

Johnston Press acquired by jpimedia ltd

Following the [announcement last night](#) that Johnston Press was heading into administration a further announcement has been made today about the owner of 200+ titles including the Edinburgh Evening News and The Scotsman.

Essentially the debt is now restructured under the new ownership made up of those to whom Johnston Press owed £220million. Facing difficulties in either repaying or restructuring the debt the company's board decided to stop the sale process begun last month and do a deal with the bondholders where they acquire the assets and allow the new business to emerge with much less debt to repay.

The losers may still be those in the pension scheme where a £40 million deficit has been identified.

This is the text of the announcement:

JPIMedia, a newly-formed company owned by bondholders of Johnston Press plc ("the Group"), is pleased to announce the acquisition of the Group in a move that safeguards its future.

The transaction provides the Group with a substantially de-levered balance sheet, new

capital and a strong platform for its staff, operations and publications.

The transaction has been implemented via a sale of businesses and assets to JPIMedia, following the court appointment of administrators to the Group companies earlier today.

As part of the transaction, the bondholders have agreed to reduce the level of senior secured debt by £135m (more than 60%), from £220m to £85m, with extended debt maturity to December 2023.

Additionally, the bondholders have provided £35m of new money to provide further additional funding for the business.

The acquisition of the Johnston Press business by JPIMedia secures jobs and the future of its brands and titles. JPIMedia's shareholders recognise the vital role that local and regional media plays in the communities they serve and remain committed to protecting and enhancing the value of the business in the future.

Following the earlier announcements, as a consequence of the transaction, an assessment period has been triggered for the defined-benefit Pension Scheme. JPIMedia will offer a defined contribution pension scheme to all employees.

David King, the former Chief Executive Officer of the Group, becomes Chief Executive of JPIMedia.

David King, Chief Executive, JPIMedia said: “The sale of the business to JPIMedia is an important one for the Johnston Press businesses as it ensures that operations can continue as normal, with employees’ rights maintained, suppliers paid, and newspapers printed.

“We will focus on ensuring the group’s titles continue to publish the high-quality journalism we are known for and which has never been more important. I look forward to working with JPIMedia to assess and implement the opportunities available to us in the future, underpinned by a stronger balance sheet.”

John Ensall, Director of JPIMedia said: “In the absence of another financial solution being available for the business, we are pleased to have reached this agreement to acquire Johnston Press, to protect the value of the business, preserve jobs and allow for the uninterrupted publication of its websites and newspapers.

“As part of this transaction we have reduced the level of net debt very significantly and invested £35m to put the business in a far stronger financial position. We look forward to working with the management team as they embark on the next chapter in Johnston Press’s story in the media sector, with the resources to support local and national journalism and embrace the digital future.”