to-day operations.

We depend on key personnel and we may not be able to operate or grow our business effectively if we lose the services of any of our key personnel or are unable to attract qualified personnel in the future.

The success of our business is heavily dependent on our ability to retain our management and other key personnel and to attract and retain qualified personnel in the future. Competition for senior management personnel is intense and we may not be able to retain our key personnel. Although our Predecessor entered into employment agreements with certain of our key personnel, these agreements do not ensure that our key personnel will continue in their present capacity with us for any particular period of time. We do not have key man insurance for any of our current management or other key personnel. The loss of any key personnel would require our remaining key personnel to divert immediate and substantial attention to seeking a replacement. An inability to find a suitable replacement for any departing executive officer on a timely basis could adversely affect our ability to operate or grow our business.

A shortage of skilled or experienced employees in the media industry, or our inability to retain such employees, could pose a risk to achieving improved productivity and reducing costs, which could adversely affect our profitability.

Production and distribution of our various publications requires skilled and experienced employees. A shortage of such employees, or our inability to retain such employees, could have an adverse impact on our productivity and costs, our ability to expand, develop and distribute new products and our entry into new markets. The cost of retaining or hiring such employees could exceed our expectations which could adversely affect our results of operations.

A number of our employees are unionized, and our business and results of operations could be adversely affected if current or additional labor negotiations or contracts were to further restrict our ability to maximize the efficiency of our operations.

As of December 27, 2015, we employed 9,509 employees, of whom 1,236 (or approximately 13%) were represented by 35 unions. 93% of the unionized employees are in four states: Ohio, Rhode Island, Illinois and Massachusetts and represent 36%, 23%, 17% and 17% of all our union employees, respectively. Most of our unionized employees work under collective bargaining agreements that expire in 2017.

Although our newspapers have not experienced a union strike in the recent past nor do we anticipate a union strike to occur, we cannot preclude the possibility that a strike may occur at one or more of our newspapers at some point in the future. We believe that, in the event of a newspaper strike, we would be able to continue to publish and deliver to subscribers, which is critical to retaining advertising and circulation revenues, although there can be no assurance of this.

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The collectability of accounts receivable under adverse economic conditions could deteriorate to a greater extent than provided for in our financial statements and in our projections of future results.

Adverse economic conditions in the United States have increased our exposure to losses resulting from financial distress, insolvency and the potential bankruptcy of our advertising customers. Our accounts receivable are stated at net estimated realizable value and our allowance for doubtful accounts has been determined based on several factors, including receivable agings, significant individual credit risk accounts and historical experience. If such collectability estimates prove inaccurate, adjustments to future operating results could occur.

Our potential inability to successfully execute cost control measures could result in greater than expected total operating costs.

We and our Predecessor have implemented general cost control measures, and we expect to continue such cost control efforts in the future. If we do not achieve expected savings as a result of such measures or if our operating costs increase as a result of our growth strategy, our total operating costs may be greater than expected. In addition, reductions in staff and employee benefits could affect our ability to attract and retain key employees.

We rely on revenue from the printing of publications for third parties that may be subject to many of the same business and industry risks that we are.

In 2015, we generated approximately 4.8% of our revenue from printing third-party publications, and our relationships with these third parties are generally pursuant to short-term contracts. As a result, if the macroeconomic and industry trends described herein such as the sensitivity to perceived economic weakness of discretionary spending available to advertisers and subscribers, circulation declines, shifts in consumer habits and the increasing popularity of digital media affect those third parties, we may lose, in whole or in part, a substantial source of revenue.

A decision by any of the three largest national publications or the major local publications to cease publishing in those markets, or seek alternatives to their current business practice of partnering with us, could materially impact our profitability.

Our possession and use of personal information and the use of payment cards by our customers present risks and expenses that could harm our business. Unauthorized access to or disclosure or manipulation of such data, whether through breach of our network security or otherwise, could expose us to liabilities and costly litigation and damage our reputation.

Our online systems store and process confidential subscriber and other sensitive data, such as names, email addresses, addresses, and other personal information. Therefore, maintaining our network security is critical. Additionally, we depend on the security of our third-party service providers. Unauthorized use of or inappropriate access to our, or our third-party service providers' networks, computer systems and services could potentially jeopardize the security of confidential information, including payment card (credit or debit) information, of our customers. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we or our third-party service providers may be unable to anticipate these techniques or to implement adequate preventative measures. Non-technical means, for example, actions by an employee, can also result in a data breach. A party that is able to circumvent our security measures could misappropriate our proprietary information or the information of our customers or users, cause interruption in our operations, or damage our computers or those of our customers or users. As a result of any such breaches, customers or users may assert claims of liability against us and these activities may subject us to legal claims, adversely impact our reputation, and interfere with our ability to provide our products and services, all of which may have an adverse effect on our business, financial condition and results of operations. The coverage and limits of our insurance policies may not be adequate to reimburse us for losses caused by security breaches.

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A significant number of our customers authorize us to bill their payment card accounts directly for all amounts charged by us. These customers provide payment card information and other personally identifiable information which, depending on the particular payment plan, may be maintained to facilitate future payment card transactions. Under payment card rules and our contracts with our card processors, if there is a breach of payment card information that we store, we could be liable to the banks that issue the payment cards for their related expenses and penalties. In addition, if we fail to follow payment card industry data security standards, even if there is no compromise of customer information, we could incur significant fines or lose our ability to give our customers the option of using payment cards. If we were unable to accept payment cards, our business would be seriously harmed.

There can be no assurance that any security measures we, or our third-party service providers, take will be effective in preventing a data breach. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. If an actual or perceived breach of our security occurs, the perception of the effectiveness of our security measures could be harmed and we could lose customers or users. Failure to protect confidential customer data or to provide customers with adequate notice of our privacy policies could also subject us to liabilities imposed by United States federal and state regulatory agencies or courts. We could also be subject to evolving state laws that impose data breach notification requirements, specific data security obligations, or other consumer privacy-related requirements. Our failure to comply with any of these laws or regulations may have an adverse effect on our business, financial condition and results of operations.

Our financial results were affected by the adoption of fresh start reporting and may not reflect historical trends.

Pursuant to the Plan, we acquired substantially all of the assets of our Predecessor. The Restructuring resulted in us becoming a new reporting entity and adopting fresh start accounting. As required by fresh start accounting, our Predecessor's assets and liabilities were adjusted to estimated fair value, and we recognized certain assets and liabilities not previously recognized in our Predecessor's financial statements. Accordingly, our financial condition and results of operations from and after the Effective Date are not comparable to the financial condition and results of operations reflected in our Predecessor's historical consolidated financial statements, including those presented herein.

Risks Related to Our Manager

We are dependent on our Manager and may not find a suitable replacement if our Manager terminates the Management Agreement and the inability of our Manager to retain or obtain key personnel could delay or hinder implementation of our investment strategies, which could impair our ability to make distributions and could reduce the value of your investment.

Some of our officers and other individuals who perform services for us are employees of our Manager. We are reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost or at all. Furthermore, we are dependent on the services of certain key employees of our Manager whose compensation may be partially or entirely dependent upon the amount of incentive or management compensation earned by our Manager and whose continued service is not guaranteed, and the loss of such services could adversely affect our operations. If any of these people were to cease their affiliation with us or our Manager, either we or our Manager may be unable to find suitable replacements, and our operating results could suffer. We believe that our future success depends, in large part, upon our Manager's ability to hire and retain highly skilled personnel. Competition for highly skilled personnel is intense, and our Manager may be unsuccessful in attracting and retaining such skilled personnel. If we lose or are unable to obtain the services of highly skilled personnel, our ability to implement our investment strategies could be delayed or hindered and this could materially adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders.

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There are conflicts of interest in our relationship with our Manager.

Our Management Agreement with our Manager was not negotiated between unaffiliated parties, and its terms, including fees payable, although approved by the independent directors of both Newcastle (our parent prior to the spin-off) and New Media as fair, may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates including investment funds, private investment funds, or businesses managed by our Manager invest in media assets and whose investment objectives overlap with our investment objectives. Certain investments appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our Board of Directors and employees of our Manager who may be officers also serve as officers and/or directors of these other entities. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress for certain target assets. From time to time, affiliates of Fortress focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress had approximately \$70.5 billion of assets under management as of December 31, 2015. In addition, with respect to Fortress funds in the process of selling investments, our Manager may be incentivized to regard the sale of such assets to us positively, particularly if a sale to an unrelated third party would result in a loss of fees to our Manager.

Our Management Agreement with our Manager generally does not limit or restrict our Manager or its affiliates from engaging in any business or managing other pooled investment vehicles that invest in investments that meet our investment objectives. Our Manager may engage in additional investment opportunities related to media assets in the future, which may cause our Manager to compete with us for investments or result in a change in our current investment strategy. In addition, our certificate of incorporation provides that if Fortress or an affiliate or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our stockholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of Fortress or its affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as a director or officer of ours and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us if Fortress or its affiliates pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement with our Manager, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage in material transactions with our Manager or another entity managed by our Manager or one of its affiliates, which may present an actual, potential or perceived conflict of interest. It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The management compensation structure that we have agreed to with our Manager, as well as compensation arrangements that we may enter into with our Manager in the future (in connection with new lines of business or other activities), may incentivize our Manager to invest in high risk investments. In addition to its management

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fee, our Manager is currently entitled to receive incentive compensation. In evaluating investments and other management strategies, the opportunity to earn incentive compensation may lead our Manager to place undue emphasis on the maximization of such measures at the expense of other criteria, such as preservation of capital, in order to achieve higher incentive compensation. Investments with higher yield potential are generally riskier or more speculative than lower-yielding investments. Moreover, because our Manager receives compensation in the form of options in connection with the completion of our equity offerings, our Manager may be incentivized to cause us to issue additional stock, which could be dilutive to existing stockholders.

It would be difficult and costly to terminate our Management Agreement with our Manager.

It would be difficult and costly for us to terminate our Management Agreement with our Manager. After its initial three-year term, the Management Agreement will be automatically renewed for one-year terms unless terminated (i) by a majority vote of at least two-thirds of our independent directors, or by a vote of the holders of a simple majority of the outstanding shares of our common stock, that there has been unsatisfactory performance by our Manager that is materially detrimental to us or (ii) a determination by a simple majority of our independent directors that the management fee payable to our Manager is not fair, subject to our Manager's right to prevent such a termination by continuing to provide the services under the Management Agreement at a fee that a simple majority of our independent directors have reasonably determined to be fair. Our Manager will be provided 60 days' prior notice of any termination and will be paid a termination fee equal to the amount of the management fee earned by the Manager during the 12-month period preceding such termination. In addition, following any termination of the Management Agreement, our Manager may require us to purchase its right to receive incentive compensation at a price determined as if our assets were sold for their then current fair market value or otherwise we may continue to pay the incentive compensation to our Manager. These provisions may increase the effective cost to us of terminating the Management Agreement, thereby adversely affecting our ability to terminate our Manager without cause.

Our Board of Directors does not approve each investment decision made by our Manager. In addition, we may change our investment strategy without a stockholder vote, which may result in our making investments that are different, riskier or less profitable than our current investments.

Our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in which we currently invest. Our Board of Directors periodically reviews our investment portfolio. However, our Board of Directors does not review or pre-approve each proposed investment or our related financing arrangements. In addition, in conducting periodic reviews, our Board of Directors relies primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to unwind by the time they are reviewed by our Board of Directors even if the transactions contravene the terms of the Management Agreement. In addition, we may change our investment strategy, including our target asset classes, without a stockholder vote.

Our investment strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets in which we invest and our ability to finance such assets on a short-or long-term basis. Investment opportunities that present unattractive risk-return profiles relative to other available investment opportunities under particular market conditions may become relatively attractive under changed market conditions, and changes in market conditions may therefore result in changes in the investments we target. Decisions to make investments in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce our ability to pay dividends on our common stock or have adverse effects on our liquidity or financial condition. A change in our investment strategy may also increase our exposure to interest rate, real estate market or credit market fluctuations. In addition, a change in our investment strategy may increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations and our financial condition.

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Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our investments.

Pursuant to our Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of our Board of Directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers and employees will not be liable to us or any of our subsidiaries, to our Board of Directors, or our or any subsidiary's stockholders or partners for any acts or omissions by our Manager, its members, managers, sub-advisers, officers or employees, except by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We shall, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, sub-advisers and each other person, if any, controlling our Manager, harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of investment opportunities or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each investment opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Because we are dependent upon our Manager and its affiliates to conduct our operations, any adverse changes in the financial health of our Manager or its affiliates or our relationship with them could hinder our Manager's ability to successfully manage our operations.

We are dependent on our Manager and its affiliates to manage our operations and acquire and manage our investments. Under the direction of our Board of Directors, our Manager makes all decisions with respect to the management of our company. To conduct its operations, our Manager depends upon the fees and other compensation that it receives from us in connection with managing our company and from other entities and investors with respect to investment management services it provides. Any adverse changes in the financial condition of our Manager or its affiliates, or our relationship with our Manager, could hinder our Manager's ability to successfully manage our operations, which would materially adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders. For example, adverse changes in the financial condition of our Manager could limit its ability to attract key personnel.

Risks Related to our Common Stock

There can be no assurance that the market for our stock will provide you with adequate liquidity.

The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

our business profile and market capitalization may not fit the investment objectives of any stockholder;

a shift in our investor base;

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our quarterly or annual earnings, or those of other comparable companies;

actual or anticipated fluctuations in our operating results;

changes in accounting standards, policies, guidance, interpretations or principles;

announcements by us or our competitors of significant investments, acquisitions or dispositions;

the failure of securities analysts to cover our Common Stock;

changes in earnings estimates by securities analysts or our ability to meet those estimates;

the operating and stock price performance of other comparable companies;

overall market fluctuations; and

general economic conditions.

Stock markets in general and recently have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our Common Stock. Additionally, these and other external factors have caused and may continue to cause the market price and demand for our Common Stock to fluctuate, which may limit or prevent investors from readily selling their shares of Common Stock, and may otherwise negatively affect the liquidity of our common stock.

Sales or issuances of shares of our common stock could adversely affect the market price of our Common Stock.

Sales of substantial amounts of shares of our Common Stock in the public market, or the perception that such sales might occur, could adversely affect the market price of our Common Stock. The issuance of our common stock in connection with property, portfolio or business acquisitions or the settlement of awards that may be granted under our Incentive Plan (as defined below) or otherwise could also have an adverse effect on the market price of our Common Stock.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. The acquisitions of Stephens Media, LLC, Halifax Media Group, The Columbus Dispatch and the Monroe News have resulted in a change to our internal control over financial reporting which has materially affected our internal control over financial reporting. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our share price and impairing our ability to raise capital, if and when desirable.

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The percentage ownership of existing shareholders in New Media may be diluted in the future.

We may issue equity in order to raise capital or in connection with future acquisitions and strategic investments, which would dilute investors percentage ownership in New Media. In addition, your percentage ownership may be diluted if we issue equity instruments such as debt and equity financing.

The percentage ownership of existing shareholders in New Media may also be diluted in the future as result of the issuance of ordinary shares in New Media upon the exercise of 10-year warrants (the *New Media Warrants*). The *New Media Warrants* collectively represent the right to acquire New Media Common Stock, which in the aggregate are equal to 5% of New Media Common Stock as of the Effective Date (calculated prior to dilution from shares of New Media Common Stock issued pursuant to Newcastle's contribution of Local Media Parent and assignment of related stock purchase agreement to New Media (the *Local Media Contribution*)) at a strike price of \$46.35 calculated based on a total equity value of New Media prior to the Local Media Contribution of \$1.2 billion as of the Effective Date. As a result, New Media Common Stock may be subject to dilution upon the exercise of such *New Media Warrants*.

Furthermore, the percentage ownership in New Media may be diluted in the future because of additional equity awards that we expect will be granted to our Manager pursuant to our Management Agreement. Upon the successful completion of an offering of shares of our Common Stock or any shares of preferred stock, we will grant our Manager options equal to 10% of the number of shares being sold in the offering, with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser. The Board of Directors of New Media approved the Incentive Plan, which provides for the grant of equity and equity-based awards, including restricted stock, stock options, stock appreciation rights, performance awards, restricted stock units, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisors of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. Any future grant would cause further dilution. We initially reserved 15 million shares of our Common Stock for issuance under the Incentive Plan; on the first day of each fiscal year beginning during the ten-year term of the Incentive Plan and in and after calendar year 2015, that number will be increased by a number of shares of our Common Stock equal to 10% of the number of shares of our Common Stock newly issued by us during the immediately preceding fiscal year. In January 2016 and 2015, the number of shares reserved for issuance under the Incentive Plan was increased by 724,400 and 746,649 representing 10% of the shares of Common Stock newly issued in fiscal year 2015 and 2014, respectively.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the trading price of our Common Stock.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our Board rather than to attempt a hostile takeover. These provisions provide for:

a classified board of directors with staggered three-year terms;

amendment of provisions in our amended and restated certificate of incorporation and amended and restated bylaws regarding the election of directors, classes of directors, the term of office of directors, the filling of director vacancies and the resignation and removal of directors only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon (provided, however, that for so long as Newcastle and certain other affiliates of Fortress and permitted transferees (collectively, the *Fortress Stockholders*) beneficially own at least 20% of our issued and outstanding Common Stock, such provisions may be amended with the affirmative vote of a majority of the voting interest of stockholders entitled to vote or by a majority of the entire Board of Directors);

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amendment of provisions in our amended and restated certificate of incorporation regarding corporate opportunity only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;

removal of directors only for cause and only with the affirmative vote of at least 80% of the voting interest of stockholders entitled to vote in the election of directors (provided, however, that for so long as the Fortress Stockholders beneficially own at least 20% of our issued and outstanding Common Stock, directors may be removed with or without cause with the affirmative vote of a majority of the voting interest of stockholders entitled to vote);

our Board to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;

provisions in our amended and restated certificate of incorporation and amended and restated bylaws prevent stockholders from calling special meetings of our stockholders (provided, however, that for so long as the Fortress Stockholders beneficially own at least 20% of our issued and outstanding Common Stock, Fortress Stockholders may call special meetings of our stockholders);

advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;

a prohibition, in our amended and restated certificate of incorporation, stating that no holder of shares of our Common Stock will have cumulative voting rights in the election of directors, which means that the holders of majority of the issued and outstanding shares of our Common Stock can elect all the directors standing for election; and

action by our stockholders outside a meeting, in our amended and restated certificate of incorporation and our amended and restated bylaws, only by unanimous written consent (provided, however, that for so long as the Fortress Stockholders beneficially own at least 20% of our issued and outstanding Common Stock, our stockholders may act without a meeting by written consent of a majority of the voting interest of stockholders entitled to vote).

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and Board and, as a result, may adversely affect the market price of our Common Stock and your ability to realize any potential change of control premium.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

We own and operate 57 print facilities across the United States. GateHouse's print facilities range in size from approximately 6,000 to 401,000 square feet (combined printing and office space). GateHouse's executive offices are located in Pittsford, New York, where we lease approximately 25,870 square feet under a lease terminating in October 2022.

We maintain our properties in good condition and believe that our current facilities are adequate to meet the present needs of our business. We do not believe any individual property is material to our financial condition or results of operations.

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Item 3. Legal Proceedings

We are and may become involved from time to time in legal proceedings in the ordinary course of our business, including but not limited to with respect to such matters as libel, invasion of privacy, intellectual property infringement, wrongful termination actions and complaints alleging employment discrimination, and regulatory investigations and inquiries. In addition, we are involved from time to time in governmental and administrative proceedings concerning employment, labor, environmental and other claims. Insurance coverage mitigates potential loss for certain of these matters. Historically, such claims and proceedings have not had a material adverse effect on our consolidated results of operations or financial position. Although we are unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, we do not expect our current and any threatened legal proceedings to have a material adverse effect on our business, financial position or consolidated results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material effect on our financial results.

Item 4. Mine Safety Disclosures

Not applicable.

Table of Contents**PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**
Market Information

New Media Common Stock trades on the NYSE under the trading symbol NEWM since the spin-off from Newcastle. A when-issued trading market for New Media's Common Stock on the NYSE began on February 4, 2014 and regular-way trading of New Media Common Stock began on February 14, 2014. Prior to February 4, 2014, there was no public market for New Media Common Stock. Set forth in the table below for the periods presented are the high and low sale prices for New Media Common Stock as reported on the NYSE.

	HIGH	LOW
Fiscal Year Ending December 27, 2015:		
First Quarter	\$ 25.77	\$ 20.55
Second Quarter	\$ 24.32	\$ 17.80
Third Quarter	\$ 18.59	\$ 13.96
Fourth Quarter	\$ 20.06	\$ 14.91
Fiscal Year Ending December 28, 2014:		
First Quarter (since February 4, 2014)	\$ 15.65	\$ 10.35
Second Quarter	\$ 15.79	\$ 12.89
Third Quarter	\$ 17.95	\$ 13.59
Fourth Quarter	\$ 24.52	\$ 15.76

From the most recent available Company information, on February 18, 2016 there were approximately 44 holders of record.

Dividends

New Media currently intends to distribute a substantial portion of free cash flow as a dividend to stockholders, through a quarterly dividend, subject to satisfactory financial performance, Board approval and dividend restrictions in the New Media Credit Agreement. The Board of Directors' determinations regarding dividends will depend on a variety of factors, including the Company's GAAP net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results.

On July 31, 2014, the Company announced a second quarter 2014 cash dividend of \$0.27 per share of New Media Common Stock. The dividend was paid on August 21, 2014 to shareholders of record as of the close of business on August 12, 2014.

On October 30, 2014, the Company announced a third quarter 2014 cash dividend of \$0.27 per share of New Media Common Stock. The dividend was paid on November 20, 2014, to shareholders of record as of the close of business on November 12, 2014.

On February 26, 2015, the Company announced a fourth quarter 2014 cash dividend of \$0.30 per share of New Media Common Stock. The dividend was paid on March 19, 2015, to shareholders of record as of the close of business on March 11, 2015.

On April 30, 2015, the Company announced a first quarter 2015 cash dividend of \$0.33 per share of New Media Common Stock. The dividend was paid on May 21, 2015, to shareholders of record as of the close of business on May 13, 2015.

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On July 30, 2015, the Company announced a second quarter 2015 cash dividend of \$0.33 per share of New Media Common Stock. The dividend was paid on August 20, 2015, to shareholders of record as of the close of business on August 12, 2015.

On October 29, 2015, the Company announced a third quarter 2015 cash dividend of \$0.33 per share of New Media Common Stock. The dividend was on November 19, 2015, to shareholders of record as of the close of business on November 12, 2015.

On February 25, 2016, the Company announced a fourth quarter 2015 cash dividend of \$0.33 per share of New Media Common Stock. The dividend will be paid on March 17, 2016, to shareholders of record as of the close of business on March 9, 2016.

Unregistered Sales of Equity Securities

In connection with the restructuring of GateHouse, on the Effective Date New Media issued 30,000,000 shares of New Media Common Stock pursuant to the Plan in accordance with Section 1145(a)(1) of the U.S. Bankruptcy Code (the Bankruptcy Code).

Additionally, on the Effective Date, New Media issued 1,362,479 10-year warrants at a strike price of \$46.35 per share to the former equity holders of GateHouse pursuant to the Plan, in accordance with Section 1145(a)(2) of the Bankruptcy Code.

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The following table presents our selected historical financial data as of and for each of the years in the five year period ended December 27, 2015. The information in this table should be read in conjunction with the information under Management's Discussion and Analysis of Financial Condition and Results of Operations, Business and our historical consolidated financial statements and the related notes thereto included elsewhere in this report. The selected consolidated statements of operations and comprehensive income (loss) data and other data for the years ended December 30, 2012 and January 1, 2012 and the selected consolidated balance sheets data at December 29, 2013, December 30, 2012 and January 1, 2012 have been derived from the audited consolidated financial statements of our Predecessor that are not included in this report.

	Successor Company			Predecessor Company		
	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013	Year Ended December 30, 2012 ⁽²⁾	Year Ended January 1, 2012
(in thousands, except per share data)						
Statement of Operations Data:						
Revenues:						
Advertising	\$ 696,696	\$ 385,399	\$ 63,340	\$ 265,078	\$ 330,881	\$ 357,134
Circulation	378,263	195,661	29,525	118,810	131,576	131,879
Commercial printing and other	120,856	71,263	10,366	29,402	26,097	25,657
Total revenues	1,195,815	652,323	103,231	413,290	488,554	514,670
Operating costs and expenses:						
Operating costs	656,555	368,420	56,614	232,066	268,222	281,884
Selling, general and administrative	406,282	211,829	28,749	136,832	145,020	146,295
Depreciation and amortization	67,752	41,450	6,588	33,409	39,888	42,426
Integration and reorganization costs	8,052	2,796	1,758	1,577	4,393	5,884
Impairment of long-lived assets				91,599		1,733
(Gain) loss on sale or disposal of assets	(51,051)	1,472	27	1,163	1,238	455
Goodwill and mastheads impairment	4,800					385
Operating income (loss)	103,425	26,356	9,495	(83,356)	29,793	35,608
Interest expense, amortization of deferred financing costs, loss on early extinguishment of debt, (gain) loss on derivative instruments, reorganization items, net, and other	32,407	26,848	1,798	(871,399)	57,463	58,361
Income (loss) from continuing operations before income taxes	71,018	(492)	7,697	788,043	(27,670)	(22,753)
Income tax expense (benefit)	3,404	2,713	491	(197)	(207)	(1,803)
Income (loss) from continuing operations	67,614	(3,205)	7,206	788,240	(27,463)	(20,950)
Loss from discontinued operations, net of income taxes				(1,034)	(2,340)	(699)
Net income (loss)	67,614	(3,205)	7,206	787,206	(29,803)	(21,649)
Net loss attributable to noncontrolling interest				208		
Net income (loss) attributable to New Media	\$ 67,614	\$ (3,205)	\$ 7,206	\$ 787,414	\$ (29,803)	\$ (21,649)

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	Successor Company			Predecessor Company		
	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013	Year Ended December 30, 2012 ⁽²⁾	Year Ended January 1, 2012
(in thousands, except per share data)						
Basic net income (loss) from continuing operations attributable to New Media per share	\$ 1.53	\$ (0.10)	\$ 0.24	\$ 13.58	\$ (0.47)	\$ (0.36)
Diluted income (loss) from continuing operations attributable to New Media per share	\$ 1.52	\$ (0.10)	\$ 0.24	\$ 13.58	\$ (0.47)	\$ (0.36)
Basic net income (loss) attributable to New Media common stockholders per share	\$ 1.53	\$ (0.10)	\$ 0.24	\$ 13.56	\$ (0.51)	\$ (0.37)
Diluted net income (loss) attributable to New Media common stockholders per share	\$ 1.52	\$ (0.10)	\$ 0.24	\$ 13.56	\$ (0.51)	\$ (0.37)
Dividends declared per share	\$ 1.29	\$ 0.54	\$	\$	\$	\$
Other Data:						
Adjusted EBITDA ⁽¹⁾	\$ 175,627	\$ 67,741	\$ 16,096	\$ 988,265	\$ 69,766	\$ 80,547
Cash interest paid	\$ 21,726	\$ 15,181	\$ 925	\$ 43,606	\$ 55,976	\$ 58,225

(1) We define Adjusted EBITDA as net income (loss) from continuing operations before income tax expense (benefit), interest/financing expense, depreciation and amortization and non-cash impairments. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss), cash flow from continuing operating activities or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, is helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance in our day-to-day operations. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance. Adjusted EBITDA provides an indicator for management to determine if adjustments to current spending decisions are needed.

Adjusted EBITDA provides us with a measure of financial performance, independent of items that are beyond the control of management in the short-term, such as depreciation and amortization, taxation and interest expense associated with our capital structure. This metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the Company. Adjusted EBITDA is one of the metrics used by senior management and the board of directors to review the financial performance of our business on a monthly basis.

Not all companies calculate Adjusted EBITDA using the same methods; therefore, the Adjusted EBITDA figures set forth herein may not be comparable to Adjusted EBITDA reported by other companies. A substantial portion of our Adjusted EBITDA must be dedicated to the payment of interest on our outstanding indebtedness and to service other commitments, thereby reducing the funds available to us for other purposes. Accordingly, Adjusted EBITDA does not represent an amount of funds that is available for management's discretionary use. See Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this report.

(2) The year ended December 30, 2012 included a 53rd week of operations for approximately 60% of the business.

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The table below shows the reconciliation of income (loss) from continuing operations to Adjusted EBITDA for the periods presented:

	Successor Company			Predecessor Company		
	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013	Year Ended December 30, 2012 ⁽³⁾	Year Ended January 1, 2012
(in thousands)						
Income (loss) from continuing operations	\$ 67,614	\$ (3,205)	\$ 7,206	\$ 788,240	\$ (27,463)	\$ (20,950)
Income tax expense (benefit)	3,404	2,713	491	(197)	(207)	(1,803)
Loss (gain) on derivative instruments ⁽¹⁾		51		14	(1,635)	(913)
Loss on early extinguishment of debt ⁽²⁾		9,047				
Amortization of deferred financing costs	2,712	1,049	171	842	1,255	1,360
Interest expense	29,345	16,636	1,640	74,358	57,928	58,309
Impairment of long-lived assets				91,599		1,733
Depreciation and amortization	67,752	41,450	6,588	33,409	39,888	42,426
Goodwill and mastheads impairment	4,800					385
Adjusted EBITDA from continuing operations	\$ 175,627 ^(a)	\$ 67,741 ^(b)	\$ 16,096 ^(c)	\$ 988,265 ^(d)	\$ 69,766 ^(e)	\$ 80,547 ^(f)

(a) Adjusted EBITDA for the year ended December 27, 2015 included net expenses of \$(13,566), comprised of transaction and project costs, non-cash compensation, and other expenses of \$29,433, integration and reorganization costs of \$8,052 and a \$51,051 gain on the sale or disposal of assets.

(b) Adjusted EBITDA for the year ended December 28, 2014 included net expenses of \$21,673, comprised of transaction and project costs, non-cash compensation, and other expenses of \$17,405, integration and reorganization costs of \$2,796 and a \$1,472 loss on the sale or disposal of assets.

(c) Adjusted EBITDA for the two months ended December 29, 2013 included net expenses of \$4,828, comprised of transaction and project costs and other expenses of \$3,043, integration and reorganization costs of \$1,758 and a \$27 loss on the sale or disposal of assets.

(d) Adjusted EBITDA for the ten months ended November 6, 2013 included net expenses of \$(930,229), comprised of transaction and project costs, non-cash compensation, and other expenses of \$(932,969), integration and reorganization costs of \$1,577 and a \$1,163 loss on the sale or disposal of assets.

Adjusted EBITDA also does not include \$123 of EBITDA generated from our discontinued operations.

(e) Adjusted EBITDA for the year ended December 30, 2012 included net expenses of \$11,009, comprised of transaction and project costs, non-cash compensation, and other expenses of \$5,378, integration and reorganization costs of \$4,393 and a \$1,238 loss on the sale or disposal of assets.

Adjusted EBITDA also does not include \$255 of EBITDA generated from our discontinued operations.

(f) Adjusted EBITDA for the year ended January 1, 2012 included net expenses of \$10,565, comprised of transaction and project costs, non-cash compensation, and other expenses of \$4,226, integration and reorganization costs of \$5,884 and a \$455 loss on the sale or disposal of assets.

Adjusted EBITDA also does not include \$432 of EBITDA generated from our discontinued operations.

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- (1) Non-cash loss (gain) on derivative instruments is related to interest rate swap agreements which are financing related and are excluded from Adjusted EBITDA.
- (2) Non-cash write-off of deferred financing costs are similar to interest expense and amortization of financing fees and are excluded from Adjusted EBITDA.
- (3) The year ended December 30, 2012 included a 53rd week of operations for approximately 60% of the business.

	As of				
	December 27, 2015	Successor Company December 28, 2014	December 29, 2013	Predecessor Company December 30, 2012	January 1, 2012
(in thousands)					
Balance Sheet Data:					
Total assets	\$ 1,200,263	\$ 820,826	\$ 693,399	\$ 469,766	\$ 510,802
Total long-term obligations, including current maturities	366,788	228,311	187,119	1,177,298	1,185,212
Stockholders' equity (deficit)	647,073	484,127	395,362	(834,159)	(805,632)

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our historical consolidated financial statements and notes to those statements appearing in this report. The discussion and analysis below includes certain forward-looking statements that are subject to risks, uncertainties and other factors under the heading "Risk Factors" and elsewhere in this report that could cause our actual future growth, results of operations, performance and business prospects and opportunities to differ materially from those expressed in, or implied by, such forward-looking statements. See "Cautionary Note Regarding Forward Looking Information" at the beginning of this report.

Comparability of Information

As a result of the restructuring of GateHouse Media, LLC (formerly known as GateHouse Media, Inc.) ("GateHouse" or "Predecessor") (the "Restructuring"), all GateHouse debt, including derivative liabilities and deferred financing assets, was eliminated on November 6, 2013, the confirmation date of the pre-packaged plan under Chapter 11 of title 11 of the United States Bankruptcy Code (the "Plan"). Fresh start accounting also led to changes in the basis of our assets and liabilities including property, plant and equipment and intangible assets that will impact future depreciation and amortization expense levels. As a result of the adoption of fresh start accounting, New Media's ("New Media," "Company," "us," or "we") reorganized company post-emergence financial statements will generally not be comparable with the financial statements of GateHouse prior to emergence, including historical financial information in this Annual Report on Form 10-K.

Overview

New Media is a company that owns, operates and invests in high quality local media assets. We have a particular focus on owning and acquiring strong local media assets in small to mid-size markets. With our collection of assets, we focus on two large business categories; consumers and small to medium size businesses ("SMBs").

Our portfolio of media assets today spans across 489 markets and 31 states. Our products include 564 community print publications, 489 websites, 476 mobile sites and six yellow page directories. We reach over 19 million people per week and serve over 193,000 business customers.

We are focused on growing our consumer revenues primarily through our penetration into the local consumer market that values comprehensive local news and receives their news primarily from our products. We believe our rich local content, our strong media brands, and multiple platforms for delivering content will impact our reach into the local consumers leading to growth in subscription income. We also believe our focus on smaller markets will allow us to be a dominant provider of valuable, unique local news to consumers in those markets. We believe that one result of our local consumer penetration in these smaller markets will be transaction revenues as we link consumers with local businesses. For our SMB business category, we focus on leveraging our strong local media brands, our in-market sales force and our high consumer penetration rates with a variety of products and services that we believe will help SMBs expand their marketing, advertising and other digital lead generation platforms. We also believe our strong position in our local markets will allow us to develop other products that will be of value to our SMBs in helping them run and grow their businesses.

Our business strategy is to be the preeminent provider of local news, information, advertising and digital services in the markets we operate in today. We aim to grow our business organically through what we believe are both our consumer and SMB strategies. We also plan to pursue strategic acquisitions of high quality local media assets at attractive valuation levels. Finally, we intend to distribute a substantial portion of our free cash flow as a dividend to stockholders through a quarterly dividend, subject to satisfactory financial performance and approval by our board of directors (the "Board of Directors" or "Board") and dividend restrictions in the New Media Credit Agreement (as defined below). The Board of Directors' determinations regarding dividends will

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depend on a variety of factors, including the Company's U.S. generally accepted accounting principles (GAAP) net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results.

Our focus on owning and operating dominant local content oriented media properties in small to mid-size markets, we believe, puts us in a position to better execute on our strategy. We believe that being the dominant provider of local news and information in the markets in which we operate, and distributing that content across multiple print and digital platforms, gives us an opportunity to grow our audiences and reach. Further, we believe our strong local media brands and our in-markets presence gives us the opportunity to expand our advertising and lead generation products with local business customers.

Central to our business strategy are our digital marketing services products called Propel Marketing (Propel). We launched the products in 2012 and have seen rapid growth since then. Revenues have grown from \$1 million in 2012 to \$31.3 million in 2015. We believe Propel and our digital marketing service products, combined with our strong local brands and in market sales force, position this business to be a key component to our overall organic growth strategy.

The opportunity Propel looks to seize upon is as follows:

There are approximately 27.9 million SMBs in the U.S. according to the 2011 U.S. Census data. Of these, approximately 26.7 million have 20 employees or less.

Many of the owners and managers of these SMBs do not have the bandwidth, expertise or resource to navigate the fast evolving digital marketing sector, but they increasingly know they have to be present there to stay connected with current and future customers. Propel is designed to offer a complete set of digital marketing services to SMBs that are turn-key with results that are transparent to the business owners. Propel provides four broad categories of services: building businesses a presence, helping businesses to be located by consumers online, engaging with consumers, and growing their customer base.

