

Institutional Distressed Debt Research

Performance Plus Advisors, Inc.

Distressed Debt Research

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Tribune Company

On December 8, 2008 faced with high debts related to the company going private (Newsday LLC), Tribune filed for Chapter 11 Bankruptcy protection. Tribune reported \$13 billion of debt and assets of \$7.6 billion. Most of this debt was taken on when Sam Zell acquired the company in 2008. Tribune owns The Chicago Tribune, L.A. Times, other newspapers and 23 T.V. stations.

History

In 1929 the company bought a radio station (WGN) which later expanded in T.V. broadcasting. In the 1990's Tribune branched into educational publishing and building its internet businesses. The company purchased Renaissance Communications, W.B. Network, Quest Broadcasting and a professional baseball team, the Chicago Cubs.

Tribune Company / Newsday LLC

On May 11, 2008 the then Tribune entered into a formation agreement with CSC and NMG Holdings, Inc. to form Newsday LLC. On July 29, 2008 the deal was finalized.

See Important Disclosures

Chapter 11 Bankruptcy Plan of Reorganization

Bondholders want the leveraged buyout debt to be disallowed or subordinated. They contend that the leveraged debt was used to pay shareholders and refinance the company's senior loan which was held by the same lenders who financed the leveraged buyout. Bankruptcy Court Judge Kevin Carey has allowed creditors to submit and vote on multiple plans to reorganize the company and to bring it out of Chapter 11. In most bankruptcies creditors usually vote on one plan.

Summary And Recommendation

We rate the following debt of Tribune Company, currently trading, 33-36, as "**Neutral**". Our recovery estimation is 40-42 cents on the dollar, when and if, a Plan of Reorganization is settled on. Purchase of these securities is recommended on any price weakness, 28-33. Investors will be speculating that after a reorganization of Tribune, bondholders will receive a higher valuation than the current market. Investors may wish to wait for a "Disclosure Statement" to get a clearer picture of the new restructured company and for court evaluation and approval. As these specifics unfold the price of these bonds should reflect more accurately the distribution, if any.

List of Distressed Debt Securities

Tribune Company (4/4/2010)

	Tribune			Price
450M	4 7/8	due 2010	(TRB.HJ)	33
80 M	7 1/4	due 2013	(TRB.GD)	33
32 M	5 ¼	due 2015	(TRB.HK)	33
95 M	7 1/2	due 2023	(TRB.GE)	32
82 M	6.61	due 2027	(TRB.GH)	32
130 M	7 ¼	due 2096	(TRB.GC)	33

Discloser – Certification

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Buy: We generally expect "**Buy**" rated investment returns to be greater than or equal to plus +20% from date of the original recommendation.

Neutral: We generally expect "**Neutral**" rated investment returns to deviate plus or minus + or – 20% from the date of the original recommendation.

Sell: We generally expect "**Sell**" rated investments returns to be equal to or greater than minus -20% from the date of the original recommendation.

Analyst Rating Distribution as of 4/4/2010

	Number of Companies	Percent of Total
Buy	1	50%
Neutral	1	50%
Sell	0	0%
Total	2	100%