

# THE SAN DIEGO U-T UNION-TRIBUNE

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## PLATINUM TO SELL U-T TO DOUG MANCHESTER

Local developer's purchase of newspaper from Platinum Equity is expected to close by Dec. 15

ELIZABETH AGUILERA • U-T

The owner of The San Diego Union-Tribune announced Thursday it has signed an agreement of sale for the newspaper to MLIM, LLC, owned by local entrepreneur Doug Manchester. He is joined by longtime media executive John

Lynch, who serves as president and CEO of MLIM.

The terms of the agreement are confidential. The deal is expected to close by Dec. 15.

"We are excited about working toward our goal in the next few weeks and building on the success the great team built there,"

Manchester said. "Taking ownership of a 143-year-old Pulitzer Prize-winning news organization comes with great responsibility. We believe San Diego is the finest city in America and pledge to be strong advocates for the city's interests and conscientious caretakers of the Union-Tribune and its legacy."

Manchester is well-known for his hotel and commercial property development in the county and his

involvement in high-profile issues in the region. Lynch is a founder of the Broadcast Company of America and has a long history of owning radio stations.

Platinum Equity, which announced the agreement, purchased the company in May 2009 from Copley Press Inc. for an undisclosed amount.

The firm went on to hire Publisher Ed Moss and a new executive team, which has led the com-

pany through a transformation that has included the redesign of the Union-Tribune and SignOn-SanDiego.com, integration of online and print operations, and the launch of the top daily deal in the industry.

The company has led all major metropolitan newspapers in interactive revenue growth in each of the past two years, and has been among the industry leaders in

SEE SALE • A4

## FROM PAGE ONE

## SALE • Platinum Equity purchased the newspaper in May 2009

FROM A1 overall advertising revenue growth during the past 18 months.

Innovation in its print products has extended its print reach to 98 percent of households in the county. In October, the newspaper's paid circulation was up 3 percent daily and 4 percent on Sunday over the previous year.

"We assembled a talented management team, unified and expanded the U-T's print and online offerings, modernized its production technology and cemented its position as the leading local media company in the region," said Platinum Equity's Louis Samson, whose team led the Union-Tribune acquisition.

"Most importantly, we engaged the community and the Union-Tribune is a stronger, more vital enterprise today thanks to its connection with the people of San Diego."

Moss said the agreement is a direct result of the "significant accomplishments we have had over the last two and a half years."

"Platinum Equity has been a tremendous steward of this company," Moss said. "They have given us tremendous operational support, invested in the company in technology and equipment and encouraged us in our efforts to be true entrepreneurs in the way we approach business. That support, along with the top-notch talent throughout our company, has led us to industry-leading performance."

Platinum and Moss made these changes during tough economic times.

"We are very proud of what we have accomplished in San Diego and are grateful to the community for embracing our stewardship of the Union-Tribune," said Samson. "We came here at a difficult time for the news-

paper industry and helped the Union-Tribune successfully transform its operations and re-invent itself by attracting terrific people and investing in their ideas and their passion."

Gabriel Kahn, co-director of the Media, Economics and Entrepreneurship program at the Annenberg School for Communication and Journalism at the University of Southern California, said what Platinum was able to do is rare during a time when private equity buyers of newspapers have been plagued by poor timing and a bleak media economy.

"Considering what they've been able to do with the revenue side of the Union-Tribune, it sounds like a bright spot in an otherwise bleak landscape," Kahn said. "Traditionally people prefer local owners for media companies like these because they see a value in the asset besides the kind of cash it might be throwing off. People who are invested in the community see the benefit of having a vibrant newspaper."

In July, Platinum hired investment banking firm Evercore Partners to help explore alternatives for the future. MLIM was advised by Roth Capital Partners.

Manchester and Lynch hope to expand on the company's recent success.

"We look forward to building on the foundation that has been established by current management and ownership, serving the community and working towards a fully integrated digital and print news media platform," Manchester said in a statement.

"(The) U-T is a prized asset thanks to the people who manage and run the paper. I am privileged to be associated with it, he said.

Publisher Moss expects continued growth under the new ownership.



Under the ownership of Platinum Equity, The San Diego Union-Tribune launched a redesign of the newspaper and SignOnSanDiego.com. K.C. ALFRED • U-T



Local entrepreneur Doug Manchester (at left) and longtime media executive John Lynch.