We believe our local media properties and local sales infrastructure are uniquely positioned to sell these digital marketing services to local business owners and give us distinct advantages, including:

our strong and trusted local brands, with 85% of our daily newspapers having been publishing local content for more than 100 years;

our ability to market through our print and online properties, driving branding and traffic; and

our more than 1,480 local, direct, in-market sales professionals with long standing relationships with small businesses in the communities we serve.

Our core products include:

124 daily newspapers with total paid circulation of approximately 1.5 million;

322 weekly newspapers (published up to three times per week) with total paid circulation of approximately 321,000 and total free circulation of approximately 2.0 million;

118 shoppers (generally advertising-only publications) with total circulation of approximately 2.8 million;

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489 locally focused websites and 476 mobile sites, which extend our businesses onto the internet and mobile devices with approximately 226 million page views per month;

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six yellow page directories, with a distribution of approximately 348,000, that cover a population of approximately 620,000 people; and

Propel digital marketing services.

In addition to our core products, we also opportunistically produce niche publications that address specific local market interests such as recreation, sports, healthcare and real estate. Similarly, GateHouse Live, our events business, concentrates on local markets and interests.

Our advertising revenue tends to follow a seasonal pattern, with higher advertising revenue in months containing significant events or holidays. Accordingly, our first quarter, followed by our third quarter, historically are our weakest quarters of the year in terms of revenue. Correspondingly, our second and fourth fiscal quarters, historically, are our strongest quarters. We expect that this seasonality will continue to affect our advertising revenue in future periods.

Our Predecessor has experienced on-going declines in print advertising revenue streams and increased volatility of operating performance, despite our geographic diversity, well-balanced portfolio of products, broad customer base and reliance on smaller markets. We may experience additional declines and volatility in the future. These declines in print advertising revenue have come with the shift from traditional media to the internet for consumers and businesses. We believe our local advertising tends to be less sensitive to economic cycles than national advertising because local businesses generally have fewer advertising channels through which to reach their target audience. We are making investments in digital platforms, such as Propel, as well as online, and mobile applications, to support our print publications in order to capture this shift as witnessed by our Predecessor's digital advertising revenue growth, which doubled between 2009 and 2012.

Our operating costs consist primarily of labor, newsprint, and delivery costs. Our selling, general and administrative expenses consist primarily of labor costs.

Compensation represents just under 50% of our operating expenses. Over the last few years, we have worked to drive efficiencies and centralization of work throughout our Company. Additionally, we have taken steps to cluster our operations thereby increasing the usage of facilities and equipment while increasing the productivity of our labor force. We expect to continue to employ these steps as part of our business and clustering strategy.

The Company's operating segments (Eastern US Publishing, Central US Publishing, and Western US Publishing) are aggregated into one reportable business segment.

Industry

The newspaper industry and the Company have experienced declining same store revenue and profitability over the past several years. As a result, we previously implemented plans to reduce costs and preserve cash flow. We have also invested in potential growth opportunities, primarily in the digital space. We believe the cost reductions and the new digital initiatives, together with the Restructuring described below, will provide the appropriate capital structure and financial resources necessary to invest in the business and ensure our future success and provide sufficient cash flow to enable us to meet our commitments for the next year.

General economic conditions, including declines in consumer confidence, high unemployment levels, declines in real estate values, and other trends, have also impacted the markets in which we operate. Additionally, media companies continue to be impacted by the migration of consumers and businesses to an internet and mobile-based, digital medium. These conditions may continue to negatively impact print advertising and other revenue sources as well as increase operating costs in the future, even after an economic recovery. We expect that we will have adequate capital resources and liquidity to meet our working capital needs, borrowing obligations and all required capital expenditures for at least the next twelve months.

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We periodically perform testing for impairment of goodwill and newspaper mastheads in which the fair value of our reporting units for goodwill impairment testing and individual newspaper mastheads were estimated using the expected present value of future cash flows and recent industry transaction multiples, using estimates, judgments and assumptions, that we believe were appropriate in the circumstances. Should general economic, market or business conditions decline, and have a negative impact on estimates of future cash flow and market transaction multiples, we may be required to record additional impairment charges in the future.

Restructuring

On September 4, 2013, our Predecessor, GateHouse, and its affiliated debtors (the Debtors) announced that our Predecessor, the Administrative Agent (as defined below), Newcastle Investment Corp. (Newcastle) and other lenders (the Participating Lenders) under the Amended and Restated Credit Agreement by and among certain affiliates of our Predecessor, the lenders from time to time party thereto and Cortland Products Corp., as administrative agent (the Administrative Agent), dated February 27, 2007 (the 2007 Credit Facility) entered into the Restructuring Support Agreement, effective September 3, 2013 (the Support Agreement), in which the parties agreed to support, subject to the terms and conditions of the Support Agreement, the Restructuring pursuant to the consummation of the Plan. The Support Agreement relates to the Restructuring of our Predecessor s obligations under the 2007 Credit Facility and certain interest rate swaps secured thereunder (collectively, the Outstanding Debt) and our Predecessor s equity pursuant to the Plan.

On September 20, 2013, our Predecessor commenced a pre-packaged solicitation of the Plan (the Solicitation). Under the Support Agreement, which terminated on the Effective Date (as defined below), each of the Participating Lenders agreed to (a) support and take any reasonable action in furtherance of the Restructuring, (b) timely vote their Outstanding Debt to accept the Plan and not change or withdraw such vote, (c) support approval of the Disclosure Statement (as defined below) and confirmation of the Plan, as well as certain relief to be requested by Debtors from the Bankruptcy Court (as defined below), (d) refrain from taking any action inconsistent with the confirmation or consummation of the Plan, and (e) not propose, support, solicit or participate in the formulation of any plan other than the Plan. Holders of Outstanding Debt sufficient to meet the requisite threshold of 67% in amount and majority in number (calculated without including any insider) necessary for acceptance of the Plan under the Bankruptcy Code voted to accept the Plan in the Solicitation. 100% of the holders of the Outstanding Debt voted to accept the Plan under the terms of the Support Agreement. As a result, Debtors commenced Chapter 11 cases and sought approval of the disclosure statement for the Plan (the Disclosure Statement) and confirmation of the Plan therein. The Plan was confirmed by the U.S. Bankruptcy Court for the District of Delaware (the Bankruptcy Court) on November 6, 2013 and our Predecessor effected the transactions contemplated by the Plan to emerge from bankruptcy protection on November 26, 2013. On the Effective Date (as defined below), Newcastle owned 84.6% of New Media s total equity.

On September 27, 2013, our Predecessor filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, case number 13-12503. On November 6, 2013 the Bankruptcy Court confirmed the Plan. Our Predecessor effected the transactions contemplated by the Plan and emerged from Chapter 11 protection on November 26, 2013 (the Effective Date).

The Plan discharged claims and interests against our Predecessor primarily through the (a) issuance of shares of common stock in a new holding company, New Media (New Media Common Stock or our Common Stock) and/or payment of cash to holders of claims in connection with the 2007 Credit Facility and related interest rate swaps, (b) reinstatement of certain claims, (c) entry into the Management Agreement (as defined below), (d) issuance of warrants by New Media to former equity holders in our Predecessor and (e) entry into the GateHouse Credit Facilities (as defined below) the net proceeds of which were distributed to holders that elected to receive New Media Common Stock. See Note 2 to the consolidated financial statements, Voluntary Reorganization Under Chapter 11.

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Pursuant to the Restructuring, Newcastle purchased the Outstanding Debt claims in cash and at 40% of (i) \$1,167 million of principal of claims under the 2007 Credit Facility, plus (ii) accrued and unpaid interest at the applicable contract non-default rate with respect thereto, plus (iii) all amounts, excluding any default interest, arising from transactions in connection with interest rate swaps secured under the 2007 Credit Facility (the Cash-Out Offer) on the Effective Date. The holders of the Outstanding Debt had the option of receiving, in satisfaction of their Outstanding Debt, their pro rata share of the (i) Cash-Out Offer or (ii) New Media Common Stock and the net proceeds, if any, of new debt facilities GateHouse Credit Facilities (as defined below). Newcastle received its pro rata share of New Media Common Stock and the \$149 million in net proceeds of the GateHouse Credit Facilities (as defined below) for all Outstanding Debt it holds, including Outstanding Debt purchased in the Cash-Out Offer. All pensions, trade and all other unsecured claims will be paid in the ordinary course.

On the Effective Date, New Media entered into a management agreement with FIG LLC (the Manager) (Management Agreement) pursuant to which the Manager will manage the operations of New Media. The annual management fee is 1.50% of New Media 's Total Equity (as defined in the Management Agreement) and the Manager is eligible to receive incentive compensation.

On August 27, 2013, our Predecessor entered into a management agreement (the Local Media Management Agreement) with and among Local Media Group Holdings LLC (Local Media Parent) to manage the operations of its direct subsidiary Local Media Group Inc. (Local Media). The Company determined that the Local Media Management Agreement resulted in Local Media being a variable interest entity (VIE) and has consolidated Local Media 's financial position and results of operations from September 3, 2013. On September 3, 2013, Local Media Parent completed its acquisition of thirty three publications from News Corp Inc. Local Media was not part of the bankruptcy filing. However, as part of the Plan, Newcastle agreed to contribute 100% of the stock of Local Media Parent to New Media as of the Effective Date. The contribution was made to New Media to assign Newcastle 's rights under the stock purchase agreement to which it acquired Local Media as of the Effective Date. Consideration received by Newcastle was the New Media Common Stock collectively equal to the cost of the acquisition of Local Media by Newcastle (as adjusted pursuant to the Plan) upon emergence from Chapter 11 on the Effective Date. The Company accounted for the consolidation of Local Media under the purchase method of accounting in accordance with Accounting Standards Codification (ASC) Topic 805, Business Combinations , as New Media received a controlling financial interest in Local Media as of the Effective Date. The Local Media Management Agreement was terminated effective June 4, 2014.

Upon GateHouse 's emergence from Chapter 11, New Media adopted fresh start reporting in accordance with ASC Topic 852, Reorganizations (ASC 852). Under fresh start accounting, a new entity is deemed to have been created on the Effective Date for financial reporting purposes and our Predecessor 's recorded amounts of assets and liabilities will be adjusted to reflect their estimated fair values. As a result of the adoption of fresh start accounting, New Media 's reorganized company post-emergence financial statements will generally not be comparable with the financial statements of our Predecessor prior to emergence, including the historical financial information in this report. See Note 2 to the consolidated financial statements, Voluntary Reorganization Under Chapter 11.

Spin-off from Newcastle

On February 13, 2014, Newcastle completed the spin-off of the Company. Each share of Newcastle common stock outstanding as of 5:00 PM, Eastern Time, on February 6, 2014, the Record Date, entitled the holder thereof to receive 0.07219481485 shares of New Media Common Stock (the spin-off). On February 14, 2014 New Media became a separate, publicly traded company trading on the New York Stock Exchange (the NYSE) under the ticker symbol NEWM . As a result of the spin-off, the fees included in the management agreement with the Manager became effective.

Management Agreement

On the Effective Date, New Media entered into the Management Agreement pursuant to which the Manager manages the operations of New Media. The annual management fee is 1.50% of New Media 's Total Equity (as

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defined in the Management Agreement) and the Manager is eligible to receive incentive compensation. On March 6, 2015, the Company's independent directors on the Board approved an amendment to the Management Agreement. See Note 18 "Related Party Transactions" to the consolidated financial statements for further discussion.

We recognized \$9.4 million and \$5.6 million for management fees and \$30.3 million and \$0.1 million for incentive compensation within selling, general and administrative expense on the consolidated statements of operations and comprehensive income (loss) and \$9.9 million and \$4.4 million in management fees and \$8.9 million and \$0 in incentive compensation was paid to Fortress during the years ended December 27, 2015 and December 28, 2014, respectively. No management fees or incentive compensation was incurred during the year ended December 29, 2013.

Acquisitions

On February 28, 2014, we completed the acquisition of five publications from Freedom Communications for a total purchase price of \$7.9 million, including working capital. The acquisition included two daily and three weekly publications serving Southern California with an aggregate circulation of approximately 56,000.

On June 30, 2014, we completed two acquisitions of 20 publications with a total purchase price of \$15.9 million, including working capital. The acquisitions included six daily, ten weekly publications, and four shoppers serving areas of Texas, Oklahoma, Kansas and Virginia with an aggregate circulation of approximately 54,000.

On September 3, 2014, we completed the acquisition of The Providence Journal with a total purchase price of \$48.7 million, including working capital. The acquisition included one daily and two weekly publications serving areas of Rhode Island with a daily circulation of approximately 72,000 and 96,000 on Sunday.

On December 1, 2014, we completed the acquisition of *Foster's Daily Democrat* along with other publications and related assets for \$5.4 million in cash, including working capital, from the Foster family. The publications are located around Dover, NH, and the daily newspaper has a circulation of approximately 12,000.

On January 9, 2015, we completed the acquisition of substantially all of the assets from Halifax Media Group for an aggregate purchase price of \$285.4 million, including working capital and net of assumed debt. The acquisition included 24 daily publications, thirteen weekly publications, and five shoppers serving areas of Alabama, Florida, Louisiana, Massachusetts, North Carolina, and South Carolina with a daily circulation of approximately 635,000 and 752,000 on Sunday.

On March 18, 2015, we completed the acquisition of the assets of Stephens Media, LLC ("Stephens Media") for an aggregate purchase price of \$110.8 million, including working capital. The acquisition includes nine daily newspapers, 35 weekly publications and fifteen shoppers serving communities throughout the United States with a combined average daily circulation of approximately 221 and 244 on Sunday.

On June 15, 2015 and September 23, 2015, we acquired substantially all the assets, properties and business of publishing/operating certain newspapers for an aggregate purchase price of \$52.0 million, including estimated working capital. The acquisitions included two daily newspapers, twenty-eight weekly publications, and two shoppers serving Central Ohio and Southern Michigan.

Dispositions

On December 10, 2015, we completed the sale of the *Las Vegas Review-Journal* and related publications ("Review-Journal") (initially acquired in the Stephens Media acquisition) which are located in Las Vegas, Nevada for an aggregate sale price of \$140,000 plus working capital adjustment of \$1,000. As a result, a gain of \$57.0 million is included in (gain) loss on sale or disposal of assets on the consolidated statement of operations and comprehensive income (loss) for this period.

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Subsequent Events

Acquisitions

On December 31, 2015, we completed the acquisition of the Business Information Division of Dolan LLC (*Dolan*) for \$35.0 million in cash, plus working capital. We funded the acquisition with cash on the balance sheet. *Dolan* is a leading provider of industry-specific news with 39 print and online publications and an audience of over 46,000 paid subscribers.

On January 12, 2016, we completed the acquisition of substantially all of the publishing operations of the Times Publishing Company, including the *Erie Times-News* daily newspaper, for \$11.5 million in cash, plus the assumption of liabilities. We funded the acquisition with cash on the balance sheet. *Erie Times-News* is a dominant source of local news and advertising in Erie, PA with an average weekday circulation of over 39,000 and 55,000 on Sunday.

Dividends

On February 25, 2016, the Company announced a fourth quarter 2015 cash dividend of \$0.33 per share of New Media Common Stock. The dividend will be paid on March 17, 2016, to shareholders of record as of the close of business on March 9, 2016.

Critical Accounting Policy Disclosure

The preparation of financial statements in conformity with GAAP requires management to make decisions based on estimates, assumptions and factors it considers relevant to the circumstances. Such decisions include the selection of applicable principles and the use of judgment in their application, the results of which could differ from those anticipated. Due to the bankruptcy filing, we have applied debtor-in-possession accounting and fresh start accounting as described in ASC 852 for the applicable periods of 2013. The following accounting policies require significant estimates and judgments.

Business Combinations

The Company accounts for acquisitions in accordance with the provisions of ASC 805. ASC 805 provides guidance for recognition and measurement of identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree at fair value. In a business combination, the assets acquired, liabilities assumed and noncontrolling interest in the acquiree are recorded as of the date of acquisition at their respective fair values with limited exceptions. Any excess of the purchase price (consideration transferred) over the estimated fair values of net assets acquired is recorded as goodwill. Transaction costs are expensed as incurred. The operating results of the acquired business are reflected in the Company's consolidated financial statements after the date of the acquisition.

Goodwill and Long-Lived Assets

The application of the purchase method of accounting for business combinations and fresh start accounting related to reorganization require the use of significant estimates and assumptions in the determination of the fair value of assets and liabilities in order to properly allocate the purchase price consideration or enterprise value between assets that are depreciated and amortized from goodwill. Our estimates of the fair values of assets and liabilities are based upon assumptions believed to be reasonable, and when appropriate, include assistance from independent third-party valuation firms. Refer to Note 3, *Acquisitions and Dispositions* of the consolidated financial statements.

As a result of the application of fresh start accounting and recent acquisitions, we have a significant amount of goodwill. Goodwill at December 27, 2015 was \$171.1 million. We assess the potential impairment of goodwill

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and intangible assets with indefinite lives on an annual basis as of the end of our second fiscal quarter in accordance with the provisions of Financial Accounting Standards Board (FASB) ASC Topic 350 *Intangibles Goodwill and Other*. We perform our impairment analysis on each of our reporting units. The Company has the option to qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company elects to perform a qualitative assessment and concludes it is not more likely than not that the fair value of the reporting unit is less than its carrying value, no further assessment of that reporting unit's goodwill is necessary; otherwise goodwill must be tested for impairment using a two-step process. The reporting units have discrete financial information and are regularly reviewed by management. The fair value of the applicable reporting unit is compared to its carrying value. Calculating the fair value of a reporting unit requires us to make significant estimates and assumptions. We estimate fair value by applying third-party market value indicators to projected cash flows and/or projected earnings before interest, taxes, depreciation, and amortization. In applying this methodology, we rely on a number of factors, including current operating results and cash flows, expected future operating results and cash flows, future business plans, and market data. If the carrying value of the reporting unit exceeds the estimate of fair value, we calculate the impairment as the excess of the carrying value of goodwill over its implied fair value.

We account for long-lived assets in accordance with the provisions of ASC Topic 360, *Property, Plant and Equipment*. We assess the recoverability of our long-lived assets, including property, plant and equipment and definite lived intangible assets, whenever events or changes in business circumstances indicate the carrying amount of the assets, or related group of assets, may not be fully recoverable. Factors leading to impairment include significant under-performance relative to historical or projected results, significant changes in the manner of use of the acquired assets or the strategy for our overall business and significant negative industry or economic trends. The assessment of recoverability is generally based on management's estimates by comparing the sum of the estimated undiscounted cash flows generated by the underlying asset, or other appropriate grouping of assets, to its carrying value to determine whether an impairment existed at its lowest level of identifiable cash flows. However, in some cases the market approach is used to estimate the fair value, particularly when there is a change in the use of an asset. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment is recognized to the extent the carrying value of such asset exceeds its fair value.

The fair values of our reporting units for goodwill impairment testing and individual newspaper mastheads are estimated using the expected present value of future cash flows, recent industry transaction multiples and using estimates, judgments and assumptions that management believes are appropriate in the circumstances.

The sum of the fair values of the reporting units are reconciled to our current market capitalization (based upon the stock market price) plus an estimated control premium.

Significant judgment is required in determining the fair value of our goodwill and long-lived assets to measure impairment, including the determination of multiples of revenue and Adjusted EBITDA and future earnings projections. The estimates and judgments that most significantly affect the future cash flow estimates are assumptions related to revenue, and in particular, potential changes in future advertising (including the impact of economic trends and the speed of conversion of advertising and readership to online products from traditional print products); trends in newsprint prices; and other operating expense items.

We performed annual impairment testing of goodwill and indefinite lived intangible assets during the second quarter of 2015, 2014 and 2013. Additionally, we performed impairment testing of goodwill and indefinite lived intangibles during the fourth quarter of 2015 due to operational management changes. See Note 7 to the consolidated financial statements *Goodwill and Intangible Assets*, for a discussion of the impairment charges taken.

Newspaper mastheads (newspaper titles) are not subject to amortization and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The

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impairment test consists of a comparison of the fair value of each group of mastheads with their carrying amount. We used a relief from royalty approach which utilizes a discounted cash flow model to determine the fair value of each newspaper masthead. Our judgments and estimates of future operating results in determining the reporting unit fair values are consistently applied in determining the fair value of mastheads. We performed impairment tests on newspaper mastheads as of December 27, 2015, June 28, 2015, June 29, 2014 and June 30, 2013. See Note 7 to the consolidated financial statements, *Goodwill and Intangible Assets*, for a discussion of the impairment charges taken.

Intangible assets subject to amortization (primarily advertiser and subscriber lists) are tested for recoverability whenever events or change in circumstances indicate that their carrying amounts may not be recoverable. The carrying amount of each asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of such asset group. We performed impairment assessments on long lived assets (including intangible assets subject to amortization) as of December 27, 2015, June 28, 2015, June 29, 2014, September 29, 2013 and June 30, 2013. Due to reductions in the Company's operating projections during the third quarter of 2013 in conjunction with the bankruptcy process, an impairment charge was recognized for intangible assets subject to amortization. See Note 7 to the consolidated financial statements, *Goodwill and Intangible Assets*, for a discussion of the impairment charges taken.

The newspaper industry and the Company have experienced declining same store revenue and profitability over the past several years. Should general economic, market or business conditions decline, and have a negative impact on estimates of future cash flow and market transaction multiples, we may be required to record additional impairment charges in the future.

Revenue Recognition

Advertising revenue is recognized upon publication of the advertisement. Circulation revenue from subscribers is billed to customers at the beginning of the subscription period and is recognized on a straight-line basis over the term of the related subscription. Circulation revenue from single copy sales is recognized based on date of publication, net of provisions for related returns. Revenue for commercial printing is recognized upon delivery. Directory revenue is recognized on a straight-line basis over the period in which the corresponding directory is distributed.

Income Taxes

We account for income taxes under the provisions of ASC Topic 740, *Income Taxes* (ASC 740). Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using tax rates in effect for the year in which the differences are expected to affect taxable income. The assessment of the realizability of deferred tax assets involves a high degree of judgment and complexity. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are expected to be realized. When we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future in excess of our net recorded amount, an adjustment to the deferred tax asset would be made and reflected either in income or as an adjustment to goodwill. This determination will be made by considering various factors, including our expected future results, that in our judgment will make it more likely than not that these deferred tax assets will be realized.

FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of SFAS No. 109* and now codified as ASC 740. ASC 740 prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that a company has taken or expects to take on a tax return. Under ASC 740, the financial statements will reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts, but without considering time values.

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Pension and Postretirement Liabilities

ASC Topic 715, *Compensation Retirement Benefits* requires recognition of an asset or liability in the consolidated balance sheet reflecting the funded status of pension and other postretirement benefit plans such as retiree health and life, with current-year changes in the funded status recognized in the statement of stockholders' equity.

The determination of pension plan obligations and expense is based on a number of actuarial assumptions. Two critical assumptions are the expected long-term rate of return on plan assets and the discount rate applied to pension plan obligations. For other postretirement benefit plans, which provide for certain health care and life insurance benefits for qualifying retired employees and which are not funded, critical assumptions in determining other postretirement benefit obligations and expense are the discount rate and the assumed health care cost-trend rates.

Our only pension plan has assets valued at \$20.6 million as of December 27, 2015 and the plan's benefit obligation is \$26.1 million resulting in the plan being 79% funded.

To determine the expected long-term rate of return on pension plan's assets, we consider the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets, input from the actuaries and investment consultants, and long-term inflation assumptions. We used an assumption of 7.75% for our expected return on pension plan assets for 2015. If we were to reduce our rate of return by 50 basis points then the expense for 2015 would have increased approximately \$0.1 million.

The assumed health care cost-trend rate also affects other postretirement benefit liabilities and expense. A 100 basis point increase in the health care cost trend rate would result in an increase of approximately \$0.5 million in the December 27, 2015 postretirement benefit obligation and a 100 basis point decrease in the health care cost trend rate would result in a decrease of approximately \$0.4 million in the December 27, 2015 postretirement benefit obligation.

Self-Insurance Liability Accruals

We maintain self-insured medical and workers' compensation programs. We purchase stop loss coverage from third parties which limits our exposure to large claims. We record a liability for healthcare and workers' compensation costs during the period in which they occur as well as an estimate of incurred but not reported claims.

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The following table summarizes our historical results of operations for New Media, otherwise known as the Successor Company for the years ended December 27, 2015, December 28, 2014, the two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013. We believe the comparison of combined results for the year ended December 29, 2013 versus the years ended December 27, 2015 and December 28, 2014, provides the best analysis of our results of operations, while the adoption of fresh start accounting presents the results of operations of a new reporting entity, the only consolidated statement of operations items impacted by the bankruptcy reorganization under Chapter 11 are depreciation and amortization expense, interest expense, and reorganization items. Those effects of fresh start accounting are discussed in more detail in the respective sections below. References to same store results below take into account material acquisitions and divestitures of the Company by adjusting prior year performance to include or exclude financial results as if the Company had owned or divested a business for the comparable period. The Victorville, American Consolidated Media Southwest Group, Petersburg, Fosters, and Monroe Publishing Company (Tuck-In) acquisitions were not considered material.

	Successor Company		Combined	Successor Company Two Months Ended December 29, 2013	Predecessor Company Ten Months Ended November 6, 2013
	Year Ended December 27, 2015	Year Ended December 28, 2014	Year Ended December 29, 2013		
(in thousands)					
Revenues:					
Advertising	\$ 696,696	\$ 385,399	\$ 328,418	\$ 63,340	\$ 265,078
Circulation	378,263	195,661	148,335	29,525	118,810
Commercial printing and other	120,856	71,263	39,768	10,366	29,402
Total revenues	1,195,815	652,323	516,521	103,231	413,290
Operating costs and expenses:					
Operating costs	656,555	368,420	288,680	56,614	232,066
Selling, general and administrative	406,282	211,829	165,581	28,749	136,832
Depreciation and amortization	67,752	41,450	39,997	6,588	33,409
Integration and reorganization costs	8,052	2,796	3,335	1,758	1,577
Impairment of long-lived assets			91,599		91,599
(Gain) loss on sale or disposal of assets	(51,051)	1,472	1,190	27	1,163
Mastheads impairment	4,800				
Operating income (loss)	103,425	26,356	(73,861)	9,495	(83,356)
Interest expense	29,345	16,636	75,998	1,640	74,358
Amortization of deferred financing costs	2,712	1,049	1,013	171	842
Loss on early extinguishment of debt		9,047			
Loss on derivative instruments		51	14		14
Other expense (income)	350	65	991	(13)	1,004
Reorganization items, net			(947,617)		(947,617)
Income (loss) from continuing operations before income taxes	71,018	(492)	795,740	7,697	788,043
Income tax expense (benefit)	3,404	2,713	294	491	(197)
Income (loss) from continuing operations	\$ 67,614	\$ (3,205)	\$ 795,446	\$ 7,206	\$ 788,240

Year Ended December 27, 2015 Compared To Year Ended December 28, 2014

Revenue. Total revenue for the year ended December 27, 2015 increased by \$543.5 million, or 83.3%, to \$1,195.8 million from \$652.3 million for the year ended December 28, 2014. The increase in total revenue was comprised of a \$311.3 million, or 80.8%, increase in advertising revenue, a \$182.6 million, or 93.3%, increase in circulation revenue, and a \$49.6 million, or 69.6%, increase in commercial printing and other revenue, which includes a \$13.0 million, or 71%, increase in digital revenue primarily attributable to Propel. The increase in revenue of \$543.5 million includes revenues from our Columbus Dispatch, Stephens Media, Halifax Media Group, and The Providence Journal acquisitions of \$552.1 million, which is comprised of \$323.1 million from advertising, \$180.1 million from circulation, and \$48.9 million from commercial

printing and other.

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Same store revenue for the year ended December 27, 2015 decreased by \$48.4 million, or 3.9%. The decrease in same store revenue was comprised of a \$45.4 million, or 6.1%, decrease in advertising revenue and a \$4.7 million, or 3.8%, decrease in commercial printing and other revenue, which was offset by a \$1.7 million, or 0.5%, increase in circulation revenue. Same store advertising revenue declines were primarily driven by declines on the print side of our business in the local retail and preprint categories due to secular pressures and a continuing uncertain economic environment. These secular trends and economic conditions have also led to a decline in our print circulation volumes, which have been partially offset by price increases in select locations. The \$4.7 million decrease in commercial printing and other revenue is due in part to a decrease in commercial printing of \$9.3 million, primarily due to the acquisition of commercial print customers, which is partially offset by an increase in Propel revenue.

Operating Costs. Operating costs for the year ended December 27, 2015 increased by \$288.1 million, or 78.2%, to \$656.5 million from \$368.4 million for the year ended December 28, 2014. The increase in operating costs of \$288.1 million includes operating costs from all acquisitions of \$301.0 million, which were partially offset by a \$12.9 million decrease in the costs related to the remaining operations. This decline in operating costs related to the remaining operations was primarily due to a decrease in newsprint, hauling and delivery, and postage expenses of \$6.2 million, \$5.2 million, and \$1.4 million, respectively.

Selling, General and Administrative. Selling, general and administrative expenses for the year ended December 27, 2015 increased by \$194.5 million, or 91.8%, to \$406.3 million from \$211.8 million for the year ended December 28, 2014. The increase of \$194.5 million includes selling, general and administrative expenses from all acquisitions of \$169.7 million. The additional \$24.8 million increase in selling, general and administrative expenses was primarily due to a \$34.0 million increase in management and incentive fees, which was partially offset by a decrease in professional and consulting fees, compensation, postage, repairs and maintenance, and hauling and delivery expenses of \$4.6 million, \$3.7 million, \$0.4 million, \$0.3 million, and \$0.1 million, respectively.

Integration and Reorganization Costs. During the year ended December 27, 2015 and December 28, 2014, we recorded integration and reorganization costs of \$8.1 million and \$2.8 million, respectively, primarily resulting from severance costs related to acquisition-related synergies and the continued consolidation of our operations resulting from our ongoing implementation of our plans to reduce costs and preserve cash flow.

(Gain) Loss on Sale or Disposal of Assets. The gain on sale or disposal of assets for the year ended December 27, 2015 is primarily comprised of a gain on sale of the Review-Journal of \$57.1 million, which is partially offset by losses on sales or disposal of less significant assets of \$6.0 million.

Mastheads Impairment. During the year ended December 27, 2015 we recorded a \$4.8 million impairment on our mastheads due to declines in revenue projections and reductions in certain groups' royalty rates. There were no such charges during the year ended December 28, 2014.

Interest Expense. Interest expense for the year ended December 27, 2015 increased by \$12.7 million to \$29.3 million from \$16.6 million for the year ended December 28, 2014. The increase in interest expense was primarily due to the increase in our total outstanding debt.

Amortization of Deferred Financing Costs. Amortization of deferred financing costs for the year ended December 27, 2015 increased by \$1.7 million, or 158.5%, to \$2.7 million from \$1.0 million for the year ended December 28, 2014, primarily due to the write-off of deferred financing costs related to the 2015 Incremental Revolver (as defined below).

Loss on Early Extinguishment of Debt. During the year ended December 28, 2014 we recorded a loss of \$9.0 million due to the early extinguishment of long-term debt. There were no such charges during the year ended December 27, 2015.

Income Tax Expense (Benefit). During the year ended December 27, 2015, we recorded an income tax expense of \$3.4 million related to a deferred tax liability for indefinite-lived assets where book basis exceeded

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tax basis, alternative minimum tax and state taxes. During the year ended December 28, 2014, we recorded an income tax expense of \$2.7 million related to a deferred tax liability for indefinite-lived assets where book basis exceeded tax basis.

Income (Loss) from Continuing Operations. Income from continuing operations for the year ended December 27, 2015 was \$67.6 million and loss from continuing operations for the year ended December 28, 2014 was \$3.2 million. Our net income from continuing operations increased due to the factors noted above.

Year Ended December 28, 2014 Compared To Year Ended December 29, 2013

Revenue. Total revenue for the year ended December 28, 2014 increased by \$135.8 million, or 26.3%, to \$652.3 million from \$516.5 million for the year ended December 29, 2013. The increase in total revenue was comprised of a \$57.0 million, or 17.4%, increase in advertising revenue, a \$47.3 million, or 31.9%, increase in circulation revenue, and a \$31.5 million, or 79.2%, increase in commercial printing and other revenue. The increase in revenue of \$135.8 million includes revenues from our Local Media and The Providence Journal acquisitions of \$131.0 million, which is comprised of \$62.5 million from advertising, \$44.9 million from circulation, and \$23.6 million from commercial printing and other.

Same store revenue for the Successor Company for the year ended December 28, 2014 increased by \$1.0 million, or 0.1%, to \$652.3 million. The increase in same store revenue was comprised of a \$1.7 million, or 0.9%, increase in circulation revenue and an \$8.9 million, or 14.3%, increase in commercial printing and other revenue, which was partially offset by a \$9.6 million, or 2.4%, decrease in advertising revenue. Same store advertising revenue declines were primarily driven by declines on the print side of our business in the local retail category due to secular pressures and a continuing uncertain economic environment. These secular trends and economic conditions have also led to a decline in our print circulation volumes, which have been offset by price increases in select locations. The \$8.9 million increase in commercial printing and other revenue is primarily the result of the growth in Propel, our small business marketing service products.

Operating Costs. Operating costs for the year ended December 28, 2014 increased by \$79.7 million, or 27.6%, to \$368.4 million from \$288.7 million for the year ended December 29, 2013. The increase in operating costs of \$79.7 million includes operating costs from all 2013 and 2014 acquisitions of \$87.7 million, which were partially offset by an \$8.0 million decrease in operating costs. This decline in operating costs was primarily due to a decrease in compensation, hauling and delivery, and newsprint expenses of \$4.4 million, \$2.1 million, and \$2.0 million, respectively. On a same store basis, operating costs for the year ended December 28, 2014 decreased by \$3.7 million, or 1.0%, to \$368.4 million. These decreases are the result of permanent cost reductions as we continue to work to consolidate operations and improve the productivity of our labor force.

Selling, General and Administrative. Selling, general and administrative expenses for the year ended December 28, 2014 increased by \$46.2 million, or 27.9%, to \$211.8 million from \$165.6 million for the year ended December 29, 2013. The increase in selling, general and administrative expenses of \$46.2 million includes selling, general and administrative expenses from acquisitions of \$38.8 million. The additional \$7.4 million increase in selling, general and administrative expenses was primarily due to an increase in outside services and professional and consulting fees of \$4.5 million and \$3.9 million, respectively, which were partially offset by a decrease in compensation of \$1.4 million. On a same store basis, selling, general and administrative expenses for the year ended December 28, 2014 increased by \$11.9 million, or 6.0%, to \$211.8 million, which includes \$2.4 million of debt refinancing fees that did not meet capitalization requirements, an increase of \$3.7 million of acquisition, closing and transition costs, and \$5.6 million of management fees.

Integration and Reorganization Costs. During the year ended December 28, 2014 and December 29, 2013, we recorded integration and reorganization costs of \$2.8 million and \$3.3 million, respectively, primarily resulting from severance costs related to the continued consolidation of our operations resulting from our ongoing implementation of our plans to reduce costs and preserve cash flow.

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Impairment of Long-Lived Assets. During the year ended December 29, 2013 we incurred a charge of \$91.6 million related to the impairment on our advertiser relationships, subscriber relationships, customer relationships and other intangible assets due to reductions in our operating projections within our various reporting units. There were no such charges during the year ended December 28, 2014.

Interest Expense. Interest expense for the year ended December 28, 2014 decreased by \$59.4 million to \$16.6 million from \$76.0 million for the year ended December 29, 2013. The decrease in interest expense was primarily due to the decrease in our total outstanding debt as a result of our restructuring during 2013 and the reclassifications out of accumulated other comprehensive income related to the write-off of the derivative instruments due to the termination of the swap agreements of \$26.3 million during the year ended December 29, 2013.

Loss on Early Extinguishment of Debt. During the year ended December 28, 2014 we recorded a loss of \$9.0 million due to the early extinguishment of long-term debt. There were no such charges during the year ended December 29, 2013.

Reorganization Items, Net. Costs directly attributable to the bankruptcy filing are reported as reorganization items, net during the Predecessor ten month period ending November 6, 2013. Reorganization items, net primarily relates to the gain on extinguishment of debt of \$722.8 million and the revaluation of assets of \$246.2 million which were partially offset by \$11.6 million of third party bankruptcy fees and a \$6.8 million credit agreement amendment fee. There were no such charges during the year ended December 28, 2014.

Income Tax Expense (Benefit). During the year ended December 28, 2014, we recorded an income tax expense of \$2.7 million related to a deferred tax liability for indefinite-lived assets where book basis exceeded tax basis. During the year ended December 29, 2013, we recorded an income tax expense of \$0.3 million due to the state tax related to the bankruptcy filing.

