

Johnston Press continues to get rid of debt



Johnston Press which owns The Scotsman and The Edinburgh Evening News continues to get rid of its debt by selling off some assets and as announced this weekend, by restructuring the deals with its financiers. The group has employed Rothschild the investment bank to advise on the strategy.

A couple of months ago the group announced [the lease or sale of some of its properties](#), including some being sold with a leaseback arrangement to the local newspaper.

Last week we learned that Barclay House on Holyrood Road was being [leased](#) to the creators of Grand Theft Auto, Rockstar North, and the Edinburgh newspapers will have to find a new home. The company has confirmed that the newspaper group is looking to sell its stake in Irish newspapers for around €8m, a reported loss of around €150m on the original purchase price. The PA Group in which Johnston Press has a 3% stake has also just sold its weather forecasting business for €190m. Johnston Press will expect to share in at least some of those proceeds.

Ashley Highfield the £700,000 a year CEO has always said that getting rid of the £306.4m debt is his main goal and the company's debt has reduced by £50m in the year to June 2013.. Part of Highfield's strategy has meant redundancies among staff at the Edinburgh titles where along with their colleagues across the group they were invited to take enhanced [voluntary redundancy](#) earlier this year.

The Company and its lenders have agreed to reset its financial covenants until September 2015, providing the Company with a stable financial platform from which to pursue a full refinancing in 2014. Discussions in relation to the

refinancing are expected to commence in the new year and the company says 'a further update will be provided in due course'.

Commenting on the intended refinancing, Johnston Press CEO Ashley Highfield said:

"I am pleased with the ongoing support shown by our lender group in providing a clear path for the continued pursuit of our operational strategy, which has shown very encouraging developments in 2013. We plan to refinance the Group in 2014 and will continue to work closely with our lenders and their financial advisers for that process. A stable medium-term capital structure will support the acceleration of our digital growth strategy and would expedite the projected return to overall top line growth."