"I couldn't be more excited to work with Doug Manchester and John Lynch to build on our success and grow the company further. Both Doug and John are very successful local entrepreneurs, significant philanthropists and connected to the community. There is nothing but growth for us," Moss said.

The tenor of this sale, just two years after the last, is upbeat, said Alan Mutter, a media analyst in San Francisco. At that time, the industry was in free fall and the Great Recession was at its height.

Mutter said the sale to local owners benefits both Platinum and the community. A large media company might have opted to gut the newspaper, combine operations with other entities in the region and manage the newspaper from a remote city, he said.

"There has to be a business rationale for the decisions but they also prob-

ably did it for some of the psychic rewards that come with owning a newspaper. They care about the community, they want to have influence in the community and be deeply connected," he said.

Manchester is a prominent figure in the San Diego community. He is founder and chairman of Manchester Financial Group. The company's developments include the Grand Del Mar resort; Manchester Grand Hyatt, which he sold his interest in earlier this year; San Diego Marriott Hotel & Marina, which he also sold; and the Torrey Pines Business and Research Park.

Most recently, Manchester is behind the proposed Navy Broadway Complex — his biggest project yet — which calls for a \$1.3 billion, 3.2 million-square-foot office and hotel complex downtown that would include a new Navy headquarters and 1.9-acre park. Opening of the first phase is projected for 2016, pending financing and approvals.

He has donated more than \$27 million to scholarship endowments, educational institutions and local hospitals. Among the recipients of his philanthropy are the University of San Diego, The Bishop's School, San

Diego State University and Wake Forest University.

Manchester is credited for the transformation of the waterfront around the convention center complex. In 1994, he supported a ballot initiative to move the airport from Lindbergh Field to Miramar, which failed. He was a principal backer of the successful statewide Proposition 8 campaign in 2008.

Lynch, who has partnered with Manchester on other projects, said "we love this place and it's one of the reasons we put together this transaction to support the community and buy one of the real jewels in the community."

Lynch started his career at the Chicago Tribune before moving into radio in the Midwest. In 1972, he moved to San Diego and within a decade was part owner of Noble Broadcast Group, which owned several radio stations. Lynch is credited for expanding the company, which sold for \$152 million in 1996.

In 2003, Lynch founded the Broadcast Company of America and started XX Sports Radio (1090-AM), which he left last year.

"One of the goals of the company is to be a cheerleader of San Diego business and San Diego institutions. We recognize what the challenges in San Diego are and we'll move to be a supporter of things that will get our city going in the right direction," Lynch said.

"We believe there is a tremendous opportunity to have an integrated, digital business as well as a newspaper," Lynch said. "By integrating them together, you have the opportunity to be the most important media company in the region to come."

Staff writer Lori Weisberg contributed to this report.

## History of the U-T

**Oct. 10, 1868:** William Jefferson Gatewood and Edward Bushyhead publish the first issue of the San Diego Union.

**Dec. 2, 1895:** T.D. Beasley and F.E.A. Kimball launch the Evening Tribune.

**Jan. 21, 1928:** Ira Clifton Copley, an Illinois publisher, buys the Union and the Evening Tribune.

**June 4, 1950:** James Strohn Copley becomes publisher of the two newspapers, 2½ years after the death of his father, Ira Copley.

**Oct. 6, 1973:** Copley dies of cancer at age 57. Copley's widow, Helen Kinney Copley, becomes publisher.

**Feb. 2, 1992:** Copley's biggest papers — the Union and the Tribune — are merged into The Union-Tribune.

**Nov. 17, 1995:** The Union-Tribune debuts its first news website, SignOnSanDiego.

**April 26, 2001:** David C. Copley is named publisher of the Union-Tribune Publishing Co. after the retirement of his mother, Helen K. Copley.

**March 18, 2009:** The Copley Press Inc. announces plans to sell the paper to Platinum Equity. The deal closes May 4.

**May 11, 2009:** Ed Moss is named publisher of the Union-Tribune. Moss had most recently worked as president and chief executive of the Los Angeles Newspaper Group.

**Thursday:** Platinum Equity announces it has signed an agreement of sale for the newspaper to MLIM, LLC, owned by local entrepreneur Doug Manchester.