Net Income (Loss) from Continuing Operations. Net loss from continuing operations for the year ended December 28, 2014 was \$3.2 million and net income from continuing operations for the year ended December 29, 2013 was \$795.4 million. Our net loss from continuing operations increased due to the factors noted above.

Liquidity and Capital Resources

Our primary cash requirements are for working capital, debt obligations and capital expenditures. We have no material outstanding commitments for capital expenditures. We expect our 2016 capital expenditure to total between \$10.0 million and \$12.0 million. The 2016 capital expenditures will be primarily comprised of projects related to the consolidation of print operations and system upgrades. Our long term debt and debt service obligations were significantly reduced following the Restructuring. For more information on our long term debt and debt service obligations, see Note 10 *Indebtedness* of the consolidated financial statements.

As a holding company, we have no operations of our own and accordingly we have no independent means of generating revenue, and our internal sources of funds to meet our cash needs, including payment of expenses, are dividends and other permitted payments from our subsidiaries.

We expect to fund our operations through cash provided by operating activities, the incurrence of debt or the issuance of additional equity securities. The Company expects that it will have adequate capital resources and liquidity to meet its working capital needs, borrowing obligations and all required capital expenditures for at least the next twelve months.

Our leverage may adversely affect our business and financial performance and restrict our operating flexibility. The level of our indebtedness and our on-going cash flow requirements may expose us to a risk that a

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substantial decrease in operating cash flows due to, among other things, continued or additional adverse economic developments or adverse developments in our business, could make it difficult for us to meet the financial and operating covenants contained in our credit facilities. In addition, our leverage may limit cash flow available for general corporate purposes such as capital expenditures and our flexibility to react to competitive, technological and other changes in our industry and economic conditions generally.

Cash Flows

The following table summarizes our historical cash flows.

	Successor Company			Predecessor Company
	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013
(in thousands)				
Cash provided by (used in) operating activities	\$ 115,319	\$ 41,446	\$ 16,160	\$ (5,972)
Cash used in investing activities	(298,698)	(81,603)	(1,377)	(2,799)
Cash provided by (used in) financing activities	206,308	132,055	(3,690)	(5,038)

Cash Flows from Operating Activities. Net cash provided by operating activities for the year ended December 27, 2015 was \$115.3 million. The net cash provided by operating activities resulted from net income of \$67.6 million, depreciation and amortization of \$67.8 million, a net increase in cash provided by working capital of \$21.9 million, an impairment of mastheads of \$4.8 million, non-cash interest expense of \$2.1 million, non-cash compensation expense of \$1.3 million, an increase in deferred income taxes of \$1.2 million, and amortization of deferred financing costs of \$0.7 million, partially offset by a gain on the sale or disposal of assets of \$51.1 million and an increase funding of pension and other post-retirement obligations of \$1.0 million. The increase in cash provided by working capital primarily resulted from an increase in accrued expenses, which was partially offset by a decrease in accounts payable.

Net cash provided by operating activities for the year ended December 28, 2014 was \$41.4 million. The net cash provided by operating activities resulted from depreciation and amortization of \$41.5 million, a non-cash loss on early extinguishment of debt of \$5.9 million, deferred income taxes of \$2.8 million, loss on the sale of assets of \$1.5 million, amortization of deferred financing costs of \$1.0 million and non-cash interest expense of \$0.8 million, partially offset by a net decrease in cash provided by working capital of \$7.3 million, a net loss of \$3.2 million, and an increase funding of pension and other post-retirement obligations of \$1.6 million. The decrease in cash provided by working capital primarily resulted from a decrease in accounts payable and accrued expenses.

Net cash provided by operating activities for the two months ended December 29, 2013 was \$16.2 million. The net cash provided by operating activities resulted from net income of \$7.2 million, depreciation and amortization of \$6.6 million, a net increase in cash provided by working capital of \$2.2 million, and amortization of deferred financing costs of \$0.2 million. The increase in cash provided by working capital primarily resulted from an increase in accrued expenses and accounts payable partially offset by an increase in accounts receivable.

Net cash used in operating activities for the ten months ended November 6, 2013 was \$6.0 million. The net cash used in operating activities resulted from non-cash reorganization items, net of \$954.6 million and an increase funding of pension and other post-retirement obligations of \$1.1 million, partially offset by net income of \$787.2 million, an impairment of long-lived assets of \$91.6 million, an increase in non-cash interest related to unrealized losses upon dedesignation of cash flow hedges of \$26.3 million, depreciation and amortization of \$33.5 million, a net increase in cash provided by working capital of \$8.0 million, a \$2.3 million loss on the sale of assets, and amortization of deferred financing costs of \$0.8 million. The increase in cash provided by working capital primarily resulted from an increase in accrued expenses.

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Cash Flows from Investing Activities. Net cash used in investing activities for the year ended December 27, 2015 was \$298.7 million. During the year ended December 27, 2015, we used \$431.1 million, net of cash acquired, for acquisitions and \$10.2 million for capital expenditures, which was offset by \$142.6 million received from the sale of publications and other assets.

Net cash used in investing activities for the year ended December 28, 2014 was \$81.6 million. During the year ended December 28, 2014, we used \$77.6 million, net of cash acquired, for acquisitions and \$5.0 million for capital expenditures, which was offset by \$1.0 million received from the sale of publications and other assets.

Net cash used in investing activities for the two months ended December 29, 2013 was \$1.4 million. During the two months ended December 29, 2013, we used \$1.5 million for capital expenditures, which was offset by \$0.1 million received from the sale of publications and other assets.

Net cash used in investing activities for the ten months ended November 6, 2013 was \$2.8 million. During the ten months ended November 6, 2013, we used \$3.6 million for capital expenditures, which was offset by \$0.8 million received from the sale of publications and other assets.

Cash Flows from Financing Activities. Net cash provided by financing activities for the year ended December 27, 2015 was \$206.3 million due to the issuance of common stock of \$149.5 million from the public offering, net of underwriters' discount and offering costs, borrowings under term loans of \$122.9 million, and borrowings under the revolving credit facility of \$99.0 million, which were offset by repayments under the revolving credit facility of \$104.0 million, payment of dividends of \$57.4 million, repayments under long-term debt of \$3.1 million, and the payment of debt issuance costs of \$0.6 million.

Net cash provided by financing activities for the year ended December 28, 2014 was \$132.1 million due to borrowings under term loans of \$217.8 million, the issuance of common stock of \$115.7 million from the public offering, net of underwriters' discount and offering costs, and borrowings under the revolving credit facility of \$24.1 million, which were offset by repayments under long-term debt of \$158.6 million, repayments under the revolving credit facility of \$44.1 million, payment of dividends of \$18.2 million, and the payment of debt issuance costs of \$4.6 million.

Net cash used in financing activities for the two months ended December 29, 2013 was \$3.7 million due to the payment of dividends of \$149.0 million and the payment of debt issuance costs of \$3.7 million offset by borrowings under the GateHouse Credit Facilities of \$149.0 million.

Net cash used in financing activities for the ten months ended November 6, 2013 was \$5.0 million due to a repayment under the 2007 Credit Facility of \$6.6 million which was offset by additional paid-in capital of \$1.6 million related to the VIE Local Media.

Changes in Financial Position

The discussion that follows highlights significant changes in our financial position and working capital from December 28, 2014 to December 27, 2015.

Accounts Receivable. Accounts receivable increased by \$56.1 million from December 28, 2014 to December 27, 2015, which relates to \$63.6 million of accounts receivable assets acquired in the year ended December 27, 2015, which was partially offset by \$11.8 million of accounts receivable assets sold and the timing of cash collections and lower same store revenue recognized in the year ended December 27, 2015 compared to 2014.

Inventory. Inventory increased by \$5.9 million from December 28, 2014 to December 27, 2015, which relates primarily to inventory assets acquired in the year ended December 27, 2015.

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Prepaid Expenses. Prepaid expenses increased by \$5.4 million from December 28, 2014 to December 27, 2015, which relates primarily to prepaid expenses acquired in the year ended December 27, 2015.

Property, Plant, and Equipment. Property, plant, and equipment increased by \$101.0 million from December 28, 2014 to December 27, 2015, of which \$190.8 million relates to property, plant, and equipment assets acquired and \$10.1 million of which was used for capital expenditures, which was partially offset by depreciation of \$51.5 million, \$46.1 million of property, plant, and equipment assets sold or disposed of, and \$2.4 million of property, plant, and equipment assets classified as held for sale in 2015.

Goodwill. Goodwill increased by \$37.1 million from December 28, 2014 to December 27, 2015, of which \$43.5 million relates to goodwill acquired which was offset by \$6.4 million of goodwill sold in 2015.

Intangible Assets. Intangible assets increased by \$146.8 million from December 28, 2014 to December 27, 2015, of which \$199.7 million relates to intangible assets acquired in 2015, which was offset by \$31.8 million of intangible assets sold or disposed of in 2015, \$16.3 million of amortization, and a \$4.8 million masthead impairment.

Current Portion of Long-term Debt. Current portion of long-term debt increased by \$1.3 million from December 28, 2014 to December 27, 2015, due to the increase in long-term debt to current portion of long-term debt of \$2.1 million resulting from an increase in total debt outstanding under the credit agreement, which was partially offset by repayments under current portion of long-term debt of \$0.8 million.

Accrued Expenses. Accrued expenses increased by \$52.4 million from December 28, 2014 to December 27, 2015, of which \$16.5 million relates primarily to accrued expenses acquired in 2015, an increase in the management and incentive fees payable of \$21.0 million, an increase in accrued interest of \$5.2 million due to the timing of interest payments and higher debt levels, an increase in accrued bonus of \$3.2 million, and an increase in health insurance of \$3.0 million.

Deferred Revenue. Deferred revenue increased \$26.5 million from December 28, 2014 to December 27, 2015, which relates primarily to deferred revenue acquired in 2015.

Long-term Debt. Long-term debt increased by \$133.6 million from December 28, 2014 to December 27, 2015, due to borrowings under term loans of \$122.9 million, which includes a \$4.1 million original issue discount, borrowings under the revolving credit facility of \$99.0 million, debt assumed from the Halifax Media Group acquisition of \$18.0 million, and \$2.1 million non-cash interest expense. These increases were offset by repayments under the revolving credit facility of \$104.0 million, a \$2.1 million reclassification from long-term debt to current portion of long-term debt, and repayments under long-term debt of \$2.3 million.

Long-term Liabilities, Less Current Portion. Long-term liabilities, less current portion increased \$3.6 million from December 28, 2014 to December 27, 2015, of which \$2.0 million relates to the long-term portion of workers compensation due to the increase in employees in 2015 and \$1.6 million relates to the long-term portion of lease liabilities resulting from leases assumed in connection with assets acquired in 2015.

Additional Paid-in Capital. Additional paid-in capital increased \$120.8 million from December 28, 2014 to December 27, 2015, which resulted primarily from the issuance of common stock from the public offering of \$150.1 million, net of underwriters' discount and offering costs and \$1.3 million from non-cash compensation expense, which was partially offset by dividends of \$30.8 million.

Retained Earnings. Retained earnings increased \$40.7 million from December 28, 2014 to December 27, 2015, due to net income of \$67.6 million which was offset by the payment of dividends of \$26.9 million.

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Indebtedness

As part of the Restructuring, our Predecessor's previous long-term debt was extinguished pursuant to the Support Agreement on the Effective Date of the Plan.

GateHouse Credit Facilities terminated June 4, 2014

The Revolving Credit, Term Loan and Security Agreement (the **First Lien Credit Facility**) dated November 26, 2013 by and among GateHouse, GateHouse Media Intermediate Holdco, LLC formerly known as GateHouse Media Intermediate Holdco, Inc. (**GMIH**), certain wholly-owned subsidiaries of GMIH, all of which are wholly owned subsidiaries of New Media (collectively with GMIH and GateHouse, the **Loan Parties**), PNC Bank, National Association, as the administrative agent, Crystal Financial LLC, as term loan B agent, and each of the lenders party thereto provided for (i) a term loan A in the aggregate principal amount of \$25 million, (ii) a term loan B in the aggregate principal amount of \$50 million, and (iii) a revolving credit facility in an aggregate principal amount of up to \$40 million. The Term Loan and Security Agreement (the **Second Lien Credit Facility**) and together with the First Lien Credit Facility, the **GateHouse Credit Facilities**) dated November 26, 2013 by and among the Loan Parties, Mutual Quest Fund and each of the lenders party thereto provided for a term loan in an aggregate principal amount of \$50 million. The GateHouse Credit Facilities were secured by a first and second priority security interest in substantially all the assets of the Loan Parties.

The GateHouse Credit Facilities imposed upon GateHouse certain financial and operating covenants, including, among others, requirements that GateHouse satisfy certain financial tests, including a minimum fixed charge coverage ratio of not less than 1.0 to 1.0, a maximum leverage ratio of not greater than 3.25 to 1.0, a minimum EBITDA and a limitation on capital expenditures, and restrictions on GateHouse's ability to incur additional debt, incur liens and encumbrances, consolidate, amalgamate or merge with any other person, pay dividends, dispose of assets, make certain restricted payments, engage in transactions with affiliates, materially alter the business it conducts and taking certain other corporate actions.

The GateHouse Credit Facilities were paid in full on June 4, 2014.

Local Media Credit Facility terminated June 4, 2014

Certain of Local Media Parent's subsidiaries (together, the **Borrowers**) and Local Media Parent entered into a Credit Agreement, dated as of September 3, 2013, with a syndicate of financial institutions with Credit Suisse AG, Cayman Islands Branch, as administrative agent (the **Local Media Credit Facility**). The Local Media Credit Facility provided for: (a) a \$33 million term loan facility; and (b) a \$10 million revolving credit facility, with a \$3 million sub-facility for letters of credit and a \$4 million sub-facility for swing loans. On October 25, 2013, CS assigned the revolving loan commitment to Capital One Business Corp and the revolving credit facility was activated.

The Local Media Credit Facility contained financial covenants that required Local Media Parent and the Borrowers to maintain (a) a Leverage Ratio of not more than 2.5 to 1.0 and a Fixed Charge Coverage Ratio (as defined in the Local Media Credit Facility) of at least 2.0 to 1.0, each measured at the end of each fiscal quarter for the four-quarter period then ended. The Local Media Credit Facility contained affirmative and negative covenants applicable to Local Media and the Borrowers customarily found in loan agreements for similar transactions, including, but not limited to, restrictions on their ability to incur indebtedness, create liens on assets, engage in certain lines of business, engage in mergers or consolidations, dispose of assets, make investments or acquisitions, engage in transactions with affiliates, pay dividends or make other restricted payments. The Local Media Credit Facility contained customary events of default, including, but not limited to, defaults based on a failure to pay principal, interest, fees or other obligations, subject to specified grace periods (other than with respect to principal); any material inaccuracy of representation or warranty; breach of covenants; default in other

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material indebtedness; a Change of Control (as defined in the Local Media Credit Facility); bankruptcy and insolvency events; material judgments; certain ERISA events; and impairment of collateral. The Local Media Credit Facility was amended on October 17, 2013 and on February 28, 2014. The October 17, 2013 amendment corrected a typographical mistake. The February 28, 2014 amendment provided that among other things, sales of real property collateral and reinvestment of the proceeds from such sales could only be made with the consent of the Administrative Agent, modified the properties included in the real property collateral, and set forth in detail the documentary post-closing requirements with respect to the real property collateral.

The Local Media Credit Facility was paid in full on June 4, 2014.

New Media Credit Agreement

On June 4, 2014, New Media Holdings II LLC (the *New Media Borrower*), a wholly owned subsidiary of New Media, entered into a credit agreement (the *New Media Credit Agreement*) among the New Media Borrower, New Media Holdings I LLC (*Holdings*), the lenders party thereto, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners, Credit Suisse AG, Cayman Islands Branch as syndication agent and Citizens Bank of Pennsylvania as administration agent which provides for (i) a \$200 million senior secured term facility (the *Term Loan Facility*) and (ii) a \$25 million senior secured revolving credit facility (of which \$0 was drawn as of December 27, 2015), with a \$5 million sub-facility for letters of credit and a \$5 million sub-facility for swing loans, (the *Revolving Credit Facility* and together with the Term Loan Facility, the *Senior Secured Credit Facilities*). In addition, the New Media Borrower may request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of \$75 million (the *Incremental Facility*) subject to certain conditions. On June 4, 2014, the New Media Borrower borrowed \$200 million under the Term Loan Facility (the *Term Loans*). The Term Loans mature on June 4, 2020 and the maturity date for the Revolving Credit Facility is June 4, 2019. The proceeds of the Term Loans, which included a \$6.7 million original issue discount, were used to repay in full all amounts outstanding under the GateHouse Credit Facilities and the Local Media Credit Facility and to pay fees associated with the financing, with the balance going to the Company for general corporate purposes. On November 20, 2014, the New Media Credit Agreement was amended to increase the amount of the Incremental Facility that may be requested after the date of the amendment from \$75 million to \$225 million. On January 9, 2015, the New Media Credit Agreement was amended to provide for the 2015 Incremental Term Loan (as defined below) and the 2015 Incremental Revolver (as defined below). On February 13, 2015, the New Media Credit Agreement was amended to provide for the replacement of the existing term loans under the Term Loan Facility (including the 2014 Incremental Term Loan and the 2015 Incremental Term Loan) with a new class of replacement term loans (the *Replacement Term Loans*) on the same terms as the existing term loans except that the Replacement Term Loans are subject to a 1.00% prepayment premium for any prepayments made in connection with certain repricing transactions effected within six months of the date of the amendment. This amendment was considered a modification and the related \$0.1 million of fees were expensed during the first quarter. On March 6, 2015, the New Media Credit Agreement was amended to provide for \$15 million in additional revolving commitments under the Incremental Facility. In connection with this transaction, the Company incurred approximately \$0.2 million of fees and expenses which were capitalized as deferred financing costs. On May 29, 2015, the New Media Credit Agreement was amended to provide for the May 2015 Incremental Term Loan (as defined below). As of September 27, 2015, \$15 million was drawn under the Revolving Credit Facility.

The New Media Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to Holdings, the New Media Borrower and the New Media Borrower's subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The New Media Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.25:1.00. The New Media Credit Agreement contains customary events of default. The foregoing descriptions of the Senior Secured Credit Facilities are qualified in their entirety by reference to the Senior Secured Credit Facilities. The New Media Credit Agreement was amended on July 17, 2014 to cure an omission.

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In connection with the June 4, 2014 transaction, one lender under the New Media Credit Agreement was also a lender under the GateHouse Credit Facilities. This portion of the transaction was accounted for as a modification under ASC Subtopic 470-50, *Debt Modifications and Extinguishments* (ASC Subtopic 470-50), as the difference between the present value of the cash flows under the New Media Credit Agreement and the present value of the cash flows under the GateHouse Credit Facilities was less than 10%. The unamortized deferred financing costs and original issuance discount balances as of the refinance date pertaining to this lender's portion of the GateHouse Credit Facilities will be amortized over the terms of the new facility. The remaining portion of the GateHouse Credit Facilities and the Local Media Credit Facility debt refinancing constituted an extinguishment of debt under ASC Subtopic 470-50, and was accounted for accordingly. In connection with this 2014 transaction, the Company incurred approximately \$10.2 million of fees and expenses, of which \$6.7 million were recognized as original issue discount and \$1.7 million were capitalized as deferred financing costs. These amounts will be amortized over the term of the new Senior Secured Credit Facilities. Additionally, the Company recorded a loss on early extinguishment of debt of \$9.0 million associated with this transaction, which consisted of the write-off of unamortized deferred financing costs and other expenses not eligible for capitalization under ASC Subtopic 470-50.

On September 3, 2014, the New Media Credit Agreement was amended to provide for additional term loans under the Incremental Facility in an aggregate principal amount of \$25 million (such term loans, the 2014 Incremental Term Loan, and such amendment, the 2014 Incremental Amendment) in connection with the acquisition of the assets of The Providence Journal. The 2014 Incremental Term Loan is on terms identical to the term loans that were extended pursuant to the New Media Credit Agreement and will mature on June 4, 2020. In addition, the New Media Borrower was required to pay an upfront fee of 2.00% and an underwriter fee of 1.50% of the aggregate amount of the 2014 Incremental Term Loan as of the effective date of the 2014 Incremental Amendment. This amendment was considered a modification and the related \$0.6 million of fees were expensed. On January 9, 2015, the New Media Credit Agreement was amended (such amendment, the 2015 Incremental Amendment) to provide for \$102 million in additional term loans (the 2015 Incremental Term Loan) and \$50 million in additional revolving commitments (the 2015 Incremental Revolver) under the Incremental Facility and to make certain amendments to the Revolving Credit Facility in connection with the Halifax Media acquisition. The 2015 Incremental Term Loan is on terms identical to the term loans that were extended pursuant to the New Media Credit Agreement and will mature on June 4, 2020. In addition, the New Media Borrower was required to pay an upfront fee of 1.00% and an underwriter fee of 2.25% of the aggregate amount of the 2015 Incremental Term Loan and the 2015 Incremental Revolver as of the effective date of the 2015 Incremental Amendment. On January 20, 2015, the outstanding loans under the 2015 Incremental Revolver were repaid with the proceeds of a common stock offering by New Media and the 2015 Incremental Revolver commitments were terminated. In connection with this transaction, we incurred approximately \$5.4 million of fees and expenses. The lender fees for the 2015 Incremental Term Loan increased the original issue discount by \$3.3 million. Third party expenses of \$0.1 million were allocated to new lenders, capitalized as deferred financing costs, and will be amortized over the remaining term of the loan. Third party expenses of \$0.2 million were allocated to existing lenders and were expensed during the first quarter. Lender fees and third party expenses of \$1.8 million were allocated to the 2015 Incremental Revolver, capitalized, and written off to amortization of deferred financing costs after the balance of the 2015 Incremental Revolver was repaid. On May 29, 2015, the New Media Credit Agreement was amended (such amendment, the May 2015 Incremental Amendment) to provide for \$25 million in additional term loans (the May 2015 Incremental Term Loan) under the Incremental Facility. The 2015 Incremental Term Loan is on terms identical to the Replacement Term Loans and will mature on June 4, 2020. In addition, the New Media Borrower was required to pay an upfront fee of 1.00% and an underwriter fee of 2.25% of the aggregate amount of the May 2015 Incremental Term Loan as of the effective date of the May 2015 Incremental Amendment. In connection with this transaction, the Company incurred approximately \$0.9 million of fees and expenses. This amendment was considered a modification and the related \$0.1 million of third-party fees were expensed during the second quarter. The lender fees for the May 2015 Incremental Term Loan increased the original issue discount by \$0.8 million.

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As of December 27, 2015, we are in compliance with all of the covenants and obligations under the New Media Credit Agreement.

Refer to Note 10 to the condensed consolidated financial statements, *Indebtedness*, for further discussion of the New Media Credit Agreement.

Advantage Credit Agreements

In connection with the purchase of the assets of Halifax Media, which closed on January 9, 2015, CA Daytona Holdings, Inc. (the *Florida Advantage Borrower*) and CA Alabama Holdings, Inc. (the *Alabama Advantage Borrower*), and, collectively with the Florida Advantage Borrower, the *Advantage Borrowers*), each subsidiaries of the Company, agreed to assume all of the obligations of Halifax Media and its affiliates required to be performed after the closing date in respect of each of (i) that certain Consolidated Amended and Restated Credit Agreement dated January 6, 2012 among Halifax Media Acquisition LLC, Advantage Capital Community Development Fund XXVIII, L.L.C., and Florida Community Development Fund II, L.L.C., as amended pursuant to that certain First Amendment to Consolidated Amended and Restated Credit Agreement dated June 27, 2012 and that certain Second Amendment to Consolidated Amended and Restated Credit Agreement, dated June 18, 2013, and all rights and obligations thereunder and related thereto (the *Halifax Florida Credit Agreement*), and (ii) that certain Credit Agreement dated June 18, 2013 between Halifax Alabama, LLC and Southeast Community Development Fund V, L.L.C. (the *Halifax Alabama Credit Agreement*) and, together with the Halifax Florida Credit Agreement, the *Advantage Credit Agreements*), respectively. In consideration therefore, the amount of cash payable by the Company to Halifax Media on the closing date was reduced by approximately \$18 million, representing the aggregate principal amount outstanding plus the aggregate amount of accrued interest through the closing date under the Advantage Credit Agreements (the debt under the Halifax Florida Credit Agreement, the *Advantage Florida Debt*; the debt under the Halifax Alabama Credit Agreement, the *Advantage Alabama Debt*; and the Advantage Florida Debt and the Advantage Alabama Debt, collectively, the *Advantage Debt*). On May 5, 2015, the Halifax Alabama Credit Agreement was amended to cure an omission.

The Advantage Florida Debt is in the principal amount of \$10 million and bears interest at the rate of 5.25% per annum, payable quarterly in arrears, maturing on December 31, 2016. The Advantage Alabama Debt is in the principal amount of \$8 million and bears interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears, maturing on March 31, 2019. The Advantage Debt is secured by a perfected second priority security interest in all the assets of the Borrowers and certain other subsidiaries of the Company, subject to the limitation that the maximum amount of secured obligations is \$15 million. The Advantage Credit Facilities are unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrowers and are required to be guaranteed by all future material wholly-owned domestic subsidiaries, subject to certain exceptions. The Advantage Debt is subordinated to the New Media Credit Facilities pursuant to an intercreditor agreement.

The Advantage Credit Agreements contain covenants substantially consistent with those contained in the New Media Credit Facilities in addition to those required for compliance with the New Markets Tax Credit program. The Advantage Borrowers are permitted to make voluntary prepayments at any time without premium or penalty. The Advantage Borrowers are required to repay borrowings under the Advantage Credit Agreements (without payment of a premium) with (i) net cash proceeds of certain debt obligations (except as otherwise permitted under the Advantage Credit Agreements) and (ii) net cash proceeds from non-ordinary course asset sales (subject to reinvestment rights and other exceptions).

The Advantage Credit Agreements contain customary representations and warranties and customary affirmative and negative covenants applicable to the Advantage Borrowers and certain of the Company subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The Advantage Credit Agreements contain a

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financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.75 to 1.00. The Advantage Credit Agreements contain customary events of default.

As of December 27, 2015, we are in compliance with all of the covenants and obligations under the Advantage Credit Agreements.

Refer to Note 10 to the condensed consolidated financial statements, *Indebtedness*, for further discussion of the Advantage Credit Agreements.

Summary Disclosure About Contractual Obligations and Commercial Commitments

The following table reflects a summary of our contractual cash obligations, including estimated interest payments where applicable, as of December 27, 2015:

	2016	2017	2018	2019	2020	Thereafter	Total
	(In Thousands)						
Debt obligations	\$ 30,116	\$ 39,803	\$ 30,606	\$ 38,734	\$ 352,798		\$ 492,057
Noncompete payments	250	200	200				650
Operating lease obligations	15,071	14,034	12,708	10,904	10,260	95,132	158,109
Letters of credit	5,182						5,182
Total	\$ 50,619	\$ 54,037	\$ 43,514	\$ 49,638	\$ 363,058	\$ 95,132	\$ 655,998

The table above excludes future cash requirements for pension and postretirement obligations. The periods in which these obligations will be settled in cash are not readily determinable and are subject to numerous future events and assumptions. We estimate cash requirements for these obligations in 2016 totaling approximately \$0.4 million. See Note 15 *Pension and Postretirement Benefits* to the consolidated financial statements, included herein.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements reasonably likely to have a current or future effect on our financial statements, financial condition, revenues, expenses, results of operations, liquidity or capital resources that are material to investors.

Contractual Commitments**Credit Amendment**

On or around September 4, 2013, GateHouse and certain lenders (including Newcastle) constituting the *Required Lenders* under the 2007 Credit Agreement entered into Amendment Agreement to the 2007 Credit Agreement effective September 3, 2013 (the *Credit Amendment*). Pursuant to the terms of the Credit Amendment, GateHouse obtained the following improvement in terms: a clarified and expanded definition of *Eligible Assignee*; an increase in the base amount in the formula used to calculate the *Permitted Investments* basket from \$35 million to a base of \$50 million; the removal of the requirement that GateHouse's annual financial statements not have a *going concern* or like qualification to the audit; the removal of a cross default from any *Secured Hedging Agreement* to the 2007 Credit Agreement; the removal of a *Bankruptcy Default*, as defined therein, arising from actions in furtherance of or indicating consent to the specified actions; and a waiver of any prior *Default or Event of Default*, as defined therein, including without limitation from the negotiation, entry into, or performance of the *Support Agreement* or the investment commitment letter entered into in connection with the Restructuring pursuant to which the Plan Sponsor (as defined below) agreed to purchase the *Cash-Out Offer* claims.

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In consideration of the changes described above, GateHouse agreed to pay each of the lenders party to the Credit Amendment that timely executed and delivered its signature to the Credit Amendment and the Support Agreement, an amendment fee equal to 3.5% multiplied by the aggregate outstanding amount of the loans held (including through trades pending settlement) by such lender, unless waived in writing. Newcastle and certain other lenders elected to waive their amendment fee pursuant to the Credit Amendment. Newcastle indemnified other lenders with respect to their entry into the Credit Amendment, subject to the limitations set forth in the Credit Amendment. Such fee amounted to \$6.8 million.

Derivative Instruments

The bankruptcy filing on September 27, 2013, was a termination event under our Predecessor's interest rate swap agreements. For more detailed information on our historical interest rate swap agreements, See item 7A in this Annual Report on Form 10-K.

No other material changes were made to our contractual commitments during the period from December 28, 2014 to December 27, 2015.

Recently Issued Accounting Pronouncements

In April 2014, the FASB issued Accounting Standard Update (ASU) No. 2014-08, Presentation of Financial Statements and Property, Plant, and Equipment: Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity . ASU No. 2014-08 changes the criteria for reporting discontinued operations while enhancing disclosures in this area and is effective for annual and interim periods beginning after December 15, 2014. The amendments in ASU No. 2014-08 did impact the Company's assessment of the disposition of the Las Vegas Review-Journal and related publications.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. ASU No. 2014-09 will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance would have been effective for annual and interim reporting periods beginning after December 15, 2016. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date which defers for one year the effective date of the new revenue standard (ASU No. 2014-09) for public and non-public entities reporting under U.S. GAAP. The standard is to be applied using one of two retrospective application methods. The FASB is permitting entities to adopt the standard as of the original effective date. We are currently reviewing the amendments in ASU No. 2014-09 and application methods but do not expect them to have a material impact on the financial statements.

In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern , that establishes management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and setting rules for how this information should be disclosed in the financial statements. This guidance is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2016, with early adoption permitted. We will adopt this guidance on December 26, 2016 and do not expect it to have a material impact on our financial statements upon adoption.

In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810) Amendments to the Consolidation Analysis (ASU No. 2015-02). ASU No. 2015-02 eliminates the deferral of Statement of Financial Accounting Standards No. 167, *Amendments to FASB Interpretation No. 46 (R)* previously provided to investment companies and certain other entities pursuant to ASC 810-10-65-2. ASU No. 2015-02 also amends

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the evaluation of whether (1) fees paid to a decision maker or service provider represent a variable interest, (2) a limited partnership or similar entity has the characteristics of a variable interest entity (VIE) and (3) a reporting entity is the primary beneficiary of a VIE. ASU No. 2015-02 eliminates certain conditions for evaluating whether a fee paid to a decision maker or a service provider represents a variable interest. Fees received by a decision maker or service provider are no longer considered variable interests and are now excluded from the evaluation of whether the reporting entity is the primary beneficiary of a VIE if the fees are both customary and commensurate with the level of effort required for the services provided and the decision maker or service provider does not hold other interests in the entity being evaluated that would absorb more than an insignificant amount of the expected losses or returns of the entity. If the reporting entity determines that it does not have a variable interest in an entity, no further consolidation analysis is performed as the reporting entity would not be required to consolidate the entity. The effective date of ASU 2015-02 is for fiscal years and interim periods within those fiscal years, beginning after December 15, 2015 for public companies and early adoption is permitted. We have elected to early adopt ASU No. 2015-02, and the guidance was applied to our analysis of the management agreement with DB Nevada Holdings, Inc. The fees received under the Management Agreement do not represent a variable interest.

In April 2015, the FASB issued ASU No. 2015-03, Interest Imputation of Interest (Topic 835), which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance of debt issuance costs are not affected by the amendments in this update. The standard will be effective for us beginning in the first quarter of 2016 and requires us to apply the new guidance on a retrospective basis on adoption. In August 2015, the FASB issued ASU No. 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements , which addresses the presentation of debt issuance costs related to line-of-credit arrangements. These amendments are not expected to have a material impact on the financial statements.

In April 2015, the FASB issued ASU No. 2015-04, Compensation Retirement Benefits (Topic 716), which allows entities with a fiscal year-end that does not coincide with a month-end to measure defined benefit plan assets and obligations using the month-end that is closest to the entity s fiscal year-end. The practical expedient, if elected, relieves an employer from having to adjust the asset values to the appropriate fair values as of its fiscal year end. We have decided to early adopt ASU No. 2015-04 as of December 27, 2015. The adoption did not have a material impact on our financial statements.

In April 2015, the FASB issued ASU No. 2015-05, Customer s Accounting for Fees Paid in a Cloud Computing Arrangement (Subtopic 350-40), which clarifies the circumstances under which a cloud computing arrangement contains a software license. The standard will be effective for us beginning in the first quarter of 2016. Entities may adopt the guidance retrospectively or prospectively to arrangements entered into, or materially modified, after the effective date. The amendments in ASU No. 2015-05 are not expected to have a material impact on the financial statements.

In July 2015, the FASB issued ASU No. 2015-11, Simplifying the Measurement of Inventory (Topic 330), which simplifies the measurement of inventory by requiring certain inventory to be measured at the lower of cost and net realizable value and options that currently exist for market value will be eliminated. The ASU defines net realizable value as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The standard will be effective for us beginning in the first quarter of 2017. Entities should adopt the guidance prospectively, and early adoption is permitted. The amendments in ASU No. 2015-11 are not expected to have a material impact on the financial statements.

In September 2015, the FASB issued ASU No. 2015-16, Simplifying the Accounting for Measurement-Period Adjustments (Topic 805), which eliminates the requirement to restate prior period financial statements for measurement period adjustments. The ASU requires that the cumulative impact of a measurement period

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adjustment be recognized in the reporting period in which the adjustment is recognized. The standard will be effective for us beginning in the first quarter of 2016. Entities should adopt the guidance prospectively, and early adoption is permitted. The amendments in ASU No. 2015-16 are not expected to have a material impact on the financial statements.

In November 2015, the FASB issued ASU No. 2015-17 *Balance Sheet Classification of Deferred Taxes*, which requires that all deferred tax assets and liabilities be classified as non-current in a classified balance sheet to simplify the reporting of deferred taxes. We adopted ASU No. 2015-17 retroactively to the year ended December 28, 2014. The FASB indicated that the primary reason for the change was that segregation of deferred income tax assets and liabilities as current or non-current was not beneficial for financial reporting purposes since the classification may not accurately reflect the time period in which the deferred tax amounts are recovered or settled.

Non-GAAP Financial Measures

A non-GAAP financial measure is generally defined as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. In this report, we define and use Adjusted EBITDA, a non-GAAP financial measure, as set forth below.

Adjusted EBITDA

We define Adjusted EBITDA as follows:

Income (loss) from continuing operations *before*:

Income tax expense (benefit);

interest/financing expense;

depreciation and amortization; and

non-cash impairments.

Management's Use of Adjusted EBITDA

Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss), cash flow from continuing operating activities or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, is helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance. We believe that it also provides an indicator for management to determine if adjustments to current spending decisions are needed.

Adjusted EBITDA provides us with a measure of financial performance, independent of items that are beyond the control of management in the short-term, such as depreciation and amortization, taxation and interest expense associated with our capital structure. This metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the Company. Adjusted EBITDA is one of the metrics used by senior management and New Media's Board of Directors to review the financial performance of our business on a monthly basis.

Limitations of Adjusted EBITDA

Adjusted EBITDA has limitations as an analytical tool. It should not be viewed in isolation or as a substitute for GAAP measures of earnings or cash flows. Material limitations in making the adjustments to our earnings to

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calculate Adjusted EBITDA and using this non-GAAP financial measure as compared to GAAP net income (loss), include: the cash portion of interest/financing expense, income tax (benefit) provision and charges related to gain (loss) on sale of facilities represent charges (gains), which may significantly affect our financial results.

Readers of our financial statements may find this item important in evaluating our performance, results of operations and financial position. We use non-GAAP financial measures to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

Adjusted EBITDA is not an alternative to net income, income from operations or cash flows or any other measure of performance or liquidity provided by or used in operations as calculated and presented in accordance with GAAP. Readers of our financial statements should not rely on Adjusted EBITDA as a substitute for any such GAAP financial measure. We strongly urge readers of our financial statements to review the reconciliation of income (loss) from continuing operations to Adjusted EBITDA, along with our consolidated financial statements included elsewhere in this report. We also strongly urge readers of our financial statements to not rely on any single financial measure to evaluate our business. In addition, because Adjusted EBITDA is not a measure of financial performance under GAAP and is susceptible to varying calculations, the Adjusted EBITDA measure, as presented in this report, may differ from and may not be comparable to similarly titled measures used by other companies.

We use Adjusted EBITDA as a measure of our core operating performance, which is evidenced by the publishing and delivery of news and other media and excludes certain expenses that may not be indicative of our core business operating results. We consider the unrealized (gain) loss on derivative instruments and the (gain) loss on early extinguishment of debt to be financing related costs associated with interest expense or amortization of financing fees. Accordingly, we exclude financing related costs such as the early extinguishment of debt because they represent the write-off of deferred financing costs and we believe these non-cash write-offs are similar to interest expense and amortization of financing fees, which by definition are excluded from Adjusted EBITDA. Additionally, the non-cash gains (losses) on derivative contracts, which are related to interest rate swap agreements to manage interest rate risk, are financing costs associated with interest expense. Such charges are incidental to, but not reflective of, our core operating performance and it is appropriate to exclude charges related to financing activities such as the early extinguishment of debt and the unrealized (gain) loss on derivative instruments which, depending on the nature of the financing arrangement, would have otherwise been amortized over the period of the related agreement and does not require a current cash settlement. Similar to depreciation and amortization, goodwill and masthead impairment charges are non-cash write-offs that are not directly related to core operating performance.

The table below shows the reconciliation of income (loss) from continuing operations to Adjusted EBITDA for the periods presented:

	Successor Company			Predecessor Company		
	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013	Year Ended December 30, 2012 ⁽³⁾	Year Ended January 1, 2012
(in thousands)						
Income (loss) from continuing operations	\$ 67,614	\$ (3,205)	\$ 7,206	\$ 788,240	\$ (27,463)	\$ (20,950)
Income tax expense (benefit)	3,404	2,713	491	(197)	(207)	(1,803)
Loss (gain) on derivative instruments ⁽¹⁾		51		14	(1,635)	(913)
Loss on early extinguishment of debt ⁽²⁾		9,047				
Amortization of deferred financing costs	2,712	1,049	171	842	1,255	1,360
Interest expense	29,345	16,636	1,640	74,358	57,928	58,309
Impairment of long-lived assets				91,599		1,733
Depreciation and amortization	67,752	41,450	6,588	33,409	39,888	42,426
Goodwill and mastheads impairment	4,800					385
Adjusted EBITDA from continuing operations	\$ 175,627 ^(a)	\$ 67,741 ^(b)	\$ 16,096 ^(c)	\$ 988,265 ^(d)	\$ 69,766 ^(e)	\$ 80,547 ^(f)

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- (a) Adjusted EBITDA for the year ended December 27, 2015 included net expenses of (\$13,566), comprised of transaction and project costs, non-cash compensation, and other expenses of \$29,433, integration and reorganization costs of \$8,052 and a \$51,051 gain on the sale or disposal of assets.
- (b) Adjusted EBITDA for the year ended December 28, 2014 included net expenses of \$21,673, comprised of transaction and project costs, non-cash compensation, and other expenses of \$17,405, integration and reorganization costs of \$2,796 and a \$1,472 loss on the sale or disposal of assets.
- (c) Adjusted EBITDA for the two months ended December 29, 2013 included net expenses of \$4,828, comprised of transaction and project costs and other expenses of \$3,043, integration and reorganization costs of \$1,758 and a \$27 loss on the sale or disposal of assets.
- (d) Adjusted EBITDA for the ten months ended November 6, 2013 included net expenses of \$(930,229), comprised of transaction and project costs, non-cash compensation, and other expenses of \$(932,969), integration and reorganization costs of \$1,577 and a \$1,163 loss on the sale or disposal of assets. Adjusted EBITDA also does not include \$123 of EBITDA generated from our discontinued operations.

- (e) Adjusted EBITDA for the year ended December 30, 2012 included net expenses of \$11,009, comprised of transaction and project costs, non-cash compensation, and other expenses of \$5,378, integration and reorganization costs of \$4,393 and a \$1,238 loss on the sale or disposal of assets. Adjusted EBITDA also does not include \$255 of EBITDA generated from our discontinued operations.

- (f) Adjusted EBITDA for the year ended January 1, 2012 included net expenses of \$10,565, comprised of transaction and project costs, non-cash compensation, and other expenses of \$4,226, integration and reorganization costs of \$5,884 and a \$455 loss on the sale or disposal of assets. Adjusted EBITDA also does not include \$432 of EBITDA generated from our discontinued operations.

- (1) Non-cash (gain) loss on derivative instruments is related to interest rate swap agreements which are financing related and are excluded from Adjusted EBITDA.
- (2) Non-cash write-off of deferred financing costs are similar to interest expense and amortization of financing fees and are excluded from Adjusted EBITDA.
- (3) The year ended December 30, 2012 included a 53rd week of operations for approximately 60% of the business.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and commodity prices. Changes in these factors could cause fluctuations in earnings and cash flow. In the normal course of business, exposure to certain of these market risks is managed as described below.

Interest Rates

On September 27, 2013, we filed for bankruptcy and on November 26, 2013, we emerged from bankruptcy with a new capital structure. The interest rate discussion below is based on our capital structure and interest rates pre-filing and post emergence.

Pre Bankruptcy Filing

The pre-filing discussion is based on our Predecessor's average long-term debt of \$1,171.2 million and interest rate swaps totaling \$625.0 million during the pre-filing period.

On August 18, 2008, our Predecessor terminated interest rate swaps with a total notional amount of \$570.0 million. At September 27, 2013, after consideration of the interest rate swaps described below, \$542.5 million of the remaining principal amount of our term loans were subject to floating interest rates.

On February 27, 2007, our Predecessor executed an interest rate swap in the notional amount of \$100.0 million with a forward starting date of February 28, 2007. The interest rate swap had a term of seven years. Under this swap, our Predecessor paid an amount to the swap counterparty representing interest on a notional amount at a rate of 5.14% and received an amount from the swap counterparty representing interest on the notional amount at a rate equal to the one month LIBOR.

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On April 4, 2007, our Predecessor executed an additional interest rate swap in the notional amount of \$250.0 million with a forward starting date of April 13, 2007. The interest rate swap had a term of seven years. Under this swap, our Predecessor paid an amount to the swap counterparty representing interest on a notional amount at a rate of 4.971% and received an amount from the swap counterparty representing interest on the notional amount at a rate equal to one month LIBOR.

On April 13, 2007, our Predecessor executed an additional interest rate swap in the notional amount of \$200.0 million with a forward starting date of April 30, 2007. The interest rate swap had a term of seven years. Under this swap, our Predecessor paid an amount to the swap counterparty representing interest on a notional amount at a rate of 5.079% and received an amount from the swap counterparty representing interest on the notional amount at a rate equal to one month LIBOR.

On September 18, 2007, our Predecessor executed an additional interest rate swap based on a notional amount of \$75.0 million with a forward starting date of September 18, 2007. The interest rate swap had a term of seven years. Under the swap, our Predecessor paid an amount to the swap counterparty representing interest on a notional amount at a rate of 4.941% and received an amount from the swap counterparty representing interest on the notional amount at a rate equal to one month LIBOR.

The bankruptcy filing on September 27, 2013, was a termination event under our Predecessor's interest rate swap agreements. Our Predecessor's debt structure and interest rate risks were primarily managed through the use of floating rate debt and interest rate swaps.

Post Emergence

The post emergence discussion is based on average long-term debt of \$367.4 million during the year ended December 27, 2015. There were no interest rate swaps in place during this period.

As of December 27, 2015, we have \$366.3 million of term debt, with a minimum variable rate plus a fixed margin. On the term debt the minimum variable rate is 1.0% and the fixed margin is 6.25%. Our primary exposure is to LIBOR. A 100 basis point change in LIBOR would change our interest expense on an annualized basis by approximately \$2.6 million, based on average floating rate debt outstanding for the year ended December 27, 2015 and after consideration of minimum variable rates.

Commodities

Certain operating expenses of ours are sensitive to commodity price fluctuations. Primary commodity price exposures are newsprint, energy costs and, to a lesser extent, ink. We manage these risks through annual fixed pricing agreements for our newsprint purchases and annual contracts with independent contractors or third party distributors for our newspaper distributions.

A \$10 per metric ton newsprint price change would result in a corresponding annualized change in our income from continuing operations before income taxes of \$1.2 million based on newsprint usage for the year ended December 27, 2015 of approximately 119,900 metric tons.

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Item 8. Financial Statements and Supplementary Data
NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of

New Media Investment Group Inc.

We have audited the accompanying consolidated balance sheets of New Media Investment Group Inc. and subsidiaries as of December 27, 2015 and December 28, 2014 and the related consolidated statements of operations and comprehensive income (loss), shareholders' equity (deficit) and cash flows for the year ended December 27, 2015, the year ended December 28, 2014, the period from November 7, 2013 to December 29, 2013, and the period from December 31, 2012 through November 6, 2013 (Predecessor). Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 and 2 to the consolidated financial statements, on November 6, 2013, the Bankruptcy Court entered an order confirming the plan of reorganization, which became effective November 26, 2013. Accordingly, the accompanying consolidated financial statements have been prepared in conformity with Accounting Standards Codification 852-10, Reorganizations, for the Successor Company as a new entity with assets, liabilities and a capital structure having carrying amounts not comparable with prior periods as described in Note 1 and 2.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of New Media Investment Group and subsidiaries at December 27, 2015 and December 28, 2014, and the consolidated results of their operations and their cash flows for the year ended December 27, 2015, the year ended December 28, 2014, the period from November 7, 2013 to December 29, 2013, and the period from December 31, 2012 through November 6, 2013 (Predecessor), in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), New Media Investment Group Inc. and subsidiaries' internal control over financial reporting as of December 27, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 25, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York

February 25, 2016

Table of Contents**NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(In thousands, except share data)

	December 27, 2015	December 28, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 146,638	\$ 123,709
Restricted cash	6,967	6,467
Accounts receivable, net of allowance for doubtful accounts of \$4,479 and \$3,462 at December 27, 2015 and December 28, 2014, respectively	136,249	80,151
Inventory	15,744	9,824
Prepaid expenses	14,549	9,129
Other current assets	11,763	10,632
Total current assets	331,910	239,912
Property, plant, and equipment, net of accumulated depreciation of \$85,038 and \$40,172 at December 27, 2015 and December 28, 2014, respectively	384,824	283,786
Goodwill	171,119	134,042
Intangible assets, net of accumulated amortization of \$23,122 and \$7,709 at December 27, 2015 and December 28, 2014, respectively	303,575	156,742
Deferred financing costs, net	3,143	3,252
Other assets	5,692	3,092
Total assets	\$ 1,200,263	\$ 820,826
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current portion of long-term liabilities	\$ 678	\$ 650
Current portion of long-term debt	3,509	2,250
Accounts payable	9,571	9,306
Accrued expenses	99,495	47,061
Deferred revenue	62,294	35,806
Total current liabilities	175,547	95,073
Long-term liabilities:		
Long-term debt	353,409	219,802
Long-term liabilities, less current portion	9,192	5,609
Deferred income taxes	3,988	2,821
Pension and other postretirement benefit obligations	11,054	13,394
Total liabilities	553,190	336,699
Stockholders equity:		
Common stock, \$0.01 par value, 2,000,000,000 shares authorized at December 27, 2015 and December 28, 2014; 44,710,497 and 37,466,495 issued and outstanding at December 27, 2015 and December 28, 2014, respectively	445	375
Additional paid-in capital	605,033	484,220
Accumulated other comprehensive loss	(3,158)	(4,469)
Retained earnings	44,753	4,001

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Total stockholders' equity	647,073	484,127
Total liabilities and stockholders' equity	\$ 1,200,263	\$ 820,826

See accompanying notes to consolidated financial statements.

Table of Contents**NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

(In thousands, except per share data)

	Successor Company			Predecessor Company
	Year Ended	Year Ended	Two Months Ended	Ten Months Ended
	December 27, 2013	December 28, 2014	December 29, 2013	November 6, 2013
Revenues:				
Advertising	\$ 696,696	\$ 385,399	\$ 63,340	\$ 265,078
Circulation	378,263	195,661	29,525	118,810
Commercial printing and other	120,856	71,263	10,366	29,402
Total revenues	1,195,815	652,323	103,231	413,290
Operating costs and expenses:				
Operating costs	656,555	368,420	56,614	232,066
Selling, general, and administrative	406,282	211,829	28,749	136,832
Depreciation and amortization	67,752	41,450	6,588	33,409
Integration and reorganization costs	8,052	2,796	1,758	1,577
Impairment of long-lived assets				91,599
(Gain) loss on sale or disposal of assets	(51,051)	1,472	27	1,163
Mastheads impairment	4,800			
Operating income (loss)	103,425	26,356	9,495	(83,356)
Interest expense	29,345	16,636	1,640	74,358
Amortization of deferred financing costs	2,712	1,049	171	842
Loss on early extinguishment of debt		9,047		
Loss on derivative instruments		51		14
Other expense (income)	350	65	(13)	1,004
Reorganization items, net				(947,617)
Income (loss) from continuing operations before income taxes	71,018	(492)	7,697	788,043
Income tax expense (benefit)	3,404	2,713	491	(197)
Income (loss) from continuing operations	67,614	(3,205)	7,206	788,240
Loss from discontinued operations, net of income taxes				(1,034)
Net income (loss)	67,614	(3,205)	7,206	787,206
Net loss attributable to noncontrolling interest				208
Net income (loss) attributable to New Media	\$ 67,614	\$ (3,205)	\$ 7,206	\$ 787,414
Income (loss) per share:				
Basic:				
Income (loss) from continuing operations attributable to New Media	\$ 1.53	\$ (0.10)	\$ 0.24	\$ 13.58
Net income (loss) attributable to New Media	\$ 1.53	\$ (0.10)	\$ 0.24	\$ 13.56
Diluted:				
Income (loss) from continuing operations attributable to New Media	\$ 1.52	\$ (0.10)	\$ 0.24	\$ 13.58
Net income (loss) attributable to New Media	\$ 1.52	\$ (0.10)	\$ 0.24	\$ 13.56
Dividends declared per share	\$ 1.29	\$ 0.54	\$	\$
Other comprehensive income:				
Derivative instrument items:				
Gain on derivative instruments, net of income taxes of \$0	\$	\$	\$	\$ 19,339
Reclassification of accumulated other comprehensive loss related to derivative instruments, net of income taxes of \$0				26,313

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Total derivative items, net of income taxes of \$0				45,652
Pension and other postretirement benefit items:				
Net actuarial gain (loss)	1,227	(4,927)	458	69
Amortization of net actuarial loss	84			
Total pension and other postretirement benefit items, net of income taxes of \$0	1,311	(4,927)	458	69
Other comprehensive income (loss), net of tax	1,311	(4,927)	458	45,721
Comprehensive income (loss)	68,925	(8,132)	7,664	832,927
Comprehensive loss attributable to noncontrolling interest				(208)
Comprehensive income (loss) attributable to New Media	\$ 68,925	\$ (8,132)	\$ 7,664	\$ 833,135

See accompanying notes to consolidated financial statements.

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NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT)

(In thousands, except share data)

	Common stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Treasury stock		Non-controlling interest in subsidiary	Total
	Shares	Amount				Shares	Amount		
Balance at December 30, 2012, Predecessor Company	58,313,868	\$ 568	\$ 831,344	\$ (52,642)	\$ (1,610,917)	236,837	\$ (310)	\$ (2,202)	\$ (834,159)
Net income (loss)					787,414			(208)	787,206
Gain on derivative instruments, net of income taxes of \$0				19,339					19,339
Reclassification of accumulated other comprehensive loss related to derivative instruments, net of income taxes of \$0				26,313					26,313
Net actuarial gain and prior service cost, net of income taxes of \$0				69					69
Non-cash compensation expense			25						25
Disposal of non wholly owned subsidiary								2,202	2,202
Cancellation of Predecessor Company common stock, net of fair value of new warrants of \$995	(58,313,868)	(568)	(830,374)		830,632	(236,837)	310		
Elimination of Predecessor Company accumulated deficit and accumulated other comprehensive income				6,921	(7,129)			208	
Issuance of new common stock and contribution of Local Media in connection with emergence from Chapter 11 of the Bankruptcy Code	30,000,000	300	535,403						535,703
Balance at November 6, 2013, Predecessor Company	30,000,000	\$ 300	\$ 536,398	\$	\$		\$	\$	\$ 536,698
Net income					7,206				7,206
Net actuarial gain and prior service cost, net of income taxes of \$0				458					458
Common stock cash dividend			(149,000)						(149,000)
Balance at December 29, 2013, Successor Company	30,000,000	\$ 300	\$ 387,398	\$ 458	\$ 7,206		\$	\$	\$ 395,362
Net loss					(3,205)				(3,205)
Restricted share grants	15,870								
Net actuarial loss and prior service cost, net of income taxes of \$0				(4,927)					(4,927)
Non-cash compensation expense			59						59
Issuance of common stock, net of underwriter's discount	7,450,625	75	114,983						115,058
Common stock cash dividend			(18,220)						(18,220)
Balance at December 28, 2014, Successor Company	37,466,495	\$ 375	\$ 484,220	\$ (4,469)	\$ 4,001		\$	\$	\$ 484,127

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Net income						67,614			67,614
Restricted share grants	244,002		225						225
Net actuarial gain and prior service cost, net of income taxes of \$0					1,311				1,311
Non-cash compensation expense			1,319						1,319
Issuance of common stock, net of underwriter's discount	7,000,000	70	150,059						150,129
Common stock cash dividend			(30,790)			(26,862)			(57,652)
Balance at December 27, 2015, Successor Company	44,710,497	\$ 445	\$ 605,033	\$ (3,158)	\$ 44,753		\$	\$	\$ 647,073

See accompanying notes to consolidated financial statements.

Table of Contents**NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES****Consolidated Statements of Cash Flows**

(In thousands)

	Successor Company			Predecessor Company
	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013
Cash flows from operating activities:				
Net income (loss)	\$ 67,614	\$ (3,205)	\$ 7,206	\$ 787,206
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	67,752	41,450	6,588	33,466
Amortization of deferred financing costs	655	1,049	171	842
(Gain) loss on derivative instruments		(25)		14
Non-cash compensation expense	1,319	59		25
Non-cash interest expense	2,129	824	15	
Non-cash reorganization costs, net				(954,605)
Non-cash interest related to unrealized losses upon designation of cash flow hedges				26,313
Non-cash loss on early extinguishment of debt		5,949		
Deferred income taxes	1,167	2,821		
(Gain) loss on sale or disposal of assets	(51,051)	1,472	27	2,318
Pension and other postretirement benefit obligations	(1,002)	(1,604)		(1,137)
Impairment of long-lived assets				91,599
Mastheads impairment	4,800			
Changes in assets and liabilities:				
Accounts receivable, net	(4,255)	1,781	(7,075)	4,210
Inventory	2,701	1,226	(247)	105
Prepaid expenses	(219)	(614)	173	(1,594)
Other assets	(1,412)	1,045	232	(2,498)
Accounts payable	(14,666)	(4,292)	726	243
Accrued expenses	37,814	(7,476)	8,933	9,135
Deferred revenue	(1,508)	(218)	(665)	(868)
Other long-term liabilities	3,481	1,204	76	(746)
Net cash provided by (used in) operating activities	115,319	41,446	16,160	(5,972)
Cash flows from investing activities:				
Purchases of property, plant, and equipment	(10,155)	(5,012)	(1,536)	(3,632)
Proceeds from sale of publications, other assets and insurance	142,583	1,027	159	833
Acquisitions, net of cash acquired	(431,126)	(77,618)		
Net cash used in investing activities	(298,698)	(81,603)	(1,377)	(2,799)
Cash flows from financing activities:				
Capital contribution to Local Media				1,610
Payment of debt issuance costs	(592)	(4,610)	(3,690)	
Borrowings under term loans	122,872	217,775	149,000	
Borrowings under revolving credit facility	99,000	24,068		
Repayments under long-term debt	(3,135)	(158,562)		(6,648)
Repayments under revolving credit facility	(104,000)	(44,068)		
Payment of offering costs	(1,343)	(1,073)		
Issuance of common stock, net of underwriter's discount	150,866	116,737		
Payment of dividends	(57,360)	(18,212)	(149,000)	

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Net cash provided by (used in) financing activities	206,308	132,055	(3,690)	(5,038)
Net increase (decrease) in cash and cash equivalents	22,929	91,898	11,093	(13,809)
Cash and cash equivalents at beginning of period	123,709	31,811	20,718	34,527
Cash and cash equivalents at end of period	\$ 146,638	\$ 123,709	\$ 31,811	\$ 20,718
Supplemental disclosures on cash flow information:				
Cash interest paid	\$ 21,726	\$ 15,181	\$ 925	\$ 43,606
Cash income taxes paid	\$ 1,389	\$	\$	\$

See accompanying notes to consolidated financial statements.

Table of Contents**NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****(In thousands, except share data)****(1) Description of Business, Basis of Presentation and Summary of Significant Accounting Policies****(a) Description of Business**

New Media Investment Group Inc. (New Media, Company, us, our, or we), formerly known as GateHouse Media, Inc. (GateHouse or Predecessor), was formed as a Delaware corporation on June 18, 2013. New Media was capitalized and issued 1,000 common shares to Newcastle Investment Corp. (Newcastle). Newcastle owned approximately 84.6% of New Media until February 13, 2014, upon which date Newcastle distributed the shares that it held in New Media to its shareholders on a prorata basis. New Media had no operations until November 26, 2013, when it assumed control of GateHouse and Local Media Group Holdings LLC (Local Media Parent). The Company s Predecessor and certain of its subsidiaries (collectively, the Debtors) filed voluntary petitions under Chapter 11 of title 11 of the U.S. Bankruptcy Code (the Bankruptcy Code), in the U.S. Bankruptcy Court for the District of Delaware (the Bankruptcy Court) on September 27, 2013. On November 6, 2013 (the Confirmation Date), the Bankruptcy Court confirmed the plan of reorganization (the Plan or Plan of Reorganization) and on November 26, 2013 (the Effective Date), the Debtors emerged from Chapter 11.

GateHouse was determined to be the predecessor to New Media, as the operations of GateHouse comprise substantially all of the business operations of the combined entities. As such, the consolidated financial statements presented herein for all periods prior to November 6, 2013 reflect the historical consolidated financial statements of GateHouse and its subsidiaries. Further, the Reorganization Value, as defined below, of GateHouse at the Confirmation Date, as defined below, approximated fair value as of November 26, 2013. The Company is a leading U.S. publisher of local newspapers and related publications that are generally the dominant source of local news and print advertising in their markets. As of December 27, 2015, the Company owned and operated 564 publications located in 31 states. The majority of the Company s paid daily newspapers have been published for more than 100 years and are typically the only paid daily newspapers of general circulation in their respective nonmetropolitan markets. The Company s publications generally face limited competition as a result of operating in small and mid-sized markets that can typically support only one newspaper. The Company has strategically clustered its publications in geographically diverse, nonmetropolitan markets in the Midwest and Eastern United States, which limits its exposure to economic conditions in any single market or region.

As of December 27, 2015, the Company s operating segments (Eastern US Publishing, Central US Publishing, Western US Publishing) are aggregated into one reportable business segment.

(b) Basis of Presentation

The consolidated financial statements include the accounts of New Media and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

As discussed in Note 2 Voluntary Reorganization Under Chapter 11 , the Debtors emerged from Chapter 11 protection and adopted fresh start accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Topic 852, Reorganizations (ASC 852). The adoption of fresh start accounting resulted in the Company becoming a new entity for financial reporting purposes as of November 6, 2013. Accordingly, the consolidated financial statements on November 7, 2013 and subsequent periods are not comparable, in various material respects, to the Company s consolidated financial statements prior to that date.

Fresh start accounting requires resetting the historical net book value of assets and liabilities to fair value by allocating the entity s reorganization value (Reorganization Value) to its assets and liabilities pursuant to ASC

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Topic 805, *Business Combinations* (ASC 805). The excess reorganization value over the fair value of tangible and identifiable intangible assets is recorded as goodwill on the consolidated balance sheet. Deferred taxes are determined in conformity with ASC Topic 740, *Income Taxes* (ASC 740).

In addition, ASC 852 requires that financial statements, for periods including and subsequent to a Chapter 11 filing, distinguish transactions and events that are directly associated with the reorganization proceedings and the ongoing operations of the business, as well as additional disclosures. Effective September 27, 2013, expenses, gains and losses directly associated with the reorganization proceedings were reported as reorganization items in the accompanying consolidated statements of operations. In addition, liabilities subject to compromise in the Chapter 11 cases were distinguished from liabilities not subject to compromise and from post-petition liabilities. Liabilities subject to compromise were reported at amounts allowed or expected to be allowed under Chapter 11 bankruptcy proceedings.

The Company, when used in reference to the period subsequent to the application of fresh start accounting on November 6, 2013, refers to the Successor Company, and when used in reference to periods prior to fresh start accounting, refers to the Predecessor Company. Further, references to the Ten months ended November 6, 2013 refer to the period from December 31, 2012 to November 6, 2013 and references to the Two months ended December 29, 2013 refer to the period from November 7, 2013 to December 29, 2013.

(c) Newspaper Industry

The newspaper industry and the Company have experienced declining same store revenue and profitability over the past several years. As a result, the Company continues to implement, plans to reduce costs and preserve cash flow. This includes cost reduction programs and the sale of non-core assets. The Company believes these initiatives will provide it with the financial resources necessary to invest in the business and provide sufficient cash flow to enable the Company to meet its commitments.

(d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Examples of significant estimates include fresh start accounting, pension and postretirement benefit obligation assumptions, income taxes, allowance for doubtful accounts, self-insurance liabilities, goodwill impairment analysis, stock-based compensation, and valuation of property, plant and equipment and intangible assets. Actual results could differ from those estimates.

(e) Fiscal Year

The Company's fiscal year is a 52 week operating year ending on the Sunday closest to December 31. The Company's 2015, 2014 and 2013 fiscal years ended on December 27, December 28 and December 29, respectively, and encompassed 52-week periods. The fiscal years consisted of four thirteen-week fiscal quarters. The first month of each quarter contains five weeks of results and the second and third months of each fiscal quarter contain four weeks of results. Accordingly, net sales are typically higher in the first month of any given quarter.

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(f) Accounts Receivable

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company's allowance for doubtful accounts is based upon several factors including the length of time the receivables are past due, historical payment trends and current economic factors. The Company generally does not require collateral.

In connection with the application of fresh start accounting on November 6, 2013, the carrying value of accounts receivable was adjusted to fair value, eliminating the allowance for doubtful accounts.

(g) Inventory

Inventory consists principally of newsprint, which is valued at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. In 2014 and 2015, the Company purchased approximately 95% and 93% of its newsprint from one vendor, respectively.

(h) Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Routine maintenance and repairs are expensed as incurred.

Depreciation is calculated under the straight-line method over the estimated useful lives, principally 3 to 40 years for buildings and improvements, 1 to 20 years for machinery and equipment, and 1 to 10 years for furniture, fixtures and computer software. Leasehold improvements are amortized under the straight-line method over the shorter of the lease term or estimated useful life of the asset.

As part of fresh start accounting, property, plant and equipment were restated to fair value and the depreciable lives were updated to reflect the remaining estimated useful life of the assets.

(i) Business Combinations

The Company accounts for acquisitions in accordance with the provisions of ASC 805. ASC 805 provides guidance for recognition and measurement of identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree at fair value. In a business combination, the assets acquired, liabilities assumed and noncontrolling interest in the acquiree are recorded as of the date of acquisition at their respective fair values with limited exceptions. Any excess of the purchase price (consideration transferred) over the estimated fair values of net assets acquired is recorded as goodwill. Transaction costs are expensed as incurred. The operating results of the acquired business are reflected in the Company's consolidated financial statements after the date of the acquisition.

(j) Goodwill, Intangible, and Long-Lived Assets

Intangible assets consist of noncompete agreements, advertiser, subscriber and customer relationships, mastheads, trade names and publication rights. Goodwill is not amortized pursuant to ASC Topic 350 *Intangibles - Goodwill and Other* (ASC 350). Mastheads are not amortized because it has been determined that the useful lives of such mastheads are indefinite.

In accordance with ASC 350, goodwill and intangible assets with indefinite lives are tested for impairment annually or when events indicate that an impairment could exist which may include an economic downturn in a market, a change in the assessment of future operations or a decline in the Company's stock price. The Company performs an annual impairment assessment on the last day of its fiscal second quarter. As required by ASC 350, the Company performs its impairment analysis on each of its reporting units. The Company has the option to

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qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company elects to perform a qualitative assessment and concludes it is not more likely than not that the fair value of the reporting unit is less than its carrying value, no further assessment of that reporting unit's goodwill is necessary; otherwise goodwill must be tested for impairment using a two-step process. The reporting units have discrete financial information which are regularly reviewed by management. The fair value of the applicable reporting unit is compared to its carrying value. Calculating the fair value of a reporting unit requires significant estimates and assumptions by the Company. The Company estimates fair value by applying third-party market value indicators to projected cash flows and/or projected earnings before interest, taxes, depreciation, and amortization. In applying this methodology, the Company relies on a number of factors, including current operating results and cash flows, expected future operating results and cash flows, future business plans, and market data. If the carrying value of the reporting unit exceeds the estimate of fair value, the Company calculates the impairment as the excess of the carrying value of goodwill over its implied fair value.

Refer to Note 7 Goodwill and Intangible Assets for additional information on the impairment testing of goodwill and indefinite lived intangible assets.

The Company accounts for long-lived assets in accordance with the provisions of ASC Topic 360, *Property, Plant and Equipment* (ASC 360). The Company assesses the recoverability of its long-lived assets, including property, plant and equipment and definite lived intangible assets, whenever events or changes in business circumstances indicate the carrying amount of the assets, or related group of assets, may not be fully recoverable. Impairment indicators include significant under performance relative to historical or projected future operating losses, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, and significant negative industry or economic trends. The assessment of recoverability is based on management's estimates by comparing the sum of the estimated undiscounted cash flows generated by the underlying asset, or other appropriate grouping of assets, to its carrying value to determine whether an impairment existed at its lowest level of identifiable cash flows. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment is recognized to the extent the carrying value of such asset exceeds its fair value.

(k) Revenue Recognition

Advertising revenue is recognized upon publication of the advertisement. Circulation revenue from subscribers is billed to customers at the beginning of the subscription period and is recognized on a straight-line basis over the term of the related subscription. Circulation revenue from single-copy income is recognized based on date of publication, net of provisions for related returns. Revenue for commercial printing is recognized upon delivery.

(l) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company has determined that it is more likely than not that its existing deferred tax assets will not be realized, and accordingly has provided a full valuation allowance. Any changes in the scheduled reversals of deferred taxes may require an additional valuation allowance against the remaining deferred tax assets. Any increase or decrease in the valuation allowance could result in an increase or decrease in income tax expense in the period of adjustment.

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The Company accounts for uncertain tax positions under the provisions of ASC 740. The Company does not anticipate significant increases or decreases in our uncertain tax positions within the next twelve months. The Company recognizes penalties and interest relating to uncertain tax positions in tax expense.

(m) Fair Value of Financial Instruments

The carrying value of the Company's cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short maturity of these instruments. An estimate of the fair value of the Company's debt is disclosed in Note 10 *Indebtedness*.

The Company accounts for derivative instruments in accordance with ASC Topic 815, *Derivatives and Hedging* (ASC 815) and ASC Topic 820 *Fair Value Measurements and Disclosures* (ASC 820). These standards require an entity to recognize all derivatives as either assets or liabilities in the consolidated balance sheet and measure those instruments at fair value. Additionally, the fair value adjustments will affect either accumulated other comprehensive (loss) income or net income (loss) depending on whether the derivative instrument qualifies as an effective hedge for accounting purposes and, if so, the nature of the hedging activity. The fair value of the Company's derivative financial instruments is disclosed in Note 11 *Derivative Instruments*.

(n) Cash Equivalents

Cash equivalents represent highly liquid certificates of deposit which have original maturities of three months or less.

(o) Deferred Financing Costs

Deferred financing costs consist of costs incurred in connection with debt financings. Such costs are amortized on a straight-line basis, which approximates the effective interest method, over the estimated remaining term of the related debt.

(p) Advertising Costs

Advertising costs are expensed in the period incurred. The Company incurred total advertising expenses for the Successor Company for the years ended December 27, 2015 and December 28, 2014 and the two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013 of \$11,567, \$5,179, \$808 and \$2,693, respectively.

(q) Earnings (loss) per share

Basic earnings (loss) per share is computed as net income (loss) available to common stockholders divided by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur from common shares issued through common stock equivalents.

(r) Stock-based Employee Compensation

ASC Topic 718, *Compensation - Stock Compensation* requires that all share-based payments to employees and the board of directors, including grants of employee stock options, be recognized in the consolidated financial statements over the service period (generally the vesting period) based on fair values measured on grant dates.

Table of Contents***(s) Pension and Postretirement Liabilities***

ASC Topic 715, *Compensation Retirement Benefits* requires recognition of an asset or liability in the consolidated balance sheet reflecting the funded status of pension and other postretirement benefit plans such as retiree health and life, with current-year changes in the funded status recognized in accumulated other comprehensive (loss) income. For the Successor Company for the years ended December 27, 2015 and December 28, 2014 and the two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013, a total of \$1,311, \$(4,927), \$458 and \$69, net of taxes of \$0, \$0, \$0 and \$0 after valuation allowance, respectively, was recognized in other comprehensive income (loss) income (see Note 15 Pension and Postretirement Benefits).

(t) Self-Insurance Liability Accruals

The Company maintains self-insured medical and workers compensation programs. The Company purchases stop loss coverage from third parties which limits our exposure to large claims. The Company records a liability for healthcare and workers compensation costs during the period in which they occur as well as an estimate of incurred but not reported claims.

(u) Reclassifications

Certain amounts in the prior periods consolidated financial statements have been reclassified to conform to the current year presentation.

(v) Recently Issued Accounting Pronouncements

In April 2014, the FASB issued Accounting Standard Update (ASU) No. 2014-08, Presentation of Financial Statements and Property, Plant, and Equipment: Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity (ASU No. 2014-08). ASU No. 2014-08 changes the criteria for reporting discontinued operations while enhancing disclosures in this area and is effective for annual and interim periods beginning after December 15, 2014. The amendments in ASU No. 2014-08 did impact the Company s assessment of the disposition of the Las Vegas Review-Journal and related publications.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. ASU No. 2014-09 will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance would have been effective for annual and interim reporting periods beginning after December 15, 2016. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date which defers for one year the effective date of the new revenue standard (ASU No. 2014-09) for public and non-public entities reporting under U.S. GAAP. The standard is to be applied using one of two retrospective application methods. The FASB is permitting entities to adopt the standard as of the original effective date. The Company is currently reviewing the amendments in ASU No. 2014-09 and application methods but does not expect them to have a material impact on the financial statements.

In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity s Ability to Continue as a Going Concern , that establishes management s responsibility to evaluate whether there is substantial doubt about an entity s ability to continue as a going concern and setting rules for how this information should be disclosed in the financial statements. This guidance is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2016, with early adoption permitted. The Company will adopt this guidance on December 26, 2016 and do not expect it to have a material impact on the Company s financial statements upon adoption.

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In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810) Amendments to the Consolidation Analysis* (ASU No. 2015-02). ASU No. 2015-02 eliminates the deferral of Statement of Financial Accounting Standards No. 167, *Amendments to FASB Interpretation No. 46 (R)* previously provided to investment companies and certain other entities pursuant to ASC 810-10-65-2. ASU No. 2015-02 also amends the evaluation of whether (1) fees paid to a decision maker or service provider represent a variable interest, (2) a limited partnership or similar entity has the characteristics of a variable interest entity (VIE) and (3) a reporting entity is the primary beneficiary of a VIE. ASU No. 2015-02 eliminates certain conditions for evaluating whether a fee paid to a decision maker or a service provider represents a variable interest. Fees received by a decision maker or service provider are no longer considered variable interests and are now excluded from the evaluation of whether the reporting entity is the primary beneficiary of a VIE if the fees are both customary and commensurate with the level of effort required for the services provided and the decision maker or service provider does not hold other interests in the entity being evaluated that would absorb more than an insignificant amount of the expected losses or returns of the entity. If the reporting entity determines that it does not have a variable interest in an entity, no further consolidation analysis is performed as the reporting entity would not be required to consolidate the entity. The effective date of ASU No. 2015-02 is for fiscal years and interim periods within those fiscal years, beginning after December 15, 2015 for public companies and early adoption is permitted. We have elected to early adopt ASU No. 2015-02, and the guidance was applied to our analysis of the management agreement with DB Nevada Holdings, Inc. The fees received under the Management Agreement do not represent a variable interest.

In April 2015, the FASB issued ASU No. 2015-03, *Interest Imputation of Interest (Topic 835)*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance of debt issuance costs are not affected by the amendments in this update. The standard will be effective for the Company beginning in the first quarter of 2016 and requires the Company to apply the new guidance on a retrospective basis on adoption. In August 2015, the FASB issued ASU No. 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements*, which addresses the presentation of debt issuance costs related to line-of-credit arrangements. These amendments are not expected to have a material impact on the financial statements.

In April 2015, the FASB issued ASU No. 2015-04, *Compensation Retirement Benefits (Topic 716)*, which allows entities with a fiscal year-end that does not coincide with a month-end to measure defined benefit plan assets and obligations using the month-end that is closest to the entity's fiscal year-end. The practical expedient, if elected, relieves an employer from having to adjust the asset values to the appropriate fair values as of its fiscal year end. The Company decided to early adopt ASU No. 2015-04 as of December 27, 2015. The adoption did not have a material impact on the financial statements.

In April 2015, the FASB issued ASU No. 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement (Subtopic 350-40)*, which clarifies the circumstances under which a cloud computing arrangement contains a software license. The standard will be effective for the Company beginning in the first quarter of 2016. Entities may adopt the guidance retrospectively or prospectively to arrangements entered into, or materially modified, after the effective date. The amendments in ASU No. 2015-05 are not expected to have a material impact on the financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory (Topic 330)*, which simplifies the measurement of inventory by requiring certain inventory to be measured at the lower of cost and net realizable value and options that currently exist for market value will be eliminated. The ASU defines net realizable value as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The standard will be effective for the Company beginning in the first quarter of 2017. Entities should adopt the guidance prospectively, and early adoption is permitted. The amendments in ASU No. 2015-11 are not expected to have a material impact on the financial statements.

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In September 2015, the FASB issued ASU No. 2015-16, Simplifying the Accounting for Measurement-Period Adjustments (Topic 805), which eliminates the requirement to restate prior period financial statements for measurement period adjustments. The ASU requires that the cumulative impact of a measurement period adjustment be recognized in the reporting period in which the adjustment is recognized. The standard will be effective for the Company beginning in the first quarter of 2016. Entities should adopt the guidance prospectively, and early adoption is permitted. The amendments in ASU No. 2015-16 are not expected to have a material impact on the financial statements.

In November 2015, the FASB issued ASU No. 2015-17 Balance Sheet Classification of Deferred Taxes (ASU No. 2015-17), which requires that all deferred tax assets and liabilities be classified as non-current in a classified balance sheet to simplify the reporting of deferred taxes. The Company has adopted ASU No. 2015-17 retroactively to the year ended December 28, 2014. The FASB indicated that the primary reason for the change was that segregation of deferred income tax assets and liabilities as current or non-current was not beneficial for financial reporting purposes since the classification may not accurately reflect the time period in which the deferred tax amounts are recovered or settled.

(w) Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) by component for the years ended December 28, 2014 and December 27, 2015 are outlined below.

	Net actuarial loss and prior service cost
Balance at December 29, 2013	\$ 458
Other comprehensive loss before reclassifications	(4,927)
Net current period other comprehensive loss, net of taxes	(4,927)
Balance at December 28, 2014	\$ (4,469)
Other comprehensive income before reclassifications	1,227
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	84
Net current period other comprehensive income, net of taxes	1,311
Balance at December 27, 2015	\$ (3,158)

- (1) This accumulated other comprehensive income (loss) component is included in the computation of net periodic benefit cost. See Note 15 Pension and Postretirement Benefits .

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The following table presents reclassifications out of accumulated other comprehensive income (loss) for the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013, and for the Predecessor Company for the ten months ended November 6, 2013.

	Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)			Predecessor Company Ten months ended November 6, 2013	Affected Line Item in the Consolidated Statements of Operations and Comprehensive Income (Loss)
	Successor Company				
	Year ended December 27, 2015	Year ended December 28, 2014	Two months ended December 29, 2013		
Loss on interest rate swap agreements, designated as cash flow hedges	\$	\$	\$	\$ 20,447	Interest expense
Amortization of prior service cost				(383) ⁽¹⁾	
Amortization of unrecognized loss	84			452 ⁽¹⁾	
Reclassification of unrealized losses upon dedesignation of cash flow hedges				26,313	Interest expense
Amounts reclassified from accumulated other comprehensive loss	84			46,829	Income (loss) from continuing operations before income taxes
Income tax benefit					Income tax benefit
Amounts reclassified from accumulated other comprehensive loss, net of taxes	\$ 84	\$	\$	\$ 46,829	Net income (loss)

(1) This accumulated other comprehensive income (loss) component is included in the computation of net periodic benefit cost and recognized in income (loss) from continuing operations before income taxes. See Note 15 Pension and Postretirement Benefits .

(2) Voluntary Reorganization Under Chapter 11

Our Predecessor and certain of its subsidiaries commenced voluntary Chapter 11 bankruptcy proceedings in the Bankruptcy Court on September 27, 2013 (the Petition Date). Concurrent with the bankruptcy filing, our Predecessor filed and requested confirmation of the Plan. On September 4, 2013, our Predecessor entered into a restructuring support agreement (RSA) with Cortland Products Corp., as administrative agent (the Administrative Agent) and certain of the lenders under the 2007 Credit Facility (as defined below), including Newcastle and its affiliates.

Pursuant to its RSA, the Company solicited votes on the Plan from holders of claims under the Company s 2007 Credit Facility and certain related interest rate swaps. The Plan was accepted by the only impaired class of creditors entitled to vote on it. Specifically, 100% of holders of secured debt voted to accept the Plan. No creditors voted to reject the Plan.

Pension, trade and all other unsecured creditors of the Company were not impaired under the prepackaged Plan, and their votes were not solicited. The Company s common stock was canceled under the Plan, and holders of secured debt had the option of receiving a cash distribution equal to 40% of their claims, or stock in New Media, a holding company that owns GateHouse and Local Media Parent, as described below.

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The key terms of the Plan were as follows:

The Plan proposed a restructuring of the Company pursuant to a pre-packaged restructuring under Chapter 11 of the Bankruptcy Code whereby each Creditor (as defined below) had the option of exchanging its holdings in the Outstanding Debt (as defined below) for either its pro rata share of cash or common stock in New Media (such common stock, New Media Common Stock) with ownership interests in the reorganized Company (such reorganized Company, New GateHouse).

The Plan included the restructuring of the following indebtedness of the Company (the Outstanding Debt):

(a) Indebtedness under the 2007 Credit Facility, consisting of a Revolving Credit Facility, a Term Loan Facility, a Delayed Draw Term Loan Facility and an Incremental Term Loan Facility (collectively, the 2007 Credit Facility Claims). The 2007 Credit Facility Claims consisted of a (i) Revolving Credit Facility of \$0 at September 27, 2013, (ii) Term Loan Facility of and \$654,554 at and September 27, 2013, (iii) Delayed Draw Term Loan Facility of \$244,236 at September 27, 2013, and (iv) Incremental Term Loan Facility of \$268,660 at September 27, 2013.

(b) Swap Liability, including (i) \$100,000 notional amount executed February 27, 2007, (ii) \$250,000 notional amount executed April 4, 2007, (iii) \$200,000 notional amount executed April 13, 2007 and (iv) \$75,000 notional amount executed September 18, 2007. As of September 27, 2013 the carrying value of the Swap Liability was \$28,440.

Holders of the Outstanding Debt are referred to herein as Creditors.

The Plan restructured the Outstanding Debt as follows:

(a) Each Creditor of the Outstanding Debt received, in full and final satisfaction of its respective claim, at its election (with respect to all or any portion of its claims) to be made in connection with solicitation of the Plan, its pro rata share of:

i. Cash pursuant to the Cash-Out Offer (described below under Cash-Out Offer) (the Cash-Out Option); or

ii. (A) New Media Common Stock (subject to dilution as discussed herein) and (B) the Net Proceeds (as defined below), net of certain transaction costs (collectively, the New Media Equity Option).

Creditors that did not make an election during the solicitation period with respect to their claims were deemed to have elected the Cash-Out Option.

(b) Pension, trade and all other unsecured claims were unimpaired by the Plan.

(c) The interest of holders of equity interests in the Company, including warrants, rights and options to acquire such equity interests (Former Equity Holders), were cancelled, and Former Equity Holders received 10-year warrants, collectively representing the right to acquire, in the aggregate, equity equal to 5% of the issued and outstanding shares of New Media (the New Media Warrants) (subject to dilution) as of the Effective Date, with the strike price per share of \$46.35 calculated based on a total equity value of New Media prior to the Local Media Contribution (as defined below) of \$1,200,000 as of the Effective Date. New Media Warrants do not have the benefit of antidilution protections, other than customary protections including for stock splits and stock dividends.

Cash-Out Offer

In connection with the Plan, Newcastle (Plan Sponsor) (or its designated affiliates) offered to purchase, in cash, an amount equal to 40% of the sum of (a) \$1,167,450 of principal of the claims under the 2007 Credit

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Facility, plus (b) accrued and unpaid interest at the applicable contract non-default rate with respect thereto, plus (c) all amounts due under and subject to the terms of the interest rate swaps secured under the 2007 Credit Facility (for the avoidance of doubt, excluding any default interest) on the Effective Date of the Plan. The Cash-Out Offer was coterminous with the solicitation period.

New Media Equity Option

Instead of the Cash-Out Offer, each Creditor could have elected to receive, in satisfaction of its claims, a pro rata share of New Media Common Stock and the Net Proceeds (as defined below), net of certain transaction costs. New Media listed New Media Common Stock (the Listing) on the New York Stock Exchange (NYSE) on February 14, 2014 and may continue to raise equity capital. The Listing was not a condition precedent to the effectiveness of the Plan. Under the Plan, New Media did not impose any transfer restrictions on New Media Common Stock.

Registration Rights

As of the Effective Date of the Plan, New Media entered into a registration rights agreement with certain holders of the Outstanding Debt that received 10% or more of the New Media Common Stock, to provide customary registration rights.

Financing

The Company was to use commercially reasonable efforts based on market conditions and other factors, to raise up to \$165,000 of new debt, including a \$150,000 facility to fund distributions and other payments under the Plan (the Financing). The distribution was made to holders of New Media Common Stock, including Plan Sponsor (or its designated affiliates) on account of the Cash-Out Offer, on the Effective Date (the Net Proceeds). The Net Proceeds distributed to holders of the Outstanding Debt totaled \$149,000. The Financing was not a condition precedent to the effectiveness of the Plan.

Contribution of Local Media Group Holdings LLC

The Plan Sponsor acquired Local Media Group, Inc. (Local Media), a publisher of weekly newspaper publications, on September 3, 2013. Subject to the terms of the Plan, the Plan Sponsor contributed Local Media Parent and assigned its rights under the related stock purchase agreement to New Media on the Effective Date (the Local Media Contribution) in exchange for shares of New Media Common Stock equal in value to the cost of the Local Media Acquisition (as defined below) (as adjusted pursuant to the Plan) based upon the equity value of New Media as of the Effective Date prior to the contribution.

Management Agreement

On the Effective Date, New Media entered into a management agreement with FIG LLC (the Manager) (as amended and restated, the Management Agreement) pursuant to which the Manager manages the operations of New Media. The annual management fee is 1.50% of New Media's Total Equity (as defined in the Management Agreement) and the Manager is eligible to receive incentive compensation. On March 6, 2015, the Company's independent directors on the Board approved an amendment to the Management Agreement. See Note 18 Related Party Transactions for further discussion.

Releases

To the fullest extent permitted by applicable law, the restructuring included a full release from liability of the Company, Plan Sponsor, the Administrative Agent, the Creditors, and all current and former direct and indirect members, partners, subsidiaries, affiliates, funds, managers, managing members, officers, directors,

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employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives (including their respective members, partners, subsidiaries, affiliates, funds, managers, managing members, officers, directors, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives) by the Company, Plan Sponsor and the Creditors from any claims or causes of action related to or arising out of the Company, the Outstanding Debt or the Restructuring on or prior to the Effective Date, except for any claims and causes of action for fraud, gross negligence or willful misconduct.

Confirmation of the Plan

On November 6, 2013, the Bankruptcy Court confirmed the Plan.

Investment Commitment Letter

On September 4, 2013 the Plan Sponsor and the Company entered into an investment commitment letter in connection with the restructuring, pursuant to which Plan Sponsor agreed to purchase the Cash-Out Offer claims, described above. The investment commitment letter provides that, on account of the claims purchased in the Cash-Out Offer on the Effective Date of the Plan, Plan Sponsor will receive its pro rata share of (a) New Media Common Stock and (b) Net Proceeds, net of transaction expenses associated with transactions under the Plan.

Fresh Start Accounting

Upon confirmation of the Plan by the Bankruptcy Court on the Effective Date, the Company satisfied the remaining material conditions to complete the implementation of the Plan, and as a result, the Company adopted fresh start accounting as (i) the reorganization value of the assets of the Successor Company immediately before the date of confirmation of the Plan was less than the total of all post-petition liabilities and allowed claims and (ii) the holders of the Predecessor's voting shares immediately before confirmation of the Plan received less than 50% of the voting shares of the emerging entity.

The Bankruptcy Court confirmed the Plan based upon an estimated enterprise value of the Company between \$385,000 and \$515,000, which was estimated using various valuation methods, including (i) a comparison of the Company and its projected performance to the market values of comparable companies; (ii) a review and analysis of several recent transactions of companies in similar industries to the Company; and (iii) a calculation of the present value of the future cash flows of the Company based on its projections. The Company concluded the enterprise value was \$489,931 based upon the Cash-Out Offer and equity distribution plus estimated transaction fees.

The determination of the estimated reorganization value was based on a discounted cash flow analysis. This value was reconciled to the transaction value as outlined within the Plan and was within a reasonable range of comparable market multiples. The assumptions used in the calculations for the discounted cash flow analysis included projected revenue, costs, and cash flows through 2016 and represented the Company's best estimates at the time the analysis was prepared. While the Company considers such estimates and assumptions reasonable, they are inherently subject to significant business, economic and competitive uncertainties, many of which are beyond the Company's control and, therefore, may not be realized.

Upon adoption of fresh start accounting, the recorded amounts of assets and liabilities were adjusted to reflect their Reorganization Values. Accordingly, the reported historical financial statements of the Predecessor prior to the adoption of fresh start accounting for periods ended on or prior to November 6, 2013 are not comparable to those of the Successor Company.

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In applying fresh start accounting, the Company followed these principles:

The Reorganization Value, which represents the concluded enterprise value plus excess cash and cash equivalents and non-interest bearing liabilities, of the Predecessor was allocated to the entity's net assets in conformity with ASC 805. The Reorganization Value exceeded the sum of the fair value assigned to assets and liabilities. This excess was recorded as Successor Company goodwill as of November 6, 2013.

Each liability existing as of the fresh start accounting date, other than deferred taxes, has been stated at the fair value, and determined at appropriate risk adjusted interest rates. Deferred taxes were reported in conformity with applicable income tax accounting standards, principally ASC 740.

Reorganization Items, Net

In accordance with ASC 852 the Company segregated reorganization items related to the Plan in its consolidated statement of operations and comprehensive income (loss). A summary of reorganization items, for the Predecessor Company is presented in the following table:

	Predecessor Company Ten Months Ended November 6, 2013
Write-off of deferred financing costs	\$ 948
Credit agreement amendment fees	6,790
Bankruptcy fees	11,643
Net gain on reorganization adjustments	(722,796)
Net gain on fresh start adjustments	(246,243)
Adjustment to the allowed claim for derivative instruments	2,041
Reorganization items, net	\$ (947,617)

For the Predecessor Company for the ten months ended November 6, 2013, the Company paid approximately \$6,988 for reorganization items.

(3) Acquisitions and Dispositions**Acquisitions***Stephens Media, LLC*

On March 18, 2015, a wholly owned subsidiary of the Company completed its acquisition of the assets of Stephens Media, LLC (Stephens Media) for an aggregate purchase price of \$110,767, including working capital. The Stephens Media acquisition was financed with cash on hand. The purchase price was allocated to the fair value of the net assets acquired and any excess value over the tangible and identifiable intangible assets was recorded as goodwill. The acquisition includes nine daily newspapers, thirty-five weekly publications and fifteen shoppers serving communities throughout the United States with a combined average daily circulation of approximately 221 and 244 on Sunday. The acquisition was completed because of the attractive nature of the newspaper assets and cash flows as well as the cost saving opportunities. The purchase price reflects a working capital adjustment of \$312 paid in July 2015.

The Company accounted for the material business combination of Stephens Media under the acquisition method of accounting. The net assets, including goodwill, have been recorded in the consolidated balance sheet at their fair values in accordance with ASC 805.

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The following table summarizes the fair values of Stephens Media assets and liabilities:

Current assets	\$ 16,187
Property, plant and equipment	55,453
Licensing agreements	18,150
Advertiser relationships	8,090
Subscriber relationships	3,070
Customer relationships	610
Mastheads	8,890
Goodwill	9,525
Total assets	119,975
Current liabilities	9,208
Total liabilities	9,208
 Net assets	 \$ 110,767

The Company obtained a third party independent valuation to assist in the determination of the fair values of certain assets acquired and liabilities assumed. The property, plant and equipment valuation includes an analysis of recent comparable sales and offerings of land parcels in each of the subject's markets. The estimated fair value is supported by the consideration paid and was determined using standard generally accepted appraisal practices and valuation procedures. The valuation firm used the three basic approaches to value: the cost approach (used for equipment where an active secondary market is not available and building improvements), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for intangible assets). These approaches used are based on the cost to reproduce assets, market exchanges for comparable assets and the capitalization of income. Useful lives range from 1 to 15 years for personal property and 9 to 29 years for real property.

The valuation utilized a relief from royalty method, an income approach, to determine the fair value of mastheads. Key assumptions utilized in this valuation include revenue projections, a royalty rate of 2.0%, a long-term growth rate of 0.0%, a tax rate of 40.0% and a discount rate of 22.0%. The following intangible assets were valued using the income approach, specifically the excess earnings method: subscriber relationships, advertiser relationships and customer relationships. In determining the fair value of these intangible assets, the excess earnings approach values the intangible asset at the present value of the incremental after-tax cash flows attributable only to the asset after deducting contributory asset charges. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value. A static pool approach using historical attrition rates was used to estimate attrition rates of 5.0% to 10.0% for advertiser relationships, subscriber relationships and customer relationships. The long term growth rate was estimated to be 0.0% and the discount rate was estimated at 23.0%. The licensing agreement asset was valued using a discounted cash flow analysis, an income approach. In determining the fair value of this intangible asset, the discounted cash flow approach values the intangible asset at the present value of the incremental after-tax cash flows attributable to the asset. The terms of the licensing agreement provide for a \$2,500 annual payment. A discount rate of 10.0% and income tax rate of 40.0% were used in the discounted cash flow calculation. Amortizable lives range from 14 to 16 years for subscriber relationships, advertiser relationships and customer relationships, while mastheads are considered a non-amortizable intangible asset and the licensing agreement is amortized over the remaining contract life of approximately 25 years.

Trade accounts receivable, having an estimated fair value of \$13,177, were included in the acquired assets. The gross contractual amount of these receivables was \$14,398 and the contractual cash flows not expected to be collected were estimated at \$1,221 as of the acquisition date.

The Company recorded approximately \$802 of selling, general and administrative expense for acquisition related costs for Stephens Media during the year ended December 27, 2015.

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From the date of acquisition through December 27, 2015, Stephens Media had revenues of \$99,388 and net income of \$67,831, including gain on sale of assets of \$57,072.

For tax purposes, the amount of goodwill that is expected to be deductible is \$3,082, after the allocation of goodwill to the Review-Journal (as defined below).

Halifax Media Group

On January 9, 2015, the Company completed its acquisition of substantially all of the assets from Halifax Media Group for an aggregate purchase price of \$285,369, including working capital and net of assumed debt. Of the purchase price, \$17,000 is being held in an escrow account, to be available for application against indemnification and certain other obligations of the sellers arising during the first twelve months following the closing, with the remainder not so applied or subject to claims being delivered to the sellers. Subsequently, the escrow period was extended four months. The acquisition includes twenty-four daily publications, thirteen weekly publications, and five shoppers serving areas of Alabama, Florida, Louisiana, Massachusetts, North Carolina, and South Carolina with a daily circulation of approximately 635 and 752 on Sunday. The acquisition was completed because of the attractive nature of the newspaper assets and cash flows as well as the cost saving opportunities. The purchase price reflects a working capital adjustment of \$750 received in August 2015.

In conjunction with the acquisition on January 9, 2015, the New Media Credit Agreement (as defined below) was amended to provide for the 2015 Incremental Term Loan (as defined below) under the Incremental Facility (as defined below) in an aggregate principal amount of \$102,000, the 2015 Incremental Revolver (as defined below) under the Incremental Facility (as defined below) in an aggregate principal amount of \$50,000 and to make certain amendments to the Revolving Credit Facility (as defined below) in connection with the acquisition of the assets of Halifax Media Group. In addition, the New Media Borrower (as defined below) was required to pay an upfront fee of 1.00% of the aggregate amount of the 2015 Incremental Term Loan and 2015 Incremental Revolver as of the effective date of the amendment. The remaining amount of the purchase price was funded by operating cash. On January 20, 2015, the Company repaid the outstanding loans under the 2015 Incremental Revolver and the 2015 Incremental Revolver commitments were terminated.

The Company accounted for the material business combination of Halifax Media Group under the acquisition method of accounting. The net assets, including goodwill have been recorded in the consolidated balance sheet at their fair values in accordance with ASC 805.

The following table summarizes the fair values of Halifax Media Group assets and liabilities:

Current assets	\$ 42,114
Property, plant and equipment	95,369
Advertiser relationships	74,300
Subscriber relationships	36,200
Customer relationships	11,800
Mastheads	32,900
Goodwill	31,744
Total assets	324,427
Liabilities	39,058
Debt assumed	18,000
Total liabilities	57,058
Net assets	\$ 267,369

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The Company obtained a third party independent valuation to assist in the determination of the fair values of certain assets acquired and liabilities assumed. The property, plant and equipment valuation included an analysis of recent comparable sales and offerings of land parcels in each of the subject's markets. The estimated fair value is supported by the consideration paid and was determined using standard generally accepted appraisal practices and valuation procedures. The valuation firm used three basic approaches to value: the cost approach (used for equipment where an active secondary market is not available and building improvements), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for intangible assets). The approaches used are based on the cost to reproduce assets, market exchanges for comparable assets and the capitalization of income. Useful lives range from 1 to 17 years for personal property and 8 to 22 years for real property.

The valuation utilized a relief from royalty method, an income approach, to determine the fair value of mastheads. Key assumptions utilized in this valuation include revenue projections, a royalty rate of 2.0%, long-term growth rate of 0.0%, tax rate of 40.0% and discount rate of 16.0%. The Company valued the following intangible assets using the income approach, specifically the excess earnings method: subscriber relationships, advertiser relationships and customer relationships. In determining the fair value of these intangible assets, the excess earnings approach will value the intangible asset at the present value of the incremental after-tax cash flows attributable only to the asset after deducting contributory asset charges. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value. A static pool approach using historical attrition rates was used to estimate attrition rates of 5.0% to 10.0% for advertiser relationships, subscriber relationships and customer relationships. The long-term growth rate was estimated to be 0.0% and the discount rate was estimated at 16.5%. Amortizable lives range from 14 to 17 years for subscriber relationships, advertiser relationships and customer relationships, while mastheads are considered a non-amortizable intangible asset.

Trade accounts receivable, having an estimated fair value of \$34,255, were included in the acquired assets. The gross contractual amount of these receivables was \$36,266 and the contractual cash flows not expected to be collected were estimated at \$2,011 as of the acquisition date.

The Company recorded approximately \$1,775 of selling, general and administrative expense for acquisition related costs for Halifax Media Group during the year ended December 27, 2015.

From the date of acquisition through December 27, 2015, Halifax Media Group had revenues of \$332,993 and net income of \$40,264.

For tax purposes, the amount of goodwill that is expected to be deductible is \$31,744.

2015 Other Acquisitions

The Company acquired substantially all the assets, properties and business of publishing/operating certain newspapers on June 15, 2015 and September 23, 2015 (2015 Other Acquisitions), which included two daily newspapers, twenty-eight weekly publications, and two shoppers serving Central Ohio and Southern Michigan for an aggregate purchase price of \$52,021, including estimated working capital. The acquisition completed on June 15, 2015 was financed with \$25,000 of additional term debt under the New Media Credit Agreement and the remaining amount from operating cash. The acquisition completed on September 23, 2015 was financed from operating cash. The rationale for the acquisitions was primarily due to the attractive nature of the newspaper assets and cash flows combined with cost saving opportunities available by clustering with the Company's nearby newspapers.

The fair value determination of the assets acquired and liabilities assumed are preliminary based upon all information available to us at the present time. The Company has accounted for these transactions under the acquisition method of accounting. The net assets, including goodwill have been recorded in the consolidated balance sheet at their preliminary fair values in accordance with ASC 805, pending finalization of working capital settlement.

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The following table summarizes the preliminary fair values of the assets and liabilities:

Current assets	\$ 20,863
Property, plant and equipment	40,006
Noncompete agreements	3
Advertiser relationships	554
Subscriber relationships	1,159
Customer relationships	37
Mastheads	3,991
Goodwill	2,193
Total assets	68,806
Current liabilities	16,785
Total liabilities	16,785
Net assets	\$ 52,021

The Company obtained third party independent valuations or performed similar calculations internally to assist in the determination of the fair values of certain assets acquired and liabilities assumed. The three basic approaches were used to estimate the fair values: the cost approach (used for equipment where an active secondary market is not available and building improvements), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for subscriber relationships, advertiser relationships, customer relationships and mastheads).

The Company recorded approximately \$195 of selling, general and administrative expense for acquisition related costs for the 2015 Other Acquisitions during the year ended December 27, 2015, respectively.

For tax purposes, the amount of goodwill that is expected to be deductible is \$2,193.

The Providence Journal

On September 3, 2014, the Company completed its acquisition of the assets of The Providence Journal Company for an aggregate purchase price of \$48,666, including working capital. The acquisition was completed because of the attractive nature of the newspaper assets and cash flows as well as the cost saving opportunities available by clustering with the Company's nearby newspapers. The purchase price reflects a working capital adjustment of \$576 paid in November 2014.

The Company accounted for the material acquisition of The Providence Journal under the acquisition method of accounting. The net assets, including goodwill have been recorded in the consolidated balance sheet at their fair values in accordance with ASC 805. The Providence Journal acquisition was financed with \$9,000 of revolving debt, \$25,000 of additional term debt under the New Media Credit Agreement, and the remaining amount from operating cash. The Providence Journal consists of one daily and one weekly publications serving areas of Rhode Island with a daily circulation of approximately 72 and 96 on Sunday. The results of operations for The Providence Journal were included in the Company's consolidated financial statements from September 3, 2014.

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The following table summarizes the estimated fair values of The Providence Journal assets and liabilities:

Current assets	\$ 10,068
Property, plant and equipment	32,080
Advertiser relationships	1,780
Subscriber relationships	1,510
Customer relationships	1,810
Mastheads	3,700
Goodwill	3,653
Total assets	54,601
Current liabilities	5,935
Total liabilities	5,935
Net assets	\$ 48,666

The Company obtained a third party independent valuation to assist in the determination of the fair values of certain assets acquired and liabilities assumed. The property, plant and equipment valuation included an analysis of recent comparable sales and offerings of land parcels in each of the subject's markets. The estimated fair value is supported by the consideration paid and was determined using standard generally accepted appraisal practices and valuation procedures. The valuation firm used the three basic approaches to value: the cost approach (used for equipment where an active secondary market is not available and building improvements), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for intangible assets). The approaches used are based on the cost to reproduce assets, market exchanges for comparable assets and the capitalization of income. Useful lives range from 1 to 15 years for personal property and 4 to 28 years for real property.

The valuation utilized a relief from royalty method, an income approach, to determine the fair value of mastheads. Key assumptions utilized in this valuation include revenue projections, a royalty rate of 1.5%, long-term growth rate of 0%, tax rate of 40.0% and discount rate of 21.5%. The Company valued the following intangible assets using the income approach, specifically the excess earnings method: subscriber relationships, advertiser relationships and customer relationships. In determining the fair value of these intangible assets, the excess earnings approach values the intangible asset at the present value of the incremental after-tax cash flows attributable only to the asset after deducting contributory asset charges. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value. A static pool approach using historical attrition rates was used to estimate attrition rates of 3.0% to 10.0% for advertiser relationships, subscriber relationships and customer relationships. The long term growth rate was estimated to be 0.0% and the discount rate was estimated at 22.0%. Amortizable lives range from 13 to 16 years for subscriber relationships, advertiser relationships and customer relationships, while mastheads are considered a non-amortizable intangible asset.

Trade accounts receivable, having an estimated fair value of \$6,851, were included in the acquired assets. The gross contractual amount of these receivables was \$7,032 and the contractual cash flows not expected to be collected were estimated at \$181 as of the acquisition date.

For tax purposes, the amount of goodwill that is expected to be deductible is \$3,653.

2014 Other Acquisitions

The Company acquired substantially all the assets, properties and business of publishing/operating certain newspapers on the following dates: February 28, 2014, June 30, 2014 and December 1, 2014 (2014 Other Acquisitions), which included eight daily, seventeen weekly publications, and eleven shoppers serving areas of California, Texas, Oklahoma, Kansas, Virginia, New Hampshire and Maine for an aggregate purchase price of

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\$29,092, including working capital. The rationale for the acquisitions was primarily due to the attractive nature of the community newspaper assets and cash flows combined with cost saving opportunities available by clustering with the Company's nearby newspapers.

The Company has accounted for these transactions under the acquisition method of accounting. The net assets, including goodwill have been recorded in the consolidated balance sheet at their fair values in accordance with ASC 805.

The following table summarizes the fair values of the assets and liabilities:

Current assets	\$ 4,402
Property, plant and equipment	13,766
Noncompete agreements	200
Advertiser relationships	5,196
Subscriber relationships	1,956
Customer relationships	364
Mastheads	1,922
Goodwill	4,490
Total assets	32,296
Current liabilities	3,204
Total liabilities	3,204
 Net assets	 \$ 29,092

The Company obtained third party independent valuations or performed similar calculations internally to assist in the determination of the fair values of certain assets acquired and liabilities assumed. The three basic approaches were used to estimate the fair values: the cost approach (used for equipment where an active secondary market is not available and building improvements), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for subscriber relationships, advertiser relationships, customer relationships and mastheads).

For tax purposes, the amount of goodwill that is expected to be deductible is \$4,490.

Dispositions

On December 10, 2015, the Company completed its sale of the *Las Vegas Review-Journal* and related publications (*Review-Journal*) (initially acquired in the Stephens Media acquisition) which are located in Las Vegas, Nevada for an aggregate sale price of \$140,000 plus working capital adjustment of \$1,000. As a result, a pre-tax gain of \$57,072, net of selling expenses, is included in (gain) loss on sale or disposal of assets on the consolidated statement of operations and comprehensive income (loss) for this period, since the disposition did not qualify for treatment as a discontinued operation under ASU No. 2014-08. From the date of acquisition through December 10, 2015, the *Review-Journal* had revenues of \$63,849 and net income of \$6,377.

The carrying amount of assets and liabilities included as part of the disposal group were:

Current assets	\$ 13,372
Property, plant and equipment	39,783
Intangible assets	31,180
Goodwill	6,385
Total assets	90,720
Current liabilities	6,846

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Total liabilities	6,846
Net assets	\$ 83,874

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The Company entered into a Management and Advisory Agreement with DB Nevada Holdings, Inc. in conjunction with the sale of the Review-Journal on December 10, 2015. Under the terms of the agreement, the Company is authorized to manage and conduct business and oversee the assets and operations. The Company analyzed the terms of the agreement based on the guidance in ASU No. 2015-02 and concluded that the fees received from the Review-Journal do not represent a variable interest.

Pro-Forma Results

The unaudited pro forma condensed consolidated statement of operations information for 2015 and 2014, set forth below, presents the results of operations as if the consolidation of the newspapers from The Providence Journal, Halifax Media Group, and Stephens Media had occurred on December 30, 2013. The pro forma information excludes results of operations of the Review-Journal, as well as the gain on sale of assets. The results of operations of the 2014 Other Acquisitions and 2015 Other Acquisitions are not material to the Company's 2015, 2014 or 2013 results of operations and have been excluded from the pro-forma results. These amounts are not necessarily indicative of future results or actual results that would have been achieved had the acquisitions occurred as of the beginning of such period.

	Year ended December 27, 2015	Year ended December 28, 2014
Revenues	\$ 1,147,711	\$ 1,105,456
Income (loss) from continuing operations	\$ 18,747	\$ 9,896
Income (loss) from continuing operations per common share:		
Basic	\$ 0.42	\$ 0.31
Diluted	\$ 0.42	\$ 0.30

(4) Share-Based Compensation

The Company and Predecessor recognized compensation cost for share-based payments of \$1,319, \$59, \$0 and \$25 for the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013, and for the Predecessor Company for the ten months ended November 6, 2013, respectively. The total compensation cost not yet recognized related to non-vested awards as of December 27, 2015 was \$3,799, which is expected to be recognized over a weighted average period of 2.19 years through February 2018.

Restricted Share Grants (RSGs)

On February 3, 2014, the Board of Directors of New Media adopted the New Media Investment Group Inc. Nonqualified Stock Option and Incentive Award Plan (the Incentive Plan) that authorized up to 15,000,000 shares that can be granted under the Incentive Plan. On the same date, the New Media Board adopted a form of the New Media Investment Group Inc. Non-Officer Director Restricted Stock Grant Agreement (the Form Grant Agreement) to govern the terms of awards of restricted stock (New Media Restricted Stock) granted under the Incentive Plan to directors who are not officers or employees of New Media (the Non-Officer Directors). On February 24, 2015, the New Media Board adopted a form of the New Media Investment Group Inc. Employee Restricted Stock Grant Agreement (the Form Employee Grant Agreement) to govern the terms of awards of New Media Restricted Stock granted under the Incentive Plan to employees of New Media and its subsidiaries (the Employees). Both the Form Grant Agreement and the Form Employee Grant Agreement provide for the grant of New Media Restricted Stock that vests in equal annual installments on each of the first, second and third anniversaries of the grant date, subject to continued service, and immediate vesting in full upon death or disability. If service terminates for any other reason, all unvested shares of New Media Restricted Stock will be forfeited. Any dividends or other distributions that are declared with respect to the shares of New Media Restricted Stock will be paid at the time such shares vest. During the period prior to the lapse and removal of the vesting restrictions, a grantee of a restricted stock grant (RSG) will have all the rights of a stockholder,

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including without limitation, the right to vote and the right to receive all dividends or other distributions. As a result, the RSGs are reflected as outstanding common stock. The value of the RSGs on the date of issuance is recognized as selling, general and administrative expense over the vesting period with an increase to additional paid-in-capital.

On March 14, 2014, a grant of restricted shares totaling 15,870 shares was made to the Company's Non-Officer Directors, 5,289 of which vested on March 14, 2015. During the year ended December 27, 2015, grants of restricted shares totaling 234,267 shares were made to the Company's Employees.

As of December 27, 2015, December 28, 2014, December 29, 2013, and November 6, 2013, there were 244,848, 15,870, 0, and 0 RSGs, respectively, issued and outstanding with a weighted average grant date fair value of \$21.67, \$14.18, \$0.00, and \$0.00, respectively. As of December 27, 2015, the aggregate intrinsic value of unvested RSGs was \$4,831.

RSG activity was as follows:

	Year Ended December 27, 2015		Successor Company Year Ended December 28, 2014		Two Months Ended December 29, 2013		Predecessor Company Ten Months Ended December 29, 2013	
	Number of RSGs	Weighted-Average Grant Date Fair Value	Number of RSGs	Weighted-Average Grant Date Fair Value	Number of RSGs	Weighted-Average Grant Date Fair Value	Number of RSGs	Weighted-Average Grant Date Fair Value
Unvested at beginning of year	15,870	\$ 14.18		\$		\$	25,424	\$ 6.04
Granted	234,267	22.01	15,870	14.18				
Vested	(5,289)	14.18					(25,424)	6.04
Unvested at end of year	244,848	\$ 21.67	15,870	\$ 14.18		\$		\$

As part of the Plan discussed in Note 2 Voluntary Reorganization Under Chapter 11, all Predecessor share-based awards were cancelled.

Table of Contents**(5) Restructuring**

Over the past several years, and in furtherance of the Company's cost reduction and cash preservation plans outlined in Note 1 "Description of Business, Basis of Presentation and Summary of Significant Accounting Policies", the Company has engaged in a series of individual restructuring programs, designed primarily to right size the Company's employee base, consolidate facilities and improve operations, including those of recently acquired entities. These initiatives impact all of the Company's geographic regions and are often influenced by the terms of union contracts within the region. All costs related to these programs, which primarily reflect involuntary severance expense, are accrued at the time of announcement or over the remaining service period.

Information related to restructuring program activity for the years ended December 27, 2015 and December 28, 2014 is outlined below.

	Severance and Related Costs	Other Costs ⁽¹⁾	Total
Balance at December 29, 2013	\$ 1,742	\$ (5)	\$ 1,737
Restructuring provision included in Integration and Reorganization	3,424		3,424
Reversal of prior accruals included in Integration and Reorganization	(628)		(628)
Restructuring accrual assumed from acquisition	302		302
Cash (payments) receipts	(3,161)	5	(3,156)
Balance at December 28, 2014	\$ 1,679	\$	\$ 1,679
Restructuring provision included in Integration and Reorganization	7,750	797	8,547
Reversal of prior accruals included in Integration and Reorganization	(495)		(495)
Restructuring accrual transferred with disposition of the Review-Journal	(416)		(416)
Other restructuring expenses		(175)	(175)
Cash payments	(6,319)	(300)	(6,619)
Balance at December 27, 2015	\$ 2,199	\$ 322	\$ 2,521

(1) Other costs primarily included costs to consolidate operations.

The restructuring reserve balance is expected to be paid out over the next twelve months.

The following table summarizes the costs incurred and cash paid in connection with these restructuring programs for the years ended December 27, 2015 and December 28, 2014.

	Year ended December 27, 2015	Year ended December 28, 2014
Severance and related costs	\$ 7,750	\$ 3,424
Reversal of prior accruals	(495)	(628)
Severance costs assumed from acquisition		302
Other costs	797	
Cash payments	(6,619)	(3,156)

Table of Contents**(6) Property, Plant and Equipment**

Property, plant and equipment consisted of the following:

	December 27, 2015	December 28, 2014
Land	\$ 39,452	\$ 25,813
Buildings and improvements	169,688	129,185
Machinery and equipment	234,440	149,790
Furniture, fixtures, and computer software	23,946	17,106
Construction in progress	2,336	2,064
	469,862	323,958
Less: accumulated depreciation	(85,038)	(40,172)
Total	\$ 384,824	\$ 283,786

Depreciation expense for the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013, and for the Predecessor Company for the ten months ended November 6, 2013 was \$51,460, \$34,785, \$5,539 and \$15,163, respectively.

(7) Goodwill and Intangible Assets

Goodwill and intangible assets consisted of the following:

	December 27, 2015		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Amortized intangible assets:			
Advertiser relationships	143,002	13,453	129,549
Customer relationships	19,829	1,667	18,162
Subscriber relationships	77,385	7,897	69,488
Other intangible assets	473	105	368
Total	\$ 240,689	\$ 23,122	\$ 217,567
Nonamortized intangible assets:			
Goodwill	\$ 171,119		
Mastheads	86,008		
Total	\$ 257,127		
	December 28, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Advertiser relationships	\$ 65,310	\$ 4,484	\$ 60,826
Customer relationships	7,864	470	7,394
Subscriber relationships	39,562	2,723	36,839
Other intangible assets	470	32	438

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Total	\$ 113,206	\$ 7,709	\$ 105,497
Nonamortized intangible assets:			
Goodwill	\$ 134,042		
Mastheads	51,245		
Total	\$ 185,287		

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As of December 27, 2015, the weighted average amortization periods for amortizable intangible assets are 15.8 years for advertiser relationships, 16.5 years for customer relationships, 14.9 years for subscriber relationships, and 10.0 years for trade names. The weighted average amortization period in total for all amortizable intangible assets is 15.6 years.

Amortization expense for the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013 was \$16,292, \$6,665, \$1,049 and \$18,246, respectively. Estimated future amortization expense as of December 27, 2015, is as follows:

For the years ending the Sunday closest to December 31:	
2016	15,583
2017	15,583
2018	15,579
2019	15,552
2020	15,515
Thereafter	139,755
Total	\$ 217,567

The changes in the carrying amount of goodwill for the years ended December 27, 2015 and December 28, 2014 are as follows:

Net balance at December 29, 2013	\$ 125,911
Goodwill acquired in business combinations	8,131
Balance at December 28, 2014	134,042
Net balance at December 28, 2014	\$ 134,042
Goodwill acquired in business combinations	43,462
Goodwill from divestitures	(6,385)
Balance at December 27, 2015	171,119
Net balance at December 27, 2015	\$ 171,119

As of December 27, 2015 and December 28, 2014, goodwill in the amount \$623,195 and \$587,157, respectively, was deductible for income tax purposes.

The Company's annual impairment assessment is made on the last day of its fiscal second quarter.

As part of the annual impairment assessment, as of June 30, 2013, the fair values of the Company's reporting units for goodwill impairment testing and newspaper mastheads were estimated using the expected present value of future cash flows, recent industry transaction multiples and using estimates, judgments and assumptions that management believed were appropriate in the circumstances. The estimates and judgments used in the assessment included multiples for revenue and EBITDA, the weighted average cost of capital and the terminal growth rate. Given the then current market conditions, the Company determined that recent transactions provided the best estimate of the fair value of its reporting units. As a result of the annual assessment performed no impairment of goodwill was identified. Additionally, the estimated fair value exceeded carrying value for all mastheads. The total Company's estimate of fair value was reconciled to its then market capitalization (based upon the stock market price and fair value of debt) plus an estimated control premium.

The bankruptcy filing was considered a triggering event for the non amortizable intangibles and the Company performed a valuation analysis to determine if an impairment existed as of September 29, 2013. The

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fair values of the Company's reporting units for goodwill and newspaper mastheads were estimated using the expected present value of future cash flows, recent industry transaction multiples and using estimates, judgments and assumptions that management believed were appropriate in the circumstances and were consistent with the terms of the Plan. The estimates and judgments used in the assessment included multiples for revenue and EBITDA, the weighted average cost of capital and the terminal growth rate. Given the bankruptcy Plan, the Company determined that discounted cash flows provided the best estimate of the fair value of its reporting units. The estimated fair value of the Large Daily reporting unit exceeded its carrying value and Step 2 of the analysis was not necessary. The Small Community reporting unit failed the Step 1 goodwill impairment analysis. The Company performed Step 2 of the analysis using consistent assumptions, as discussed above, and determined an impairment was not present for this reporting unit. The estimated fair value of each reporting unit's mastheads exceeded their carrying values, using consistent assumptions as discussed above. The masthead fair value was estimated using the relief from royalty valuation method.

The Company considered the impairment analysis for goodwill and mastheads to be an indicator of impairment under ASC 360, and performed an analysis of its undiscounted cash flows for amortizable intangibles. For any groups where the carrying value exceeded the undiscounted cash flows a discounted cash flow analysis was performed to determine the amount of the impairment. Key assumptions within this analysis included earnings projections, discount rates, attrition rates, long-term growth rates, and effective tax rate that the Company considers appropriate. Earnings projections reflected continued declines in print advertising revenue of 5.0% to 9.0% per year, which is expected to moderate in later years, growth in circulation revenue of up to 2.0% per year, and expense declines of up to 4.0% per year. Discount rates ranged from 14.5% to 17.0%, attrition rates ranged from 5.0% to 7.5%, the long-term growth rate was 0% and the effective tax rate was 39.15%. The resulting cash flows were reconciled to the projections supporting the Plan.

Due to reductions in the Company's operating projections during the third quarter in conjunction with the bankruptcy process, an impairment charge of \$68,573 was recognized for advertiser relationships within the Company's Metro and Small Community reporting units, an impairment charge of \$19,149 was recognized for subscriber relationships within the Company's Metro and Small Community reporting units, an impairment charge of \$2,077 was recognized for customer relationships within the Company's Metro reporting unit and an impairment charge of \$1,800 was recognized for trade names and publication rights within the Directories business unit. Refer to Note 17 Fair Value Measurement for additional information on the impairment charge.

As part of the annual impairment assessments as of June 29, 2014, the fair values of the Company's reporting units for goodwill impairment testing, which include Large Daily Newspapers, Metro Newspapers, Small Community Newspapers, Local Media Newspapers, and Ventures, and newspaper mastheads were estimated. As a result of the annual assessment's Step 1 analysis that was performed, no impairment of goodwill was identified.

As part of the annual impairment assessments as of June 28, 2015, the fair values of the Company's reporting units for goodwill impairment testing, which include Large Daily Newspapers, Metro Newspapers, Small Community Newspapers, Local Media Newspapers, and Ventures, and newspaper mastheads were estimated using the expected present value of future cash flows, recent industry multiples and using estimates, judgments and assumptions that management believes were appropriate in the circumstances. The estimates and judgments used in the assessment included multiples for revenue and EBITDA, the weighted average cost of capital and the terminal growth rate. The Company determined that the future cash flow and industry multiple analyses provided the best estimate of the fair value of its reporting units. As a result of the annual assessment's Step 1 analysis that was performed, no impairment of goodwill was identified. The Company uses a relief from royalty approach which utilizes a discounted cash flow model to determine the fair value of each masthead. Additionally, the estimated fair value exceeded carrying value for all mastheads. The Company performed a qualitative assessment for the Recent Acquisitions reporting unit and concluded that it is not more likely than not that the goodwill and indefinite-lived intangibles are impaired. As a result, no quantitative analysis was performed for the Recent Acquisitions. The total Company's estimate of reporting unit fair value was reconciled to its then market capitalization (based upon the stock market price and fair value of debt) plus an estimated control premium.

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During the fourth quarter of 2015, the Company reorganized its management structure to align with the geography of the market served. As a result, the composition of our reporting units has changed and the fair value of goodwill was allocated to each of the new reporting units based on a relative fair value allocation approach: Western US Publishing, Central US Publishing and Eastern US Publishing. Due to the change in the composition of the reporting units, the Company performed a goodwill impairment test before and after the reorganization. The Company also assessed its mastheads for impairment as a result of the reorganization.

In the analysis performed before the reorganization and because of the recent revaluation of assets related to fresh start accounting, there is a relatively small amount of fair value excess for certain reporting units. Specifically, the fair value of the Large Daily Newspapers, Small Community Newspapers and Ventures reporting units exceeded carrying value by less than 10%. Considering a relatively low headroom for the historical reporting units and declining same store revenue and profitability in the newspaper industry over the past several years, there is a risk for future impairment in the event of decline in general economic, market or business conditions or any significant unfavorable changes in the forecasted cash flows, weighted-average cost of capital and/or market transaction multiples. As a result of reduced royalty rates and a decline in revenues, an impairment charge of \$4,800 was recognized for mastheads within the Company's Large Daily, Small Community and Metro reporting units. Key assumptions within the masthead analysis included revenue projections, discount rates, royalty rates, long-term growth rates, and the effective tax rate that the Company considers appropriate. Revenue projections reflected slight declines in early years, and revenues are expected to moderate to a terminal growth rate of 1%. Discount rates ranged from 14.0% to 15.0%, royalty rates ranged from 1.25% to 1.75%, and the effective tax rate was 40.0%.

The fair values of the Company's reporting units for goodwill impairment testing and newspaper mastheads were estimated using the expected present value of future cash flows, recent industry multiples and using estimates, judgments and assumptions that management believes were appropriate in the circumstances. The estimates and judgments used in the assessment included multiples for revenue and EBITDA, the weighted average cost of capital and the terminal growth rate. The Company determined that the future cash flow and industry multiple analyses provided the best estimate of the fair value of its reporting units. Similar methodology and assumptions were utilized for the post-reorganization impairment assessment. In the resulting Step 1 analysis that was performed post-reorganization, fair values of the reporting units were determined to be greater than the carrying values of the reporting units. Additionally, the estimated fair value exceeded carrying value for all mastheads. The total Company's estimate of reporting unit fair value was reconciled to its then market capitalization (based upon the stock market price and fair value of debt) plus an estimated control premium.

(8) Accrued Expenses

Accrued expenses consisted of the following:

	December 27, 2015	December 28, 2014
Accrued payroll and related liabilities	\$ 13,068	\$ 8,218
Accrued bonus	10,768	5,616
Accrued insurance	9,596	5,313
Accrued legal and professional fees	2,743	3,957
Accrued interest expense	6,552	1,307
Accrued taxes	5,503	3,029
Accrued restructuring	2,521	1,679
Accrued management and incentive fees	22,353	1,372
Accrued other	26,391	16,570
	\$ 99,495	\$ 47,061

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The future minimum lease payments related to the Company's non-cancelable operating lease commitments as of December 27, 2015 are as follows:

For the years ending the Sunday closest to December 31:	
2016	\$ 15,071
2017	14,034
2018	12,708
2019	10,904
2020	10,260
Thereafter	95,132
 Total minimum lease payments	 \$ 158,109

Rental expense under operating leases for the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013 was \$22,425, \$7,432, \$1,121 and \$4,685, respectively.

In addition to minimum lease payments, certain leases require payment of the excess of various percentages of gross revenue or net operating income over the minimum rental payments. The leases generally require the payment of taxes assessed against the leased property and the cost of insurance and maintenance. The majority of lease terms range from 1 to 10 years, and typically, the leases contain renewal options. Certain leases include minimum scheduled increases in rental payments at various times during the term of the lease. These scheduled rent increases are recognized on a straight-line basis over the term of the lease, resulting in an accrual, which is included in accrued expenses and other long-term liabilities, for the amount by which the cumulative straight-line rent exceeds the contractual cash rent.

(10) Indebtedness**Successor Company*****GateHouse Credit Facilities terminated June 4, 2014***

The Revolving Credit, Term Loan and Security Agreement (the "First Lien Credit Facility") dated November 26, 2013 by and among GateHouse, GateHouse Media Intermediate Holdco, LLC formerly known as GateHouse Media Intermediate Holdco, Inc. ("GMIH"), certain wholly-owned subsidiaries of GMIH, all of which are wholly owned subsidiaries of New Media (collectively with GMIH and GateHouse, the "Loan Parties"), PNC Bank, National Association, as the administrative agent, Crystal Financial LLC, as term loan B agent, and each of the lenders party thereto provided for (i) a term loan A in the aggregate principal amount of \$25,000, (ii) a term loan B in the aggregate principal amount of \$50,000, (iii) and a revolving credit facility in an aggregate principal amount of up to \$40,000.

The Term Loan and Security Agreement (the "Second Lien Credit Facility" and together with the First Lien Credit Facility, the "GateHouse Credit Facilities") dated November 26, 2013 by and among the Loan Parties, Mutual Quest Fund and each of the lenders party thereto provided for a term loan in an aggregate principal amount of \$50,000. The GateHouse Credit Facilities were secured by a first and second priority security interest in substantially all the assets of the Loan Parties.

The GateHouse Credit Facilities imposed upon GateHouse certain financial and operating covenants, including, among others, requirements that GateHouse satisfy certain financial tests, including a minimum fixed charge coverage ratio of not less than 1.0 to 1.0, a maximum leverage ratio of not greater than 3.25 to 1.0, a minimum EBITDA and a limitation on capital expenditures, and restrictions on GateHouse's ability to incur

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additional debt, incur liens and encumbrances, consolidate, amalgamate or merge with any other person, pay dividends, dispose of assets, make certain restricted payments, engage in transactions with affiliates, materially alter the business it conducts and taking certain other corporate actions.

The GateHouse Credit Facilities were paid in full on June 4, 2014.

Local Media Credit Facility terminated June 4, 2014

Certain of Local Media Parent's subsidiaries (together, the Borrowers) and Local Media Parent entered into a Credit Agreement, dated as of September 3, 2013, with a syndicate of financial institutions with Credit Suisse AG, Cayman Islands Branch, as administrative agent (the Local Media Credit Facility).

The Local Media Credit Facility provided for: (a) a \$33,000 term loan facility; and (b) a \$10,000 revolving credit facility, with a \$3,000 sub-facility for letters of credit and a \$4,000 sub-facility for swing loans. The Borrowers used the proceeds of the Local Media Credit Facility to (a) fund a portion of the acquisition of Dow Jones Local Media Group, Inc., a Delaware corporation (the Local Media Acquisition), (b) provide for working capital and other general corporate purposes of the Borrowers and (c) fund certain fees, costs and expenses associated with the transactions contemplated by the Local Media Credit Facility and consummation of the Local Media Acquisition. The Local Media Credit Facility was secured by a first priority security interest in substantially all assets of the Borrowers and Local Media Parent. In addition, the loans and other obligations of the Borrowers under the Local Media Credit Facility were guaranteed by Local Media Group Holdings LLC.

The Local Media Credit Facility contained financial covenants that required Local Media Parent and the Borrowers to maintain (a) a Leverage Ratio of not more than 2.5 to 1.0 and a Fixed Charge Coverage Ratio (as defined in the Local Media Credit Facility) of at least 2.0 to 1.0, each measured at the end of each fiscal quarter for the four-quarter period then ended. The Local Media Credit Facility contained affirmative and negative covenants applicable to Local Media and the Borrowers customarily found in loan agreements for similar transactions, including, but not limited to, restrictions on their ability to incur indebtedness, create liens on assets, engage in certain lines of business, engage in mergers or consolidations, dispose of assets, make investments or acquisitions, engage in transactions with affiliates, pay dividends or make other restricted payments. The Local Media Credit Facility contained customary events of default, including, but not limited to, defaults based on a failure to pay principal, interest, fees or other obligations, subject to specified grace periods (other than with respect to principal); any material inaccuracy of representation or warranty; breach of covenants; default in other material indebtedness; a Change of Control (as defined in the Local Media Credit Facility); bankruptcy and insolvency events; material judgments; certain ERISA events; and impairment of collateral. The Local Media Credit Facility was amended on October 17, 2013 and on February 28, 2014. The October 17, 2013 amendment corrected a typographical mistake. The February 28, 2014 amendment provided that among other things, sales of real property collateral and reinvestment of the proceeds from such sales could only be made with the consent of the Administrative Agent, modified the properties included in the real property collateral, and set forth in detail the documentary post-closing requirements with respect to the real property collateral.

The Local Media Credit Facility was paid in full on June 4, 2014.

New Media Credit Agreement

On June 4, 2014, New Media Holdings II LLC (the New Media Borrower), a wholly owned subsidiary of New Media, entered into a credit agreement (the New Media Credit Agreement) among the New Media Borrower, New Media Holdings I LLC (Holdings I), the lenders party thereto, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners, Credit Suisse AG, Cayman Islands Branch as syndication agent and Citizens Bank of Pennsylvania as administration agent which provides for (i) a \$200,000 senior secured term facility (the Term Loan Facility) and any loan thereunder, including as part of the Incremental Facility, Term Loans) and (ii) a \$25,000 senior secured revolving credit facility, with a \$5,000

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sub-facility for letters of credit and a \$5,000 sub-facility for swing loans, (the Revolving Credit Facility and together with the Term Loan Facility, the Senior Secured Credit Facilities). In addition, the New Media Borrower may request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of \$75,000 (the Incremental Facility) subject to certain conditions. On June 4, 2014, the New Media Borrower borrowed \$200,000 under the Term Loan Facility (the Initial Term Loans). The Term Loans mature on June 4, 2020 and the maturity date for the Revolving Credit Facility is June 4, 2019. The New Media Credit Agreement was amended on July 17, 2014 to cure an omission. On September 3, 2014, the New Media Credit Agreement was amended to provide for the 2014 Incremental Term Loan (as defined below). On November 20, 2014, the New Media Credit Agreement was amended to increase the amount of the Incremental Facility that may be requested after the date of the amendment from \$75,000 to \$225,000. On January 9, 2015, the New Media Credit Agreement was amended to provide for the 2015 Incremental Term Loan and the 2015 Incremental Revolver (as defined below). On February 13, 2015, the New Media Credit Agreement was amended (the Fourth Amendment) to provide for the replacement of the existing term loans under the Term Loan Facility (including the 2014 Incremental Term Loan and the 2015 Incremental Term Loan) with a new class of replacement term loans (the Replacement Term Loans) on the same terms as the existing term loans except that the Replacement Term Loans are subject to a 1.00% prepayment premium for any prepayments made in connection with certain repricing transactions effected within six months of the date of the amendment. This amendment was considered a modification, and the related \$104 of fees were expensed during the first quarter. On March 6, 2015, the New Media Credit Agreement was amended to provide for \$15,000 in additional revolving commitments under the Incremental Facility. In connection with this transaction, the Company incurred approximately \$237 of fees and expenses which were capitalized as deferred financing costs. On May 29, 2015, the New Media Credit Agreement was amended to provide for the May 2015 Incremental Term Loan (as defined below). As of December 27, 2015, \$0 was drawn under the Revolving Credit Facility.

The proceeds of the Initial Term Loans, which included a \$6,725 original issue discount, were used to repay in full all amounts outstanding under the GateHouse Credit Facilities and the Local Media Credit Facility and to pay fees associated with the financing, with the balance going to the Company for general corporate purposes.

Borrowings under the Term Loan Facility bear interest, at the New Media Borrower's option, at a rate equal to either (i) the Eurodollar Rate (as defined in the New Media Credit Agreement), plus an applicable margin equal to 6.25% per annum (subject to a Eurodollar Rate floor of 1.00%) or (ii) the Base Rate (as defined in the New Media Credit Agreement), plus an applicable margin equal to 5.25% per annum (subject to a Base Rate floor of 2.00%). The New Media Borrower currently uses the Eurodollar Rate option.

Borrowings under the Revolving Credit Facility bear interest, at the New Media Borrower's option, at a rate equal to either (i) the Eurodollar Rate, plus an applicable margin equal to 5.25% per annum or (ii) the Base Rate, plus an applicable margin equal to 4.25% per annum, with a step down based on achievement of a certain total leverage ratio. The New Media Borrower currently uses the Eurodollar Rate option.

If any borrowings under the Incremental Facility have an all-in yield more than 50 basis points greater than the Term Loans (the Incremental Yield), the all-in yield for the Term Loans shall be adjusted to be 50 basis points less than the Incremental Yield. As of December 27, 2015 the New Media Credit Agreement had a weighted average interest rate of 7.20%.

The Senior Secured Credit Facilities are unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrower (collectively, the Guarantors) and is required to be guaranteed by all future material wholly-owned domestic subsidiaries, subject to certain exceptions. All obligations under the New Media Credit Agreement are secured, subject to certain exceptions, by substantially all of the New Media Borrower's assets and the assets of the Guarantors, including (a) a pledge of 100% of the equity interests of the New Media Borrower and the Guarantors (other than Holdings I), (b) a mortgage lien on the New Media Borrower's material real property and that of the Guarantors and (c) all proceeds of the foregoing.

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Repayments made under the Term Loans are equal to 1.0% annually of the original principal amount in equal quarterly installments for the life of the Term Loans, with the remainder due at maturity. The New Media Borrower is permitted to make voluntary prepayments at any time without premium or penalty, except in the case of prepayments made in connection with certain repricing transactions with respect to the Term Loans effected within six months of the Fourth Amendment, to which a 1.00% prepayment premium applies. The New Media Borrower is required to repay borrowings under the Senior Secured Credit Facilities (without payment of a premium) with (i) net cash proceeds of certain debt obligations (except as otherwise permitted under the New Media Credit Agreement), (ii) net cash proceeds from non-ordinary course asset sales (subject to reinvestment rights and other exceptions), and (iii) commencing with the Company's fiscal year started December 30, 2013, 100% of Excess Cash Flow (as defined in the New Media Credit Agreement), subject to step-downs to 50%, 25% and 0% of Excess Cash Flow based on achievement of a total leverage ratio of less than or equal to 3.00 to 1.00 but greater than 2.75 to 1.00; less than or equal to 2.75 to 1.00 but greater than 2.50 to 1.00; and less than or equal to 2.50 to 1.00, respectively.

The New Media Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The New Media Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.25 to 1.00. The New Media Credit Agreement contains customary events of default. The foregoing descriptions of the Senior Secured Credit Facilities are qualified in their entirety by reference to the Senior Secured Credit Facilities.

In connection with the June 4, 2014 transaction, one lender under the New Media Credit Agreement was also a lender under the GateHouse Credit Facilities. This portion of the transaction was accounted for as a modification under ASC Subtopic 470-50, *Debt Modifications and Extinguishments* (ASC Subtopic 470-50), as the difference between the present value of the cash flows under the New Media Credit Agreement and the present value of the cash flows under the GateHouse Credit Facilities was less than 10%. The unamortized deferred financing costs and original issuance discount balances as of the refinancing date pertaining to this lender's portion of the GateHouse Credit Facilities will be amortized over the terms of the new facility. The remaining portion of the GateHouse Credit Facilities and the Local Media Credit Facility debt refinancing constituted an extinguishment of debt under ASC Subtopic 470-50, and was accounted for accordingly. In connection with this 2014 transaction, the Company incurred approximately \$10,202 of fees and expenses, of which \$6,725 was recognized as original issue discount and \$1,700 were capitalized as deferred financing costs. These amounts will be amortized over the term of the new Senior Secured Credit Facilities. Additionally, the Company recorded a loss on early extinguishment of debt of \$9,047 associated with this transaction, which consisted of the write-off of unamortized deferred financing costs and other expenses not eligible for capitalization under ASC Subtopic 470-50.

On September 3, 2014, the New Media Credit Agreement was amended to provide for additional term loans under the Incremental Facility in an aggregate principal amount of \$25,000 (such term loans, the 2014 Incremental Term Loan, and such amendment, the 2014 Incremental Amendment) in connection with the acquisition of the assets of The Providence Journal. The 2014 Incremental Term Loan is on terms identical to the term loans that were extended pursuant to the New Media Credit Agreement and will mature on June 4, 2020. In addition, the New Media Borrower was required to pay an upfront fee of 2.00% and an underwriter fee of 1.50% of the aggregate amount of the 2014 Incremental Term Loan as of the effective date of the 2014 Incremental Amendment. This amendment was considered a modification and the related \$595 of fees were expensed. On January 9, 2015, the New Media Credit Agreement was amended (such amendment, the 2015 Incremental Amendment) to provide for \$102,000 in additional term loans (the 2015 Incremental Term Loan) and \$50,000 in additional revolving commitments (the 2015 Incremental Revolver) under the Incremental Facility and to make certain amendments to the Revolving Credit Facility in connection with the Halifax Media acquisition. The 2015 Incremental Term Loan is on terms identical to the term loans that were extended pursuant to the New

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Media Credit Agreement and will mature on June 4, 2020. In addition, the New Media Borrower was required to pay an upfront fee of 1.00% and an underwriter fee of 2.25% of the aggregate amount of the 2015 Incremental Term Loan and the 2015 Incremental Revolver as of the effective date of the 2015 Incremental Amendment. On January 20, 2015, the outstanding loans under the 2015 Incremental Revolver were repaid with the proceeds of a common stock offering by New Media and the 2015 Incremental Revolver commitments were terminated. This amendment was treated as new debt for new lenders and as a modification for existing lenders. In connection with this transaction, the Company incurred approximately \$5,379 of fees and expenses. The lender fees for the 2015 Incremental Term Loan increased the original issue discount by \$3,315. Third party expenses of \$110 were allocated to new lenders, capitalized as deferred financing costs, and will be amortized over the remaining term of the loan. Third party expenses of \$185 were allocated to existing lenders and were expensed during the first quarter. Lender fees and third party expenses of \$1,769 were allocated to the 2015 Incremental Revolver, capitalized, and written off to amortization of deferred financing costs after the balance of the 2015 Incremental Revolver was repaid. On May 29, 2015, the New Media Credit Agreement was amended (such amendment, the May 2015 Incremental Amendment) to provide for \$25,000 in additional term loans (the May 2015 Incremental Term Loan) under the Incremental Facility. The 2015 Incremental Term Loan is on terms identical to the Replacement Term Loans and will mature on June 4, 2020. In addition, the New Media Borrower was required to pay an upfront fee of 1.00% and an underwriter fee of 2.25% of the aggregate amount of the May 2015 Incremental Term Loan as of the effective date of the May 2015 Incremental Amendment. In connection with this transaction, the Company incurred approximately \$878 of fees and expenses. This amendment was considered a modification and the related \$65 of third-party fees were expensed during the second quarter. The lender fees for the May 2015 Incremental Term Loan increased the original issue discount by \$813.

As of December 27, 2015, the Company is in compliance with all of the covenants and obligations under the New Media Credit Agreement.

Advantage Credit Agreements

In connection with the purchase of the assets of Halifax Media, which closed on January 9, 2015, CA Daytona Holdings, Inc. (the Florida Advantage Borrower) and CA Alabama Holdings, Inc. (the Alabama Advantage Borrower), and, collectively with the Florida Advantage Borrower, the Advantage Borrowers), each subsidiaries of the Company, agreed to assume all of the obligations of Halifax Media and its affiliates required to be performed after the closing date in respect of each of (i) that certain Consolidated Amended and Restated Credit Agreement dated January 6, 2012 among Halifax Media Acquisition LLC, Advantage Capital Community Development Fund XXVIII, L.L.C., and Florida Community Development Fund II, L.L.C., as amended pursuant to that certain First Amendment to Consolidated Amended and Restated Credit Agreement dated June 27, 2012 and that certain Second Amendment to Consolidated Amended and Restated Credit Agreement, dated June 18, 2013, and all rights and obligations thereunder and related thereto (the Halifax Florida Credit Agreement), and (ii) that certain Credit Agreement dated June 18, 2013 between Halifax Alabama, LLC and Southeast Community Development Fund V, L.L.C. (the Halifax Alabama Credit Agreement) and, together with the Halifax Florida Credit Agreement, the Advantage Credit Agreements), respectively. In consideration therefore, the amount of cash payable by the Company to Halifax Media on the closing date was reduced by approximately \$18,000, representing the aggregate principal amount outstanding plus the aggregate amount of accrued interest through the closing date under the Advantage Credit Agreements (the debt under the Halifax Florida Credit Agreement, the Advantage Florida Debt ; the debt under the Halifax Alabama Credit Agreement, the Advantage Alabama Debt ; and the Advantage Florida Debt and the Advantage Alabama Debt, collectively, the Advantage Debt). On May 5, 2015, the Halifax Alabama Credit Agreement was amended to cure an omission.

The Advantage Florida Debt is in the principal amount of \$10,000 and bears interest at the rate of 5.25% per annum, payable quarterly in arrears, maturing on December 31, 2016. The Advantage Alabama Debt is in the principal amount of \$8,000 and bears interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears, maturing on March 31, 2019. The Advantage Debt is secured by

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perfected second priority security interest in all the assets of the Borrowers and certain other subsidiaries of the Company, subject to the limitation that the maximum amount of secured obligations is \$15,000. The Advantage Credit Facilities are unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrowers and are required to be guaranteed by all future material wholly-owned domestic subsidiaries, subject to certain exceptions. The Advantage Debt is subordinated to the New Media Credit Facilities pursuant to an intercreditor agreement.

The Advantage Credit Agreements contain covenants substantially consistent with those contained in the New Media Credit Facilities in addition to those required for compliance with the New Markets Tax Credit program. The Advantage Borrowers are permitted to make voluntary prepayments at any time without premium or penalty. The Advantage Borrowers are required to repay borrowings under the Advantage Credit Agreements (without payment of a premium) with (i) net cash proceeds of certain debt obligations (except as otherwise permitted under the Advantage Credit Agreements) and (ii) net cash proceeds from non-ordinary course asset sales (subject to reinvestment rights and other exceptions).

The Advantage Credit Agreements contain customary representations and warranties and customary affirmative and negative covenants applicable to the Advantage Borrowers and certain of the Company subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The Advantage Credit Agreements contain a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.75 to 1.00. The Advantage Credit Agreements contain customary events of default.

As of December 27, 2015, the Company is in compliance with all of the covenants and obligations under the Advantage Credit Agreements.

Fair Value

The fair value of long-term debt under the Senior Secured Credit Facilities and the Advantage Credit Agreements was estimated at \$366,302 as of December 27, 2015, based on discounted future contractual cash flows and a market interest rate adjusted for necessary risks, including the Company's own credit risk as there are no rates currently observable in publically traded debt markets of risk with similar terms and average maturities. Accordingly, the Company's long-term debt under the Senior Secured Credit Facilities is classified within Level 3 of the fair value hierarchy.

Payment Schedule

As of December 27, 2015, scheduled principal payments of outstanding debt are as follows:

2016	3,509
2017	13,509
2018	3,509
2019	11,509
2020	334,266
	\$ 366,302
Less: Short-term debt	3,509
Less: Remaining original issue discount	9,384
Long-term debt	\$ 353,409

Predecessor Company

As part of the Restructuring, the Predecessor's previous long term debt was extinguished pursuant to the Support Agreement on the Effective Date of the Plan.

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2007 Credit Facility

The Borrowers entered into an Amended and Restated Credit Agreement, dated as of February 27, 2007, with a syndicate of financial institutions with Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association (Wells Fargo Bank), as administrative agent (the 2007 Credit Facility).

The 2007 Credit Facility, prior to execution of the Second Amendment (defined below), provided for: (a) a \$670,000 term loan facility which would have matured on August 28, 2014; (b) a delayed draw term loan facility of up to \$250,000 which would have matured on August 28, 2014, and (c) a revolving credit facility with a \$40,000 aggregate loan commitment amount available, including a \$15,000 sub-facility for letters of credit and a \$10,000 swingline facility, which would have matured on February 28, 2014. The Borrowers used the proceeds of the 2007 Credit Facility to refinance existing indebtedness and for working capital and other general corporate purposes, including, without limitation, financing acquisitions permitted under the 2007 Credit Facility. The 2007 Credit Facility was secured by a first priority security interest in substantially all of the tangible and intangible assets of Holdco, Operating and their present and future direct and indirect domestic restricted subsidiaries. In addition, the loans and other obligations of the Borrowers under the 2007 Credit Facility were guaranteed, subject to specified limitations, by Holdco, Operating and their present and future direct and indirect domestic restricted subsidiaries.

The 2007 Credit Facility also contained a financial covenant that required Holdco to maintain a Total Leverage Ratio of less than or equal to 6.5 to 1.0 at any time an extension of credit was outstanding under the revolving credit facility and other affirmative and negative covenants applicable to Holdco, Operating and their restricted subsidiaries customarily found in loan agreements for similar transactions. The 2007 Credit Facility contained customary events of default, including defaults based on a failure to pay principal, reimbursement obligations, interest, fees or other obligations, subject to specified grace periods; any material inaccuracy of a representation or warranty; breach of covenant; failure to pay other indebtedness and cross-accelerations; a Change of Control (as defined in the 2007 Credit Facility); events of bankruptcy and insolvency; material judgments; failure to meet certain requirements with respect to ERISA; and impairment of collateral.

First Amendment to 2007 Credit Facility

On May 7, 2007, the Borrowers entered into the First Amendment to the 2007 Credit Facility (the First Amendment). The First Amendment provided, among other things, an incremental term loan facility under the 2007 Credit Facility in the amount of \$275,000. As amended by the First Amendment, the 2007 Credit Facility included \$1,195,000 of term loan facilities and \$40,000 of a revolving credit facility.

Second Amendment to 2007 Credit Facility

On February 3, 2009, the Company entered into the Second Amendment to the 2007 Credit Facility (the Second Amendment).

Among other things, the Second Amendment reduced the aggregate principal amounts available under the 2007 Credit Facility, as follows: (a) for revolving loans, from \$40,000 to \$20,000; (b) for the letter of credit subfacility, from \$15,000 to \$5,000; and (c) for the swingline loan subfacility, from \$10,000 to \$5,000.

In addition, the Second Amendment provided that Holdco may not incur additional term debt under the 2007 Credit Facility unless the Senior Secured Incurrence Test (as defined in the Second Amendment) was less than 4.00 to 1.00 and the current Incurrence Test (as defined in the Second Amendment) was satisfied.

Agency Amendment to 2007 Credit Facility

On April 1, 2011, the Borrowers entered into an Agency Succession and Amendment Agreement, dated as of March 30, 2011, to the 2007 Credit Facility (the Agency Amendment).

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Pursuant to the Agency Amendment, among other things, (a) Wells Fargo Bank resigned as administrative agent and (b) Gleacher Products Corp. was appointed as administrative agent. In addition, the Agency Amendment effected certain amendments to the 2007 Credit Facility that provided that (x) the administrative agent need not be a lender under the 2007 Credit Facility and (y) the lenders holding a majority of the outstanding term loans and loan commitments under the 2007 Credit Facility have (i) the right, in their discretion, to remove the administrative agent and (ii) the right to make certain decisions and exercise certain powers under the 2007 Credit Facility that had previously been within the discretion of the administrative agent.

Fourth Amendment to 2007 Credit Facility

On September 4, 2013, the Company entered into the Fourth Amendment to the Credit Facility (the *Credit Facility Fourth Amendment*). Pursuant to the terms of the *Credit Facility Fourth Amendment*, the Company obtained the following improvement in terms: a clarified and expanded definition of *Eligible Assignee*; an increase in the base amount in the formula used to calculate the *Permitted Investments* basket from \$35,000 to a base of \$50,000; the removal of the requirement that the Company's annual financial statements not have a going concern or like qualification to the audit; the removal of a cross default from any Secured Hedging Agreement to the 2007 Credit Facility; the removal of a Bankruptcy Default, as defined therein, arising from actions in furtherance of or indicating consent to the specified actions; and a waiver of any prior Default or Event of Default, as defined therein.

In consideration of the changes described above, the Company agreed to pay each of the lenders party to the *Credit Facility Fourth Amendment* that timely executed and delivered its signature to the *Credit Facility Fourth Amendment* and the RSA, an amendment fee equal to 3.5% multiplied by the aggregate outstanding amount of the Loans held (including through trades pending settlement) by such lender, unless waived in writing. Newcastle and certain other lenders elected to waive their amendment fee pursuant to the *Credit Facility Fourth Amendment*. Newcastle indemnified other Lenders with respect to their entry into the *Credit Facility Fourth Amendment*, subject to the limitations set forth in the *Credit Facility Fourth Amendment* for a total amendment fee paid of approximately \$6,790.

2007 Credit Facility Excess Cash Flow Payment and Outstanding Balance

As required by the 2007 Credit Facility, as amended, on March 26, 2013 and March 15, 2012, the Company made principal payments of \$6,648 and \$4,600, respectively, which represented 50% of the Excess Cash Flow related to the fiscal years ended December 30, 2012 and January 1, 2012, respectively. As of December 29, 2013, a total of \$0 was outstanding under the 2007 Credit Facility.

(11) Derivative Instruments

The Company is exposed to certain risks relating to its ongoing business operations. The Company has used derivative instruments to manage its interest rate risk in the past. On February 25, 2014, the Company entered into an interest rate swap with a notional amount of \$6,250, which was scheduled to mature in November 2018 to economically hedge the risk of fluctuations in interest payments with respect to the First Lien Credit Facility under the GateHouse Credit Facilities. The interest rate swap agreement was terminated on June 4, 2014 when the GateHouse Credit Facilities were paid in full. Under the swap agreement, the Company received interest equivalent to one-month LIBOR and paid a fixed rate of 1.5%, with settlements occurring monthly. The Company did not designate this swap as a cash flow hedge for accounting purposes. The gains (losses) on the swap were recorded in gain (loss) on derivative instruments on the consolidated statements of operations. The counterparty on the interest rate swap was PNC Bank, N.A.

In 2014, the Company's derivative instruments were carried at fair value and were generally valued using models with observable market inputs that could be verified and which do not involve significant judgment. The significant observable inputs used in determining the fair value of its Level 2 derivative contracts were contractual cash flows and market based parameters such as interest rates.

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The Predecessor used certain derivative financial instruments to hedge the aggregate risk of interest rate fluctuations with respect to its borrowings under the 2007 Credit Facility, which required payments based on a variable interest rate index. These risks included: increases in debt rates above the earnings of the encumbered assets, increases in debt rates resulting in the failure of certain debt ratio covenants, increases in debt rates such that assets can no longer be refinanced, and earnings volatility. The bankruptcy filing on September 27, 2013 was a termination event under the Predecessor's interest rate swap agreements.

In order to reduce such risks, the Predecessor primarily used interest rate swap agreements to change floating-rate long-term debt to fixed-rate long-term debt. This type of hedge was intended to qualify as a cash-flow hedge under ASC 815. For these instruments, the effective portion of the change in the fair value of the derivative was recorded in accumulated other comprehensive loss in the consolidated statement of stockholders' equity (deficit) and recognized in the consolidated statement of operations and comprehensive income (loss) in the same period in which the hedged transaction impacts earnings. The ineffective portion of the change in the fair value of the derivative was immediately recognized in earnings.

The restructuring process resulted in the dedesignation of the hedging relationship as it was not probable that the forecasted transaction would occur according to the original strategy; any related amounts previously recorded in accumulated other comprehensive income (loss), net were recognized into earnings of the Predecessor as of the Petition Date. The derivative liability balances were classified as liabilities subject to compromise at the allowed claim amount. The remaining amount of other comprehensive income totaling \$26,313 was recognized through earnings for the Predecessor for the ten months ended November 6, 2013. There are no derivative assets or liabilities outstanding as of December 27, 2015 and December 28, 2014.

The Effect of Derivative Instruments on the Statement of Operations and Comprehensive Income (Loss)

for the Successor Company for the Year Ended December 28, 2014 and for the Predecessor Company for the Ten Months Ended November 6, 2013 ⁽¹⁾

Derivatives in ASC 815	Fair Value Hedging	Relationships	Location of Gain or (Loss)		Amount of Gain or (Loss)				
			Recognized in Income on	Derivative	Recognized in Income on Derivative	Predecessor			
					2014	2013			
		Interest rate swaps	(Loss) gain on derivative instruments		\$ (51)	\$ (14)			
Derivatives in ASC 815	Fair Value Hedging	Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Recognized in OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from	Effectiveness Testing)	Successor Company	Predecessor Company
			2014	2013	2014	2013	2014	2013	
		Interest rate swaps	\$	\$ 19,339	\$	\$ 46,760	Gain (loss) on derivative instruments	\$ (51)	\$ (14)
				Interest (income)/ expense			Reorganization items, net	\$	\$ (2,041)

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- (1) For the Successor Company for the year ended December 27, 2015 and the two months ended December 29, 2013, there were no derivative assets or liabilities outstanding.
- (2) During the quarter ended September 29, 2013, the Predecessor recognized \$2,041 in reorganization items, net to adjust the fair value of derivatives to the allowed claim.

In connection with the 2007 Credit Facility, the Predecessor Company entered into and designated an interest rate swap based on a notional amount of \$100,000 maturing September 2014, as a cash flow hedge. Under the swap agreement, the Predecessor Company received interest equivalent to one month LIBOR and pays a fixed rate of 5.14%, with settlements occurring monthly.

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In connection with the 2007 Credit Facility, the Predecessor Company entered into and designated an interest rate swap based on a notional amount of \$250,000 maturing September 2014, as a cash flow hedge. Under the swap agreement, the Predecessor Company received interest equivalent to one month LIBOR and pays a fixed rate of 4.971%, with settlements occurring monthly.

In connection with the First Amendment to the 2007 Credit Facility, the Predecessor Company entered into and designated an interest rate swap based on a notional amount of \$200,000 maturing September 2014, as a cash flow hedge. Under the swap agreement, the Predecessor Company received interest equivalent to one month LIBOR and pays a fixed rate of 5.079% with settlements occurring monthly.

In connection with the First Amendment to the 2007 Credit Facility, the Predecessor Company entered into and designated an interest rate swap based on a notional amount of \$75,000 maturing September 2014, as a cash flow hedge. Under the swap agreement, the Predecessor Company received interest equivalent to one month LIBOR and pays a fixed rate of 4.941% with settlements occurring monthly.

The aggregate amount of unrealized loss related to derivative instruments recognized in other comprehensive loss as of December 27, 2015 and December 28, 2014 was \$0 and \$0, respectively.

(12) Income Taxes

Income tax expense (benefit) on income (loss) from continuing operations for the periods shown below consisted of:

	Current	Deferred	Total
Year ended December 27, 2015, Successor Company:			
U.S. Federal	\$ 857	\$ 933	\$ 1,790
State and local	1,380	234	1,614
	\$ 2,237	\$ 1,167	\$ 3,404
Year ended December 28, 2014, Successor Company:			
U.S. Federal	\$	\$ 2,256	\$ 2,256
State and local	(108)	565	457
	\$ (108)	2,821	\$ 2,713
Two months ended December 29, 2013, Successor Company:			
U.S. Federal	\$	\$	\$
State and local	491		491
	\$ 491		\$ 491
Ten months ended November 6, 2013, Predecessor Company:			
U.S. Federal	\$	\$ (158)	\$ (158)
State and local		(39)	(39)
	\$	(197)	\$ (197)

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Income tax expense (benefit) differed from the amounts computed by applying the U.S. federal income tax rate of 34% to income (loss) from continuing operations before income taxes as a result of the following:

	Successor Company			Predecessor Company
	Year Ended December 27, 2015	Year Ended December 28, 2014	Two Months Ended December 29, 2013	Ten Months Ended November 6, 2013
Computed expected tax expense (benefit)	\$ 24,307	\$ (167)	\$ 2,617	\$ 267,934
Increase (decrease) in income tax benefit resulting from:				
State and local income taxes, net of federal benefit	902	371	491	(39)
Net nondeductible meals, entertainment, and other expenses	890	490	54	(173)
Return to provision adjustment				(489)
Tax attribute reduction		25,367		
Change in valuation allowance	(23,952)	(23,241)	(1,704)	(53,913)
Increase (decrease) to provision for unrecognized tax benefits	249	(69)		
Cancellation of indebtedness and original issue discount			(967)	(213,517)
Alternative minimum tax	920			
Other	88	(38)		
	\$ 3,404	\$ 2,713	\$ 491	\$ (197)

The effect of retroactive adoption of ASU No. 2015-17 to 2014 results in combining net current deferred tax assets of \$4,269, after valuation allowance of \$18,039, with net non-current deferred tax assets of \$28,851, after valuation allowance of \$121,897, and non-current deferred tax liabilities of \$35,941 resulting in net deferred tax liabilities reported of \$2,821.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets as of December 27, 2015 and December 28, 2014 are presented below:

	December 27, 2015	December 28, 2014
Non-current deferred tax assets/(liabilities):		
Accounts receivable	\$ 1,459	\$ 1,929
Accrued expenses	7,981	19,764
Inventory capitalization	1,251	615
Alternative minimum tax credit	920	
Pension and other postretirement benefit obligation	4,495	5,400
Definite and indefinite lived intangible assets	51,428	66,018
Net operating losses	70,645	79,330
Fixed assets	(29,403)	(35,941)
Gross non-current deferred tax assets/liabilities	108,776	137,115
Less valuation allowance	(112,764)	(139,936)
Net deferred tax liabilities	\$ (3,988)	\$ (2,821)

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In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

During the ten months ended November 6, 2013, the valuation allowance decreased by \$277,679, of which \$59,839 was a benefit to earnings, \$370 was charged to discontinued operations, and \$20,412 was recorded as a benefit through accumulated other comprehensive income, and a reduction of \$197,798 was attributable to the reduction of tax attributes related to the cancellation of indebtedness and other fresh start adjustments. During the two months ended December 29, 2013, the valuation allowance decreased by \$2,142, all of which was a benefit to earnings. As a result of the Restructuring in 2013, we recognized cancellation of indebtedness income, which is not subject to tax provided we reduce certain tax attributes. The final determination of the reduction in tax attributes was made in 2014. At that time, final calculations were made as to the manner in which we would reduce our tax attributes. For the year ended December 28, 2014, the valuation allowance decrease was primarily attributable to finalization of tax attribute reduction adjustments from the cancellation of indebtedness. During the year ended December 28, 2014, the valuation allowance decreased by \$24,834 of which \$26,762 was a benefit to earnings and \$1,928 was recorded as an increase to accumulated other comprehensive income. During the year ended December 27, 2015, the valuation allowance decreased by \$27,172 of which \$26,660 was a benefit to earnings and \$512 was recorded as an increase to accumulated other comprehensive income.

At December 27, 2015, the Company had net operating loss carryforwards for federal and state income tax purposes of approximately \$180,881 after tax attribute reductions, which are available to offset future taxable income, if any. State net operating loss carryforwards may differ significantly from Federal net operating loss carryforwards due to state tax attribute reduction requirements that differ from Federal tax law. These federal and state net operating loss carryforwards begin to expire on various dates from 2019 through 2035. The majority of the operating losses are subject to the limitations of Internal Revenue Code (the Code) Section 382. This section provides limitations on the availability of net operating losses to offset current taxable income if significant ownership changes have occurred for Federal tax purposes.

A reconciliation of the beginning and ending amount of uncertain tax positions for the years ended December 27, 2015, December 28, 2014 and December 29, 2013 are as follows:

Balance as of December 30, 2012, Predecessor Company	\$ 4,677
Decreases based on tax positions prior to 2013 and tax attribute reductions	(3,568)
Uncertain tax positions as of December 29, 2013, Successor Company	\$ 1,109
Decreases based on tax positions prior to 2014 and tax attribute reductions	(69)
Uncertain tax positions as of December 28, 2014, Successor Company	\$ 1,040
Increases based on tax positions in 2015 and tax attribute reductions	249
Uncertain tax positions as of December 27, 2015, Successor Company	\$ 1,289

At December 27, 2015, the Company had uncertain tax positions of \$1,289 which, if recognized, would impact the effective tax rate. The Company did not record significant amounts of interest and penalties related to uncertain tax positions for the year ended December 27, 2015. The Company does not anticipate significant increases or decreases in our uncertain tax positions within the next twelve months. The Company recognizes penalties and interest relating to uncertain tax positions in the provision for income taxes. During the period, the Company did not recognize any accrued interest or penalties. At December 27, 2015 and December 28, 2014, the accrual for uncertain tax positions, included \$229 and \$287 of interest and penalties, respectively.

The Company files a U.S. federal consolidated income tax return for which the statute of limitations remains open for the 2012 tax year and beyond. U.S. state jurisdictions have statute of limitations generally ranging from 3 to 6 years. The Company's six month federal tax return ended December 29, 2013 is under examination by the Internal Revenue Service. We do not anticipate any material adjustments related to this examination.

Table of Contents**(13) Earnings (Loss) Per Share**

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Year Ended December 27, 2015	Successor Company Year Ended December 28, 2014	Two Months Ended December 29, 2013	Predecessor Company Ten Months Ended November 6, 2013
Numerator for earnings per share calculation:				
Income (loss) from continuing operations attributable to New Media	\$ 67,614	\$ (3,205)	\$ 7,206	\$ 788,448
Loss from discontinued operations, attributable to New Media, net of income taxes				(1,034)
Net income (loss) attributable to New Media	\$ 67,614	\$ (3,205)	\$ 7,206	\$ 787,414
Denominator for earnings per share calculation:				
Basic weighted average shares outstanding	44,233,892	31,985,469	30,000,000	58,069,272
Effect of dilutive securities:				
Stock Options	148,771			
Diluted weighted average shares outstanding	44,382,663	31,985,469	30,000,000	58,069,272
Income (loss) per share basic:				
Income (loss) from continuing operations attributable to New Media	\$ 1.53	\$ (0.10)	\$ 0.24	\$ 13.58
Loss from discontinued operations, attributable to New Media, net of taxes				(0.02)
Net income (loss) attributable to New Media	\$ 1.53	\$ (0.10)	\$ 0.24	\$ 13.56
Income (loss) per share diluted:				
Income (loss) from continuing operations attributable to New Media	\$ 1.52	\$ (0.10)	\$ 0.24	\$ 13.58
Loss from discontinued operations, attributable to New Media, net of taxes				(0.02)
Net income (loss) attributable to New Media	\$ 1.52	\$ (0.10)	\$ 0.24	\$ 13.56

For the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013, and for the Predecessor Company for the ten months ended November 6, 2013, 1,362,479, 1,362,479, 1,362,479, and 0 common stock warrants, 0, 15,870, 0, and 0 RSGs, and 700,000, 745,062, 0 and 0 stock options, respectively, were excluded from the computation of diluted income (loss) per

share because their effect would have been antidilutive.

Equity

In September 2014, the Company issued 7,450,625 shares of its common stock in a public offering at a price to the public of \$16.25 per share for net proceeds of approximately \$115,058. Certain principals of Fortress and certain of the Company's officers and directors participated in this offering and purchased an aggregate of 224,038 shares at a price of \$16.25 per share.

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For the purpose of compensating the Manager (as defined below) for its successful efforts in raising capital for the Company, in connection with this offering, the Company granted options to the Manager to purchase 745,062 shares of the Company's common stock at a price of \$16.25, which had an aggregate fair value of approximately \$2,963 as of the grant date. The assumptions used in valuing the options were: a 2.8% risk-free rate, a 6.6% dividend yield, 31.8% volatility and a 10 year term. The options granted to the Manager, were fully vested on the date of grant and one thirtieth of the options become exercisable on the first day of each of the following thirty calendar months, or earlier upon the occurrence of certain events, such as a change in control of the Company or the termination of the Management Agreement (as defined below). The options expire ten years from the date of issuance. The fair value of the options issued as compensation to the Manager was recorded as an increase in equity with an offsetting reduction of capital proceeds received. As a result of the 2014 return of capital, the strike price decreased to \$15.71.

In January 2015, the Company issued 7,000,000 shares of its common stock in a public offering at a price to the public of \$21.70 per share for net proceeds of approximately \$150,129. Certain principals of Fortress and certain of the Company's officers and directors participated in this offering and purchased an aggregate of 104,400 shares at a price of \$21.70 per share. For the purpose of compensating the Manager for its successful efforts in raising capital for the Company, in connection with this offering, the Company granted options to the Manager to purchase 700,000 shares of the Company's common stock at a price of \$21.70, which had an aggregate fair value of approximately \$4,144 as of the grant date. The assumptions used in valuing the options were: a 2.0% risk-free rate, a 3.4% dividend yield, 36.8% volatility and a 10 year term.

On February 24, 2015, a grant of restricted shares totaling 200,092 shares was made to the Company's Employees (as defined below). See Note 4 Share-Based Compensation .

In March 2015, the Company issued 9,735 shares of its common stock to its Non-Officer Directors (as defined below) to settle a liability of \$225 for 2014 services.

During the three months ended September 27, 2015, a grant of restricted shares totaling 34,175 shares were made to the Company's Employees. See Note 4 Share-Based Compensation .

On July 31, 2014, the Company announced a second quarter 2014 cash dividend of \$0.27 per share of Common Stock, par value \$0.01 per share. The dividend was paid on August 21, 2014 to shareholders of record as of the close of business on August 12, 2014.

On October 30, 2014, the Company announced a third quarter 2014 cash dividend of \$0.27 per share of Common Stock, par value \$0.01 per share. The dividend was paid on November 20, 2014, to shareholders of record as of the close of business on November 12, 2014.

On February 26, 2015, the Company announced a fourth quarter 2014 cash dividend of \$0.30 per share of Common Stock, par value \$0.01 per share. The dividend was paid on March 19, 2015, to shareholders of record as of the close of business on March 11, 2015.

On April 30, 2015, the Company announced a first quarter 2015 cash dividend of \$0.33 per share of Common Stock, par value \$0.01 per share, of New Media. The dividend was paid on May 21, 2015, to shareholders of record as of the close of business on May 13, 2015.

On July 30, 2015, the Company announced a second quarter 2015 cash dividend of \$0.33 per share of Common Stock, par value \$0.01 per share, of New Media. The dividend was paid on August 20, 2015, to shareholders of record as of the close of business on August 12, 2015.

On October 29, 2015, the Company announced a third quarter 2015 cash dividend of \$0.33 per share of Common Stock, par value \$0.01 per share, of New Media. The dividend was paid on November 19, 2015, to shareholders of record as of the close of business on November 12, 2015.

Table of Contents**(14) Employee Benefit Plans**

For the years ended December 27, 2015 and December 28, 2014, the Company maintained the New Media Investment Group, Inc. Retirement Savings Plan, which was previously known as the GateHouse Media, Inc. Retirement Savings Plan, (the New Media 401(k) Plan), which is intended to be a qualified defined contribution plan with a cash or deferred arrangement under Section 401(k) of the Code. The Company became the plan sponsor of the New Media 401(k) Plan effective January 1, 2014. In general, eligible employees of the Company and participating affiliates who satisfy minimum age and service requirements are eligible to participate. Eligible employees can contribute amounts up to 100% of their eligible compensation to the New Media 401(k) Plan, subject to IRS limitations. The New Media 401(k) Plan also provides for discretionary matching and nonelective contributions that can be made in separate amounts among different allocation groups. For the Successor Company for the years ended December 27, 2015 and December 28, 2014, the two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013, the Company's matching contributions to the New Media 401(k) Plan were \$2,527, \$1,212, \$146 and \$845, respectively. The Company did not make nonelective contributions for the reported years.

For the year ended December 29, 2013, Local Media sponsored the Local Media Group, Inc. 401(k) Savings Plan (the Local Media 401(k) Plan), which also was intended to be a qualified defined contribution plan with a cash or deferred arrangement under Section 401(k) of the Code. The Company became the plan sponsor of the Local Media 401(k) Plan effective January 1, 2014. The Local Media 401(k) Plan was frozen with respect to all new eligibility and contributions effective after December 31, 2013. Accordingly, after that date, no contributions were made to the Local Media 401(k) Plan for the year ended December 28, 2014. On March 14, 2014, the Local Media 401(k) Plan was merged into the New Media 401(k) Plan and ceased to exist as a separate plan.

The Company maintains three nonqualified deferred compensation plans, as described below, for certain of its employees.

The Company maintains the GateHouse Media, Inc. Publishers' Deferred Compensation Plan (Publishers' Plan), a nonqualified deferred compensation plan for the benefit of certain designated publishers of the Company's newspapers. Under the Publishers' Plan, the Company credits an amount to a bookkeeping account established for each participating publisher pursuant to a pre-determined formula, which is based upon the gross operating profits of each such publisher's newspaper. The bookkeeping account is credited with earnings and losses based upon the investment choices selected by the participant. The amounts credited to the bookkeeping account on behalf of each participating publisher vest on an installment basis over a period of 15 years. A participating publisher forfeits all amounts under the Publishers' Plan in the event that the publisher's employment with the Company is terminated for cause, as defined in the Publishers' Plan. Amounts credited to a participating publisher's bookkeeping account are distributable upon termination of the publisher's employment with the Company and will be made in a lump sum or installments as elected by the publisher. The Publishers' Plan was frozen effective as of December 31, 2006, and all accrued benefits of participants under the terms of the Publishers' Plan became 100% vested. The Company recorded \$0, \$0, \$0 and \$0 of compensation expense related to the Publishers' Plan for the Successor Company for the years ended December 27, 2015 and December 28, 2014, the two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013, respectively.

The Company maintains the GateHouse Media, Inc. Executive Benefit Plan (Executive Benefit Plan), a nonqualified deferred compensation plan for the benefit of certain key employees of the Company. Under the Executive Benefit Plan, the Company credits an amount, determined at the Company's sole discretion, to a bookkeeping account established for each participating key employee. The bookkeeping account is credited with earnings and losses based upon the investment choices selected by the participant. The amounts credited to the bookkeeping account on behalf of each participating key employee vest on an installment basis over a period of 5 years. A participating key employee forfeits all amounts under the Executive Benefit Plan in the event that the key employee's employment with the Company is terminated for cause, as defined in the Executive Benefit Plan.

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Plan. Amounts credited to a participating key employee's bookkeeping account are distributable upon termination of the key employee's employment with the Company, and will be made in a lump sum or installments as elected by the key employee. The Executive Benefit Plan was frozen effective as of December 31, 2006, and all accrued benefits of participants under the terms of the Executive Benefit Plan became 100% vested. The Company recorded \$0, \$0, \$0 and \$0 of compensation expense related to the Publishers Plan for the Successor Company for the years ended December 27, 2015 and December 28, 2014, the two months ended December 29, 2013, and the Predecessor Company for the ten months ended November 6, 2013, respectively.

The Company maintains the GateHouse Media, Inc. Executive Deferral Plan (Executive Deferral Plan), a nonqualified deferred compensation plan for the benefit of certain key employees of the Company. Under the Executive Deferral Plan, eligible key employees may elect to defer a portion of their compensation for payment at a later date. Currently, the Executive Deferral Plan allows a participating key employee to defer up to 100% of his or her annual compensation until termination of employment or such earlier period as elected by the participating key employee. Amounts deferred are credited to a bookkeeping account established by the Company for this purpose. The bookkeeping account is credited with earnings and losses based upon the investment choices selected by the participant. Amounts deferred under the Executive Deferral Plan are fully vested and non-forfeitable. The amounts in the bookkeeping account are payable to the key employee at the time and in the manner elected by the key employee.

(15) Pension and Postretirement Benefits

As a result of the Enterprise News Media, LLC and Copley Press, Inc. acquisitions, the Company maintains a pension plan and postretirement medical and life insurance plans which cover certain employees. The Company uses the accrued benefit actuarial method and best estimate assumptions to determine pension costs, liabilities and other pension information for defined benefit plans.

The Enterprise News Media, LLC pension plan was amended to freeze all future benefit accruals as of December 31, 2008, except for a select group of union employees whose benefits were frozen during 2009. Also, during 2008, the medical and life insurance benefits were frozen, and the plan was amended to limit future benefits to a select group of active employees under the Enterprise News Media, LLC postretirement medical and life insurance plan.

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The following table provides a reconciliation of benefit obligations, plan assets and funded status, along with the related amounts in the consolidated balance sheets of the Company's pension and postretirement medical and life insurance plans as of December 27, 2015 and December 28, 2014:

	Pension		Postretirement	
	Year Ended December 27, 2015	Year Ended December 28, 2014	Year Ended December 27, 2015	Year Ended December 28, 2014
Change in projected benefit obligation:				
Benefit obligation at beginning of period	\$ 28,297	\$ 24,315	\$ 6,547	\$ 6,206
Service cost	300	300	19	21
Interest cost	1,149	1,191	223	244
Actuarial (gain) loss	(1,949)	4,218	(922)	378
Benefits and expenses paid	(1,636)	(1,727)	(247)	(297)
Participant contributions			24	22
Employer implicit subsidy fulfilled			(14)	(27)
Projected benefit obligation at end of period	\$ 26,161	\$ 28,297	\$ 5,630	\$ 6,547
Change in plan assets:				
Fair value of plan assets at beginning of period	\$ 21,304	\$ 20,290	\$	\$
Actual return on plan assets	(8)	1,292		
Employer contributions	900	1,449		
Employer implicit subsidy contribution				
Participant contributions				
Employer implicit subsidy fulfilled				
Benefits paid	(1,471)	(1,449)		
Expenses paid	(165)	(278)		
Fair value of plan assets at end of period	\$ 20,560	\$ 21,304	\$	\$
Reconciliation of funded status:				
Benefit obligation at end of period	\$ (26,161)	\$ (28,297)	\$ (5,630)	\$ (6,547)
Fair value of assets at end of period	20,560	21,304		
Funded status	(5,601)	(6,993)	(5,630)	(6,547)
Unrecognized actuarial (gain) loss	3,526	3,915	(368)	554
Net accrued benefit cost	\$ (2,075)	\$ (3,078)	\$ (5,998)	\$ (5,993)
Balance sheet presentation:				
Accrued liabilities	\$	\$	\$ 417	\$ 390
Pension and other postretirement benefit obligations	5,601	6,993	5,213	6,157
Accumulated other comprehensive income (loss)	(3,526)	(3,915)	368	(554)
Net accrued benefit cost	\$ 2,075	\$ 3,078	\$ 5,998	\$ 5,993
Comparison of obligations to plan assets:				
Projected benefit obligation	\$ 26,161	\$ 28,297	\$ 5,630	\$ 6,547
Accumulated benefit obligation	26,161	28,297	5,630	6,547
Fair value of plan assets	20,560	21,304		

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The following table provides the components of net periodic benefit cost and other changes in plan assets recognized in other comprehensive loss of the Company's pension and postretirement medical and life insurance plans for the Successor Company for the years ended December 27, 2015 and December 28, 2014, two months ended December 29, 2013, and for the Predecessor Company for the ten months ended November 6, 2013:

	Pension				Postretirement			
	Successor Company		Predecessor Company		Successor Company		Predecessor Company	
	Year Ended	Year Ended	Two Months Ended	Ten Months Ended	Year Ended	Year Ended	Two Months Ended	Ten Months Ended
	December 27, 2015	December 28, 2014	December 29, 2013	November 6, 2013	December 27, 2015	December 28, 2014	December 29, 2013	November 6, 2013
Components of net periodic benefit cost:								
Service cost	\$ 300	\$ 300	\$ 48	\$ 252	\$ 19	\$ 21	\$ 6	\$ 32
Interest cost	1,149	1,191	187	913	223	245	41	188
Expected return on plan assets	(1,636)	(1,624)	(246)	(1,140)				
Amortization of prior service cost								(383)
Amortization of unrecognized loss	84			432				
Net periodic benefit cost	\$ (103)	\$ (133)	\$ (11)	\$ 457	\$ 242	\$ 266	\$ 47	\$ (163)
Other changes in plan assets and benefit obligations recognized in other comprehensive income:								
Net actuarial (gain) loss	\$ (305)	\$ 4,549	\$ (634)	\$ (7,843)	\$ (922)	\$ 378	\$ 176	\$ 922
Amortization of net actuarial loss	(84)			(452)				
Amortization of prior service credit								383
Other adjustment								
Total recognized in other comprehensive income	\$ (389)	\$ 4,549	\$ (634)	\$ (8,295)	\$ (922)	\$ 378	\$ 176	\$ 1,305

The following assumptions were used in connection with the Company's actuarial valuation of its defined benefit pension and postretirement plans:

	Pension		Postretirement	
	Year Ended December 27, 2015	Year Ended December 28, 2014	Year Ended December 27, 2015	Year Ended December 28, 2014
Weighted average discount rate	4.7%	4.2%	4.3%	3.8%
Rate of increase in future compensation levels				
Expected return on assets	7.75%	8.0%		
Current year trend			7.2%	7.3%
Ultimate year trend			4.5%	4.8%
Year of ultimate trend			2026	2025

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The following assumptions were used to calculate the net periodic benefit cost for the Company's defined benefit pension and postretirement plans:

	Pension			Predecessor Company Ten Months Ended November 2013	Postretirement			Predecessor Company Ten Months Ended November 6, 2013
	Successor Company				Successor Company			
	Year Ended December 31, 2015	Year Ended December 31, 2014	Two Months Ended December 29, 2013		Year Ended December 31, 2015	Year Ended December 31, 2014	Two Months Ended December 29, 2013	
Weighted average discount rate	4.2%	5.0%	5.0%	4.85%	3.8%	4.5%	4.3%	3.6%
Rate of increase in future compensation levels								
Expected return on assets	7.75%	8.0%	8.0%	8.0%				
Current year trend					7.3%	7.8%	7.8%	7.7%
Ultimate year trend					4.8%	4.8%	4.8%	4.8%
Year of ultimate trend					2025	2025	2025	2022

To determine the expected long-term rate of return on pension plan assets, the Company considers the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets, input from the actuaries and investment consultants, and long-term inflation assumptions. The expected allocation of pension plan assets is based on a diversified portfolio consisting of domestic and international equity securities and fixed income securities. This expected return is then applied to the fair value of plan assets. The Company amortizes experience gains and losses, including the effects of changes in actuarial assumptions and plan provisions over a period equal to the average future service of plan participants.

Amortization of prior service costs was calculated using the straight-line method over the average remaining service periods of the employees expected to receive benefits under the plan.

	Postretirement	
	2015	2014
Effect of 1% increase in health care cost trend rates		
APBO	\$ 6,084	\$ 7,132
Dollar change	\$ 454	\$ 585
Percent change	8.1%	8.9%
Effect of 1% decrease in health care cost trend rates		
APBO	\$ 5,249	\$ 6,061
Dollar change	\$ (381)	\$ (486)
Percent change	(6.8)%	(7.4)%

Fair Value of plan assets are measured on a recurring basis using quoted market prices in active markets for identical assets, Level 1 input. The pension plan's assets by asset category are as follows:

	Year Ended December 27, 2015		Year Ended December 28, 2014	
	Dollar	Percent	Dollar	Percent
Equity mutual funds	\$ 14,138	69%	\$ 14,829	69%
Fixed income mutual funds	5,215	25%	4,854	23%
Cash and cash equivalents	789	4%	1,037	5%
Other	418	2%	584	3%
Total	\$ 20,560	100%	\$ 21,304	100%

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Plan fiduciaries of the George W. Prescott Publishing Company LLC Pension Plan set investment policies and strategies for the pension trust. Objectives include preserving the funded status of the plan and balancing risk against return. The general target allocation is 70% in equity funds and 30% in fixed income funds for the plan's investments. To accomplish this goal, each plan's assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The Company monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations.

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid as follows:

	Pension	Postretirement
2016	\$ 1,547	\$ 426
2017	1,554	388
2018	1,565	403
2019	1,585	388
2020	1,607	378
2021-2025	8,374	1,794
Employer contribution expected to be paid during the year ending December 25, 2016	\$	\$ 426

The postretirement plans are not funded.

The aggregate amount of net actuarial loss related to the Company's pension and postretirement plans recognized in other comprehensive (loss) income as of December 27, 2015 was \$3,158 of which \$59 is expected to be amortized in 2016.

Multiemployer Plans

The Company is a participant in three multi-employer pension plans covering certain employees with Collective Bargaining Agreements (CBAs) in Ohio, Massachusetts and Illinois. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

The Company plays no part in the management of plan investments or any other aspect of plan administration.

Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the unfunded status of the plan, referred to as withdrawal liability.

The Company's participation in these plans for the year ended December 27, 2015, is outlined in the table below. The EIN/Pension Plan Number column provides the Employee Identification Number (EIN) and the three-digit plan number. Unless otherwise noted, the two most recent Pension Protection Act (PPA) zone statuses available are for the plans for the years ended December 27, 2015 and December 28, 2014, respectively. The zone status is based on information that the company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded; plans in the orange zone are both a) less than 80% funded and b) have an accumulated/expected funding deficiency in any of the next six

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plan years, net of any amortization extensions; plans in the yellow zone meet either one of the criteria mentioned in the orange zone; and plans in the green zone are at least 80% funded. The FIP/RP Status Pending/Implemented column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

The Company makes all required contributions to these plans as determined under the respective CBAs. For each of the plans listed below, the Company's contribution represented less than 5% of total contributions to the plan.

Pension Plan Name	EIN Number/ Plan Number	Zone Status		FIP/RP Status Pending/ Implemented	Contributions (in thousands)			Surcharge Imposed	Expiration Dates of CBAs
		2015	2014		2015	2014	2013		
CWA/ITU Negotiated Pension Plan	13-6212879/001	Red	Red	Implemented	\$ 12	\$ 13	\$ 12	No	Under negotiation
GCIU Employer Retirement Benefit Plan ⁽¹⁾	91-6024903/001	Red	Red	Implemented	99	102	91	No	11/14/2016
The Newspaper Guild International Pension Plan ⁽¹⁾	52-1082662/001	Red	Red	Implemented	38	39	39	No	Under negotiation
Total					\$ 149	\$ 154	\$ 142		

(1) This plan has elected to utilize special amortization provisions provided under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010.

(16) Fair Value Measurement

The Company measures and records in the accompanying consolidated financial statements certain assets and liabilities at fair value on a recurring basis. ASC 820 establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs).

These inputs are prioritized as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs; and

Level 3: Unobservable inputs for which there is little or no market data and which require us to develop our own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

Market approach Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

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Income approach Uses valuation techniques to convert future amounts to a single present amount based on current market expectation about those future amounts;

Cost approach Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

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The following table provides information for the Company's major categories of financial assets and liabilities measured or disclosed at fair value on a recurring basis:

	Fair Value Measurements at Reporting Date Using			Total Fair Value Measurements
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
As of December 28, 2014				
Assets				
Cash and cash equivalents	\$ 123,709	\$	\$	\$ 123,709
Restricted cash	6,467			6,467
As of December 27, 2015				
Assets				
Cash and cash equivalents	\$ 146,638	\$	\$	\$ 146,638
Restricted cash	6,967			6,967

The following tables reflect the activity of our derivative liabilities measured at fair value using models with observable market inputs (Level 2) for year ended December 28, 2014:

	Derivative Liabilities
Balance as of December 29, 2013	\$
Total (gains) losses, net:	
Included in earnings	(25)
Termination of derivative instrument	25
Balance as of December 28, 2014	\$

Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment).

During the quarter ended September 29, 2013, certain intangible assets were written down to their implied fair value using Level 3 inputs. The valuation techniques and significant inputs and assumptions utilized to measure fair value are discussed in Note 7 Goodwill and Intangible Assets. The fair value of select advertiser relationships was \$19,120, subscriber relationships \$5,310, customer relationships \$270, trade names was \$270, and publication rights was \$0 at September 29, 2013.

During the quarter ended December 29, 2013, the Company applied fresh start accounting which resulted in its assets and liabilities being recorded at their fair values utilizing Level 3 inputs as of November 6, 2013.

For the acquisitions during the quarters ended September 29, 2013, December 29, 2013, March 30, 2014, September 28, 2014, December 28, 2014, March 29, 2015, June 28, 2015, and September 27, 2015, the Company consolidated the assets and liabilities under the acquisition method of accounting. Accordingly, the assets acquired and liabilities assumed were recorded at their fair value. Property, plant and equipment was valued using Level 2 inputs and intangible assets were valued using Level 3 inputs. Refer to Note 3 Acquisitions and Dispositions for discussion of the valuation techniques, significant inputs, assumptions utilized, and the fair value recognized.

During the quarter ended December 27, 2015, certain mastheads were written down to their implied fair value using Level 3 inputs. The valuation techniques and significant inputs and assumptions utilized to measure fair value are discussed in Note 7 Goodwill and Intangible Assets. The fair value of select mastheads was \$37,550 at December 27, 2015.

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Refer to Note 10 *Indebtedness* for the discussion on the fair value of the Company's total long-term debt.

Refer to Note 15 *Pension and Postretirement Benefits* for the discussion on the fair value of the Company's pension plan.

(17) Commitments and Contingencies

The Company is and may become involved from time to time in legal proceedings in the ordinary course of its business, including but not limited to with respect to such matters as libel, invasion of privacy, intellectual property infringement, wrongful termination actions and complaints alleging employment discrimination, and regulatory investigations and inquiries. In addition, the Company is involved from time to time in governmental and administrative proceedings concerning employment, labor, environmental and other claims. Insurance coverage mitigates potential loss for certain of these matters. Historically, such claims and proceedings have not had a material adverse effect on the Company's consolidated results of operations or financial position. Although the Company is unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, the Company does not expect its current and any threatened legal proceedings to have a material adverse effect on the Company's business, financial position or consolidated results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material effect on the Company's financial results.

Restricted cash at December 27, 2015 and December 28, 2014, in the aggregate amount of \$6,967 and \$6,467, respectively, is used to collateralize standby letters of credit in the name of the Company's insurers in accordance with certain insurance policies and as cash collateral for certain business operations.

(18) Related-Party Transactions

As of December 29, 2013, Newcastle (an affiliate of FIG LLC (*Fortress*)) beneficially owned approximately 84.6% of the our outstanding common stock. On February 13, 2014, Newcastle completed the spin-off of the Company. On February 14, 2014 New Media became a separate, publicly traded company trading on the NYSE under the ticker symbol *NEWM* . As a result of the spin-off, the fees included in the Management Agreement with our Manager became effective. As of December 27, 2015, Fortress and its affiliates owned approximately 1.5% of the Company's outstanding stock and approximately 39.5% of the Company's outstanding warrants. The Company's Manager holds 1,445,062 stock options of the Company's stock as of December 27, 2015. During the years ended December 27, 2015 and December 28, 2014, Fortress and its affiliates were paid \$879 and \$368 in dividends, respectively.

In addition, the Company's Chairman, Wesley Edens, is also the Co-Chairman of the board of directors of FIG LLC. The Company does not pay Mr. Edens a salary or any other form of compensation.

Our Chief Operating Officer owns an interest in a company from which we recognized revenue of \$421, \$355 and \$117 during the years ended December 27, 2015, December 28, 2014 and December 29, 2013, respectively, for commercial printing services and managed information technology services which is included in commercial printing and other on the consolidated statement of operations and comprehensive income (loss).

Our Chief Executive Officer and Chief Financial Officer are employees of Fortress and their salaries are paid by Fortress.

Management Agreement

On the Effective Date, we entered into a Management Agreement with our Manager. Our Management Agreement requires our Manager to manage our business affairs subject to the supervision of our Board of Directors. On March 6, 2015, the Company's independent directors on the Board approved an amendment to the Management Agreement.

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The initial term of our Management Agreement will expire on March 6, 2018 and will be automatically renewed for one-year terms thereafter unless terminated either by the us or the Manager. From the commencement date of the Listing, the Manager is (a) entitled to receive from us a management fee, (b) eligible to receive incentive compensation that is based on the our performance and (c) eligible to receive options to purchase New Media Common Stock upon the successful completion of an offering of shares of the our Common Stock or any shares of preferred stock with an exercise price equal to the price per share paid by the public or other ultimate purchaser in the offering, see Note 13 Earnings (Loss) Per Share . In addition, we are obligated to reimburse certain expenses incurred by the Manager. The Manager is also entitled to receive a termination fee from us under certain circumstances.

The Company recognized \$9,438 and \$5,618 for management fees and \$30,306 and \$112 for incentive compensation within selling, general and administrative expense and \$9,903 and \$4,358 in management fees and \$8,862 and \$0 in incentive compensation was paid to Fortress during the years ended December 27, 2015 and December 28, 2014, respectively. In addition, the Company reimbursed Fortress for expenses of approximately \$1,041 and \$0 for the years ended December 27, 2015 and December 28, 2014 respectively. No management fees or incentive compensation was incurred during the year ended December 29, 2013.

GateHouse Management and Advisory Agreement

On November 26, 2013, New Media entered into the GateHouse Management and Advisory Agreement (the GateHouse Management Agreement) with GateHouse, pursuant to which New Media managed the assets and the day-to-day operations of GateHouse. New Media was responsible for, among other things (i) the purchase and sale of GateHouse s investments (ii) the financing of GateHouse s investments and (iii) investment advisory services. Such services may have been performed by the Manager.

The GateHouse Management Agreement had an initial three-year term and was to be automatically renewed for one-year terms thereafter unless terminated by New Media or Gate House. The GateHouse Management Agreement would have automatically terminated if the Management Agreement between New Media and the Manager was terminated.

Commencing from the Listing, New Media was (a) entitled to receive a management fee equal to 1.50% per annum of GateHouse s Total Equity (as defined in the GateHouse Management Agreement) and (b) eligible to receive incentive compensation that is based on GateHouse s performance. In addition, GateHouse was obligated to reimburse certain expenses incurred by New Media in connection with the performance of its duties under the agreement. These fees eliminate in consolidation.

The GateHouse Management Agreement was terminated effective June 4, 2014.

Local Media Management and Advisory Agreement

On August 27, 2013, GateHouse entered into the Local Media Management Agreement with Local Media Parent, which was substantially assigned to Local Media, to manage the operations of Local Media. Local Media Parent was a subsidiary of Newcastle (an affiliate of Fortress) prior to the Effective Date.

While the agreement was in effect, GateHouse received an annual management fee of \$1,100, subject to adjustments (up to a maximum annual management fee of \$1,200), and an annual incentive compensation fee based on exceeding EBITDA targets of Local Media. These fees eliminate in consolidation.

The Local Media Management Agreement was terminated effective June 4, 2014.

Table of Contents**Holdings I Management Agreement**

On June 4, 2014, we entered into a management agreement with Holdings I (as amended and restated, the Holdings I Management Agreement). The Holdings I Management Agreement requires we manage the business affairs of Holdings I subject to the supervision of the Board of Directors of Holdings I.

The Holdings I Management Agreement has an initial three-year term and will be automatically renewed for one-year terms thereafter unless terminated by the Holdings I. We are (a) entitled to receive from the Holdings I a management fee and (b) eligible to receive incentive compensation that is based on the performance of Holdings I. In addition, Holdings I is obligated to reimburse certain expenses incurred by us. We are also entitled to receive a termination fee from Holdings I under certain circumstances. These fees eliminate in consolidation.

Registration Rights Agreement with Omega

The Company entered into a registration rights agreement with Omega Advisors, Inc. and its affiliates (collectively, Omega). Under the terms of the registration rights agreement, subject to customary exceptions and limitations, the Company is required to use commercially reasonable efforts to file a registration statement (the Registration Statement) providing for the registration and sale by Omega of its New Media Common Stock acquired pursuant to the Plan (the Registrable Securities) (the Shelf Registration), subject to customary exceptions and limitations. Omega is entitled to initiate up to three offerings or sales with respect to some or all the Registrable Securities pursuant to the Shelf Registration.

Omega may only exercise its right to request Shelf Registrations if the Registrable Securities to be sold pursuant to such Shelf Registration are at least 3% of the then-outstanding New Media Common Stock.

(19) Discontinued Operations

For the Successor Company for the year ended December 27, 2015 and under the guidance adopted as a result of ASU No. 2014-08, there was no disposal that is required to be reported in discontinued operations. For the Successor Company for the year ended December 28, 2014, no material publications were discontinued.

In May 2013, the Predecessor Company disposed of a non wholly owned subsidiary in Chicago, Illinois. As a result, the asset, liability and noncontrolling interest carrying amounts of this subsidiary were derecognized. A loss of \$1,146 was recognized in discontinued operations.

The net revenue for the Successor Company for the years ended December 27, 2015 and December 28, 2014, the two months ended December 29, 2013, and for the Predecessor Company for the ten months ended November 6, 2013 for the aforementioned discontinued operations were \$0, \$0, \$0, and \$394, respectively. Loss, net of income taxes of \$0, for the Successor Company for the years ended December 27, 2015 and December 28, 2014, the two months ended December 29, 2013, and for the Predecessor Company for the ten months ended November 6, 2013 for the aforementioned discontinued operations was \$0, \$0, \$0, and \$1,034, respectively.

(20) Quarterly Results (unaudited)

	Quarter Ended March 29	Quarter Ended June 28	Quarter Ended September 27	Quarter Ended December 27
Year Ended December 27, 2015				
Revenues	\$ 250,617	\$ 299,493	\$ 312,056	\$ 333,649
Gain on sale of assets				(57,072)
Mastheads impairment				4,800
Operating income (loss)	2,601	19,498	14,648	66,678
Income (loss) before income taxes	(6,392)	11,894	6,819	58,697
Net income (loss)	(6,066)	11,195	6,109	56,376
Basic income (loss) per share	\$ (0.14)	\$ 0.25	\$ 0.14	\$ 1.26
Diluted income (loss) per share	\$ (0.14)	\$ 0.25	\$ 0.14	\$ 1.26

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	Quarter Ended March 30	Quarter Ended June 29	Quarter Ended September 28	Quarter Ended December 28
Year Ended December 28, 2014				
Revenues	\$ 142,033	\$ 158,433	\$ 165,061	\$ 186,796
Operating income (loss)	(3,072)	7,374	4,578	17,476
Income (loss) before income taxes	(7,277)	(5,750)	62	12,473
Net income (loss)	(6,691)	(3,269)	(4,708)	11,463
Basic income (loss) per share	\$ (0.22)	\$ (0.11)	\$ (0.15)	\$ 0.31
Diluted income (loss) per share	\$ (0.22)	\$ (0.11)	\$ (0.15)	\$ 0.30

(21) Subsequent Events**Acquisitions***Dolan, LLC*

On December 31, 2015, the Company completed its acquisition of the Business Information Division of Dolan LLC (Dolan) for \$35,000 in cash, plus working capital. The Company funded the acquisition with cash on the balance sheet. Dolan is a leading provider of industry-specific news with 39 print and online publications and an audience of over 46 paid subscribers.

Times Publishing Company

On January 12, 2016, the Company completed its acquisition of substantially all of the publishing operations of the Times Publishing Company, including the *Erie Times-News* daily newspaper, for \$11,500 in cash, plus the assumption of liabilities. The Company funded the acquisition with cash on the balance sheet. *Erie Times-News* is a dominant source of local news and advertising in Erie, PA with an average weekday circulation of over 39 and 55 on Sunday.

Dividends

On February 25, 2016, the Company announced a fourth quarter 2015 cash dividend of \$0.33 per share of New Media Common Stock. The dividend will be paid on March 17, 2016, to shareholders of record as of the close of business on March 9, 2016.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures**Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934 (the Exchange Act), as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 27, 2015, our disclosure controls and procedures were effective.

Changes in Internal Controls Over Financial Reporting

Except for the changes noted below, there have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fourth quarter of the fiscal year covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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The Company is currently engaged in refining the internal controls and processes relating to the acquisitions of Halifax Media Group, Stephens Media, The Columbus Dispatch, and the Monroe News with the Company's internal controls and processes. The operating results of Halifax Media Group, Stephens Media, The Columbus Dispatch, and the Monroe News since the acquisition dates are included in the Company's consolidated financial statements as of and for the year ended December 27, 2015 and constituted approximately \$410.0 million of combined total assets as of December 27, 2015, and approximately \$502.1 million of combined total revenue for the year then ended. Internal control over financial reporting of the Halifax Media Group, Stephens Media, The Columbus Dispatch, and the Monroe News have been excluded from the Company's annual assessment of the effectiveness of the Company's internal control over financial reporting in accordance with the general guidance issued by the SEC that an assessment of a recent business combination may be omitted from management's report on internal control over financial reporting in the year of acquisition.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control system was designed under the supervision of our Chief Executive Officer and our Chief Financial Officer and with the participation of management in order to provide reasonable assurance regarding the reliability of our financial reporting and our preparation of financial statements for external purposes in accordance with GAAP.

All internal control systems, no matter how well designed and tested, have inherent limitations, including, among other things, the possibility of human error, circumvention or disregard. Therefore, even those systems of internal control that have been determined to be effective can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of our Chief Executive Officer and our Chief Financial Officer and with the participation of management, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework (the COSO criteria) issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

As noted above, the Company has excluded from its assessment the internal control over financial reporting of recently acquired businesses in accordance with the general guidance issued by the Securities and Exchange Commission that an assessment of a recent business combination may be omitted from management's report on internal control over financial reporting in the year of acquisition.

Based on an assessment of such criteria, management concluded that, as of December 27, 2015, we maintained effective internal control over financial reporting based on the COSO criteria.

The effectiveness of our internal control over financial reporting as of December 27, 2015, has been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young LLP's attestation report is included below.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of

New Media Investment Group Inc.

We have audited New Media Investment Group Inc. and subsidiaries' internal control over financial reporting as of December 27, 2015, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). New Media Investment Group Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Halifax Media Group, Stephens Media, The Columbus Dispatch, and the Monroe News, that are included in the 2015 consolidated financial statements of New Media Investment Group Inc. and subsidiaries and constituted \$410.0 million of total assets as of December 27, 2015 and \$502.1 million of revenues for the year then ended. Our audit of internal control over financial reporting of New Media Investment Group Inc. and subsidiaries also did not include an evaluation of the internal control over financial reporting of the Halifax Media Group, Stephens Media, The Columbus Dispatch, and the Monroe News.

In our opinion, New Media Investment Group Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 27, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of New Media Investment Group Inc. and subsidiaries as of

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December 27, 2015 and December 28, 2014, and the related consolidated statements of operations and comprehensive income (loss), shareholders' equity (deficit) and cash flows for the year ended December 27, 2015, the year ended December 28, 2014, the period from November 7, 2013 to December 29, 2013, and the period from December 31, 2012 through November 6, 2013 (Predecessor) of New Media Investment Group Inc. and subsidiaries and our report dated February 25, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York

February 25, 2016

Item 9B. Other Information

Not applicable.

Table of Contents**PART III****Item 10. Directors, Executive Officers and Corporate Governance**

Except as set forth below, the information required by this Item 10 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2016 Annual Meeting of Stockholders under the headings Election of Directors, Executive Officers, Corporate Governance Principles and Board Matters and Section 16(a) Beneficial Ownership Reporting Compliance, which proxy statement will be filed within 120 days after the year ended December 27, 2015.

We have adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. Our Code of Business Conduct and Ethics also applies to all of our other employees and, as set forth therein, to our directors. Our Code of Business Conduct and Ethics is posted on our website at www.ir.newmediainv.com under Investor Relations/Corporate Governance. We intend to satisfy any disclosure requirements pursuant to Item 5.05 of Form 8-K regarding any amendment to, or a waiver from, certain provisions of our Code of Business Conduct and Ethics by posting such information on our website under Investor Relations/Corporate Governance.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2016 Annual Meeting of Stockholders, under the headings Compensation Discussion and Analysis, Compensation Committee Report and Compensation of Executive Officers, which proxy statement will be filed within 120 days after the year ended December 27, 2015.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Except as set forth below, the information required by this Item 12 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2016 Annual Meeting of Stockholders, under the heading Common Stock Ownership of Certain Beneficial Owners and Management, which proxy statement will be filed within 120 days after the year ended December 27, 2015.

Securities Authorized for Issuance Under Equity Compensation Plans as of December 27, 2015**Equity Compensation Plan Information**

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders			16,211,177
Equity compensation plans not approved by security holders			
Totals			16,211,177

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Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2016 Annual Meeting of Stockholders, under the headings *Related Person Transactions* and *Corporate Governance Principles* and *Board Matters*, which proxy statement will be filed within 120 days after the year ended December 27, 2015.

Item 14. Principal Accounting Fees and Services

The information required by this Item 14 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2016 Annual Meeting of Stockholders, under the heading *Matters Relating to the Independent Registered Public Accounting Firm*, which proxy statement will be filed within 120 days after the year ended December 27, 2015.

Table of Contents**PART IV****Item 15. Exhibits and Financial Statement Schedules**

(a) Documents filed as part of this report:

(1) Financial Statements

The financial statements required by this Item 15 are set forth in Part II, Item 8 of this report.

(2) Financial Statement Schedules

Schedule II Valuation and Qualifying Accounts.

New Media Investment Group Inc.**Valuation and Qualifying Accounts****(In Thousands)**

Description	Balance at Beginning of Period	Charges to Earnings	Charges to Other Accounts	Deductions	Balance at End of Period
Allowance for doubtful accounts					
Year ended December 27, 2015	\$ 3,462	\$ 1,906	\$	\$ (889) ⁽¹⁾	\$ 4,479
Year ended December 28, 2014	\$ 349	\$ 3,232	\$	\$ (119) ⁽¹⁾	\$ 3,462
Two months ended December 29, 2013	\$	\$ 349	\$	\$	\$ 349
Ten months ended November 6, 2013	\$ 2,456	\$ 1,635	\$	\$ (186) ⁽¹⁾	\$ 3,905
Deferred tax valuation allowance					
Year ended December 27, 2015	\$ 139,936	\$ (26,660)	\$ (512) ⁽⁵⁾	\$	\$ 112,764
Year ended December 28, 2014	\$ 164,770	\$ (26,762) ⁽²⁾	\$ 1,928 ⁽⁵⁾	\$	\$ 139,936
Two months ended December 29, 2013	\$ 166,912	\$ (2,142)	\$	\$	\$ 164,770
Ten months ended November 6, 2013	\$ 444,591	\$ (59,839)	\$ (20,412) ⁽³⁾	\$ (197,428) ⁽⁴⁾	\$ 166,912

(1) Amounts are primarily related to the write off of fully reserved accounts receivable.

(2) Amount is primarily attributable to finalization of tax attribute reduction adjustments from the cancellation of indebtedness.

(3) Amount is primarily related to the tax effects of the change in derivative value and is recorded in accumulated other comprehensive income (loss).

(4) Amount primarily relates to the reduction of tax attributes related to the cancellation of indebtedness and other fresh start adjustments.

(5) Amount relates to a valuation allowance for a pension actuarial loss recorded in accumulated other comprehensive income (loss).

All other schedules are omitted because the conditions requiring their filing do not exist, or because the required information is provided in the consolidated financial statements, including the notes thereto.

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(b) Exhibits. The following Exhibits are filed as a part of this report:

Exhibit No.	Description
2.1	Share Purchase Agreement, dated as of January 28, 2007, by and among SureWest Communications, as Seller, SureWest Directories and GateHouse Media, Inc., as Purchaser (incorporated herein by reference to Exhibit 2.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed March 1, 2007).
2.2	Amended and Restated Asset Purchase Agreement, dated April 12, 2007, by and among Gannett Satellite Information Network, Inc., Gannett River States Publishing Corporation, Pacific and Southern Company, Inc., Federated Publications, Inc., Media West GSI, Inc., Media West GRS, Inc., as Sellers, and GateHouse Media Illinois Holdings, Inc., as Buyer, and GateHouse Media, Inc., as Buyer guarantor (incorporated herein by reference to Exhibit 2.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed May 8, 2007).
2.3	Asset Purchase Agreement, dated April 12, 2007, by and among Gannett Satellite Information Network, Inc., Media West GSI, Inc., as Sellers, GateHouse Media Illinois Holdings, Inc., as Buyer, and GateHouse Media, Inc., as Buyer guarantor (incorporated herein by reference to Exhibit 2.2 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed May 8, 2007).
2.4	Stock Purchase Agreement dated as of June 28, 2013 by and among Dow Jones Ventures VII, Inc., Dow Jones Local Media Group, Inc., Newcastle Investment Corp. and Dow Jones & Company, Inc. (incorporated herein by reference to Exhibit 2.7 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).
2.5	Debtors' Joint Prepackaged Chapter 11 Plan (incorporated herein by reference to Exhibit 2.8 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).
2.6	Debtors' Findings of Fact and Conclusions of Law and Order Approving Debtors' Disclosure Statement For, and Confirming, Debtors' Joint Prepackaged Chapter 11 Plan (incorporated herein by reference to Exhibit 2.9 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).
2.7	Asset Purchase Agreement, dated as of July 22, 2014, among The Providence Journal Company, as Seller, and LMG Rhode Island Holdings, Inc., as Buyer (incorporated herein by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed September 3, 2014).
2.8	Asset Purchase Agreement dated as of November 20, 2014, by and among Cummings Acquisition, Inc. and the sellers party thereto (incorporated by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed November 28, 2014).
2.9	Amendment to the Asset Purchase Agreement, dated as of January 9, 2015, by and among Cummings Acquisition, Inc. and the sellers party thereto (incorporated herein by reference to Exhibit 2.2 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed January 12, 2015).
2.10	Asset Purchase Agreement dated as of February 19, 2015, by and among DB Acquisition, Inc. and the sellers party thereto (incorporated by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 23, 2015).
2.11	Asset Purchase Agreement dated as of June 3, 2015, by and among The Dispatch Printing Company, Consumer News Services, Inc., Dispatch Consumer Services, Inc., GateHouse Media Ohio Holdings II, Inc. and GateHouse Media Operating, LLC (incorporated by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed June 15, 2015).

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Exhibit No.	Description
**2.12	Amended and Restated Share Purchase Agreement effective as of December 10, 2015, by and among DB Acquisition, Inc., Las Vegas Review-Journal, Inc. (fka DB Nevada Holdings, Inc) and News + Media Capital Group LLC (included herewith).
3.1	Amended and Restated Certificate of Incorporation of New Media Investment Group Inc. (incorporated herein by reference to Exhibit 3.1 to New Media Investment Group Inc. s Registration Statement on Form S-1/A (Registration No. 333-192736), filed January 15, 2014).
3.2	Amended and Restated Bylaws of New Media Investment Group Inc. (incorporated herein by reference to Exhibit 3.2 to New Media Investment Group Inc. s Registration Statement on Form S-1/A (Registration No. 333-192736), filed January 15, 2014).
4.1	Form of Registration Rights Agreement between New Media Investment Group Inc. and Omega Advisors, Inc. (incorporated herein by reference to Exhibit 4.5 to New Media Investment Group Inc. s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).
4.2	Global Warrant Certificate of New Media Investment Group Inc. (included in Exhibit 10.15).
4.3	Global Warrant Certificate of New Media Investment Group Inc. (amended) (included in Exhibit 10.23).
*10.1	Liberty Group Publishing, Inc. Publisher s Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.2 to GateHouse Media, Inc s Registration Statement on Form S-1 (Registration No. 333-135944), filed July 21, 2006).
*10.2	Liberty Group Publishing, Inc. Executive Benefit Plan (incorporated herein by reference to Exhibit 10.3 to GateHouse Media, Inc s Registration Statement on Form S-1 (Registration No. 333-135944), filed July 21, 2006).
*10.3	Liberty Group Publishing, Inc. Executive Deferral Plan (incorporated herein by reference to Exhibit 10.4 to GateHouse Media, Inc s Registration Statement on Form S-1 (Registration No. 333-135944), filed July 21, 2006).
10.4	Form of Indemnification Agreement to be entered into by New Media Investment Group Inc. with each of its executive officers and directors (incorporated herein by reference to Exhibit 10.11 to New Media Investment Group Inc. s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).
10.5	License Agreement, dated as of February 28, 2007, by and between SureWest Communications and GateHouse Media, Inc. (incorporated herein by reference to Exhibit 10.1 to GateHouse Media, Inc. s Current Report on Form 8-K (Items 1.01, 2.01, and 9.01), filed March 1, 2007).
10.6	Amended and Restated Credit Agreement, dated as of February 27, 2007, among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, the Lenders Parties thereto, Goldman Sachs Credit Partners L.P., as Syndication Agent, Morgan Stanley Senior Funding, Inc., and BMO Capital Markets Financing, Inc., as co-documentation Agents and Cortland Products Corp., as successor to Wells Fargo Bank, as Administrative Agent, Wachovia Capital Markets, LLC, as Goldman Sachs Credit Partners, L.P., General Electric Capital Corporation and Morgan Stanley Senior Funding, Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated herein by reference to Exhibit 10.1 to GateHouse Media, Inc. s Current Report on Form 8-K (Items 1.01, 2.03, and 9.01), filed March 1, 2007).

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Exhibit No.	Description
10.7	Amended and Restated Security Agreement, dated as of February 28, 2007, among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, and Wells Fargo Bank, as Administrative Agent, Wachovia Capital Markets, LLC, as Goldman Sachs Credit Partners, L.P., General Electric Capital Corporation and Morgan Stanley Senior Funding, Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated herein by reference to Exhibit 10.2 to GateHouse Media, Inc. s Current Report on Form 8-K (Items 1.01, 2.03, and 9.01), filed March 1, 2007).
10.8	Amended and Restated Pledge Agreement, dated as of February 28, 2007, among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, and Wells Fargo Bank, as Administrative Agent, for the several banks and other financial institutions as may from time to time becomes parties to such Credit Agreement (incorporated herein by reference to Exhibit 10.3 to GateHouse Media, Inc. s Current Report on Form 8-K (Items 1.01, 2.03, and 9.01), filed March 1, 2007).
10.9	First Amendment to Amended and Restated Credit Agreement, dated as of May 7, 2007, by and among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc. and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, the Lenders Parties thereto, and Wells Fargo Bank, as Administrative Agent (incorporated herein by reference to Exhibit 99.1 to GateHouse Media, Inc. s Current Report on Form 8-K, filed May 11, 2007).
10.10	Second Amendment to Amended and Restated Credit Agreement, dated as of February 3, 2009, by and among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc. and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, the Lenders Parties thereto, and Wells Fargo Bank, as Administrative Agent (incorporated herein by reference to Exhibit 99.1 to GateHouse Media, Inc. s Current Report on Form 8-K, filed February 5, 2009).
*10.11	Employment Agreement dated as of January 9, 2009, by and among GateHouse Media, Inc., GateHouse Media Operating Inc., and Kirk Davis (incorporated herein by reference to Exhibit 10.1 to GateHouse Media, Inc. s Current Report on Form 8-K, filed January 9, 2009).
*10.12	Form of amendment to Employment Agreement for Kirk Davis (incorporated herein by reference to Exhibit 10.23 to GateHouse Media, Inc. s Annual Report on Form 10-K, filed March 8, 2012).
10.13	Agency Succession and Amendment Agreement, dated as of March 30, 2011 by and among GateHouse Media Holdco, Inc., GateHouse Media Operating, Inc., GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., ENHE Acquisition, LLC, each of those domestic subsidiaries of Holdco identified as a Guarantor on the signature pages of the Credit Agreement, Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association, as the resigning Administrative Agent, and the Successor Agent (incorporated herein by reference to Exhibit 99.1 to GateHouse Media, Inc. s Current Report on Form 8-K, filed April 7, 2011).

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Exhibit No.	Description
10.14	Credit Amendment, dated as of September 3, 2013, by and among GateHouse Media Holdco, Inc. (Holdco), GateHouse Media Operating, Inc., GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc. and ENHE Acquisition, LLC, those subsidiaries of Holdco party hereto as Guarantors and the Required Lenders party hereto (incorporated herein by reference to Exhibit 4.3 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed September 11, 2013).
10.15	Warrant Agreement dated as of November 26, 2013 between New Media Investment Group Inc. and American Stock Transfer & Trust Company, LLC (incorporated herein by reference to Exhibit 10.27 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).
10.16	Form of Management Agreement between New Media Investment Group Inc. and FIG LLC (incorporated herein by reference to Exhibit 10.28 to New Media Investment Group Inc.'s Registration Statement on Form 10 (File No. 001-36097), filed September 27, 2013).
10.17	Contribution Agreement dated November 26, 2013 between Newcastle Investment Corp. and New Media Investment Group Inc. (incorporated herein by reference to Exhibit 10.29 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).
10.18	Form of Cooperation Agreement between Newcastle Investment Corp. and New Media Investment Group Inc. (incorporated herein by reference to Exhibit 10.30 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).
10.19	Form of Assignment Agreement between Newcastle Investment Corp. and New Media Investment Group Inc. (incorporated herein by reference to Exhibit 10.31 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).
10.20	Revolving Credit, Term Loan and Security Agreement, dated as of November 26, 2013 by and among GateHouse Media, Inc., GateHouse Media Intermediate Holdco, Inc., certain wholly-owned subsidiaries of GateHouse Media Intermediate Holdco, Inc., PNC Bank, National Association, as the administrative agent, Crystal Financial LLC, as term loan B agent, and each of the lenders party thereto (incorporated herein by reference to Exhibit 10.33 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).
10.21	Term Loan and Security Agreement dated November 26, 2013 by and among GateHouse Media, Inc., GateHouse Media Intermediate Holdco Inc., certain wholly-owned subsidiaries of GateHouse Media Intermediate Holdco, Inc., Mutual Quest Fund and each of the lenders party thereto (incorporated herein by reference to Exhibit 10.34 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).
*10.22	New Media Investment Group Inc. Nonqualified Stock Option and Incentive Award Plan (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 7, 2014).
10.23	Amended and Restated Warrant Agreement dated January 15, 2014 between New Media Investment Group Inc. and American Stock & Transfer Company, LLC (incorporated herein by reference to Exhibit 10.37 to New Media Investment Group Inc.'s Registration Statement on Form S-1/A (Registration No. 333-192736), filed January 28, 2014).
*10.24	Form of New Media Investment Group Inc. Non-Officer Director Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.2 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 7, 2014).

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Exhibit No.	Description
10.25	Amended and Restated Management Agreement, dated as of February 14, 2014, between New Media Investment Group Inc. and FIG LLC (incorporated by reference to Exhibit 10.37 of New Media Investment Group Inc. s Annual Report on Form 10-K, filed March 19, 2014).
*10.26	Form of Nonqualified Stock Option Agreement between New Media Investment Group Inc. and Fortress Operating Entity I LP (incorporated by reference to Exhibit 10.37 of New Media Investment Group Inc. s Annual Report on Form 10-K, filed March 19, 2014)
*10.27	Form of Tandem Award Agreement between New Media Investment Group Inc. and FIG LLC (incorporated by reference to Exhibit 10.37 of New Media Investment Group Inc. s Annual Report on Form 10-K, filed March 19, 2014)
10.28	Credit Agreement, dated as of June 4, 2014 among New Media Holdings I LLC, New Media Holdings II LLC, the several banks and other financial institutions or entities from time to time parties to this Agreement, as the Lenders, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers and Joint Bookrunners, Credit Suisse AG, Cayman Islands Branch, as Syndication Agent, and Citizens Bank of Pennsylvania, together with any successor appointed in accordance with Section 8.9 of the Credit Agreement, as Administrative Agent (incorporated by reference to Exhibit 10.40 to New Media Investment Group Inc. s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).
10.29	Pledge Agreement, dated as of June 4, 2014 among New Media Holdings II LLC, New Media Holdings I LLC, each of the subsidiary guarantors from time to time party thereto and Citizens Bank of Pennsylvania, in its capacity as Administrative Agent (incorporated by reference to Exhibit 10.41 to New Media Investment Group Inc. s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).
10.30	Guarantee Agreement, dated as of June 4, 2014 made by New Media Holdings I LLC, each of the other guarantors party thereto in favor of Citizens Bank of Pennsylvania, as Administrative Agent (incorporated by reference to Exhibit 10.42 to New Media Investment Group Inc. s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).
10.31	Security Agreement, dated as of June 4, 2014 among New Media Holdings I LLC, New Media Holdings II LLC, each of the subsidiary guarantors from time to time party thereto and Citizens Bank of Pennsylvania, in its capacity as Administrative Agent (incorporated by reference to Exhibit 10.43 to New Media Investment Group Inc. s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).
10.32	Amendment to Credit Agreement, dated as of July 17, 2014 between Citizens Bank of Pennsylvania, New Media Holdings II LLC and New Media Holdings I LLC (incorporated by reference to Exhibit 10.44 to New Media Investment Group Inc. s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).
10.33	First Amendment to Credit Agreement, dated as of September 3, 2014, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions or entities party thereto as incremental term lenders, and Citizens Bank of Pennsylvania, as administrative agent (incorporated by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed September 3, 2014).
10.34	Second Amendment to Credit Agreement, dated as of November 20, 2014, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the lenders party thereto, and Citizens Bank of Pennsylvania, as administrative agent (incorporated by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed November 28, 2014).

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Exhibit No.	Description
10.35	Parent Guaranty, dated as of November 20, 2014, among New Media Investment Group Inc., New Media Holdings I LLC and the sellers party thereto (incorporated by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed November 28, 2014).
10.36	Third Amendment to Credit Agreement, dated as of January 9, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions or entities party thereto as incremental term lenders, the revolving credit lenders and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed January 12, 2015).
10.37	Fourth Amendment to Credit Agreement, dated as of February 13, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the term loan lenders, the other lenders party thereto and Citizens Bank of Pennsylvania, as administrative agent (incorporated by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed February 20, 2015).
10.38	Parent Guaranty, dated as of February 19, 2015, among New Media Investment Group Inc., New Media Holdings I LLC and the sellers party thereto (incorporated by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed February 23, 2015).
10.39	Amended and Restated Management and Advisory Agreement, dated March 6, 2015, between New Media Investment Group Inc. and FIG LLC. (incorporated by reference to Exhibit 10.39 to New Media Investment Group Inc. s Annual Report on Form 10-K, filed March 6, 2015).
10.40	Fifth Amendment to Credit Agreement, dated as of March 6, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, HSBC Bank USA, National Association and Deutsche Bank AG New York Branch as additional lenders and Citizens Bank of Pennsylvania, as administrative agent (incorporated by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed March 12, 2015).
10.41	Sixth Amendment to Credit Agreement, dated as of May 29, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions party thereto as the incremental term lenders and Citizens Bank of Pennsylvania, as administrative agent (incorporated by reference to Exhibit 10.1 to New Media Investment Group Inc. s Current Report on Form 8-K, filed June 2, 2015).
**21	Subsidiaries of New Media Investment Group Inc. (included herewith).
**23	Consent of Ernst & Young LLP (included herewith).
**31.1	Rule 13a-14(a)/15d-14(d) Certification of Principal Executive Officer under the Securities Exchange Act of 1934 (included herewith).
**31.2	Rule 13a-14(a)/15d-14(d) Certification of Principal Financial Officer under the Securities Exchange Act of 1934 (included herewith).
**32.1	Section 1350 Certification (included herewith).
**32.2	Section 1350 Certification (included herewith).
** 101.INS	XBRL Instance Document
** 101.SCH	XBRL Taxonomy Extension Schema
** 101.CAL	XBRL Taxonomy Extension Calculation Linkbase

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Exhibit No.	Description
** 101.DEF	XBRL Taxonomy Extension Definition Linkbase
** 101.LAB	XBRL Taxonomy Extension Label Linkbase
** 101.PRE	XBRL Taxonomy Extension Presentation Linkbase

- * Asterisks identify management contracts and compensatory plans or arrangements.
 - ** Furnished electronically herewith.
- Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. New Media hereby undertakes to supplementally furnish copies of any of the omitted schedules upon request by the SEC.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEW MEDIA INVESTMENT GROUP INC.

By: */s/ MICHAEL E. REED*
Michael E. Reed

Chief Executive Officer

February 25, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<i>/s/ WESLEY R. EDENS</i> Wesley R. Edens	Chairman of the Board	February 25, 2016
<i>/s/ MICHAEL E. REED</i> Michael E. Reed	Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2016
<i>/s/ GREGORY W. FREIBERG</i> Gregory W. Freiberg	Chief Financial Officer and Chief Accounting Officer (Principal Financial and Accounting Officer)	February 25, 2016
<i>/s/ KEVIN M. SHEEHAN</i> Kevin M. Sheehan	Director	February 25, 2016
<i>/s/ THEODORE P. JANULIS</i> Theodore P. Janulis	Director	February 25, 2016
<i>/s/ LAURENCE TARICA</i> Laurence Tarica	Director	February 25, 2016