



## **Postmedia Announces Community Newspapers Transaction with Torstar**

November 27, 2017 (TORONTO) – Postmedia Network Canada Corp. owner of Postmedia Network Inc. (“Postmedia” or the “Company”) today announced a transaction with Metroland Media Group and Free Daily News Group Inc., both subsidiaries of Torstar Corporation, (collectively, “Torstar”) to acquire 22 of Torstar’s community newspaper properties and 2 free commuter daily newspapers and to sell 15 of Postmedia’s community newspaper properties and 2 free commuter daily newspapers to Torstar. This is effectively a non-cash transaction as the properties have approximately similar fair values.

“This transaction allows Postmedia to focus on strategic areas and core products, and allows us to continue with a suite of community-based products, in a deeply disrupted industry,” said Paul Godfrey, Executive Chairman and Chief Executive Officer, Postmedia.

Postmedia intends to continue operating the Exeter Times-Advocate and the Exeter Weekender and will close the remainder of the acquired properties – which are located in areas serviced by multiple publications – by mid-January. These actions will deliver cost synergies while maintaining those operations that are sustainable and support Postmedia’s strategy. In addition, the transaction allows Postmedia to serve additional flyer and insert customers in certain markets using its existing distribution system.

“What makes this particularly difficult is that it means we will say goodbye to many dedicated newspaper people. However, the continuing costs of producing dozens of small community newspapers in these regions in the face of significantly declining advertising revenues means that most of these operations no longer have viable business models,” said Mr. Godfrey.

“The growing strength of digital giants has caused seismic shifts in the allocation of advertising revenues – putting all media companies under massive pressure,” said Andrew MacLeod, President and Chief Operating Officer, Postmedia. “Our digital strategies are showing promising signs but we must take all possible actions in order to give these new initiatives time to grow momentum while managing the decline of legacy revenue streams and their associated costs.”

Postmedia has independently determined its plans for the acquired publications. The transaction is not subject to the merger notification provisions of the Competition Act and no regulatory clearance is required to close the transaction.

### **Transaction at a Glance**

#### **Properties Acquired by Postmedia from Torstar**

Belleville News  
Brant News  
Central Hastings News  
Exeter Times-Advocate  
(and the Exeter Weekender)  
Frontenac Gazette  
Kanata Courier-Standard  
Kingston Heritage  
Meaford Express  
Metro Ottawa  
Metro Winnipeg

Nepean/Barrhaven News  
Norfolk News  
Orleans News  
Ottawa East News  
Ottawa South News  
Ottawa West News  
Our London  
Quinte West News  
St. Lawrence News  
St. Mary's Journal-Argus  
(and the St. Mary's Weekender)  
St. Thomas/Elgin Weekly News  
Stittsville News  
Stratford City Gazette  
West Carleton Review

### **Properties Sold by Postmedia to Torstar**

24 Hours Toronto  
24 Hours Vancouver  
Barrie Examiner  
Bradford Times  
Collingwood Enterprise Bulletin  
Fort Erie Times  
Innisfil Examiner  
Inport News (Port Colborne)  
Niagara Advance  
Niagara Falls Review  
Northumberland Today  
Orillia Packet & Times  
Pelham News  
Peterborough Examiner  
St. Catharines Standard  
Thorold Niagara News  
Welland Tribune

### **About Postmedia Network Canada Corp.**

Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B) is the holding company that owns Postmedia Network Inc., a Canadian newsmedia company representing more than 160 brands across multiple print, online, and mobile platforms. Award-winning journalists and innovative product development teams bring engaging content to millions of people every week whenever and wherever they want it. This exceptional content, reach and scope offers advertisers and marketers compelling solutions to effectively reach target audiences. For more information, visit [www.postmedia.com](http://www.postmedia.com).

### **Forward-Looking Information**

This news release may include information that is "forward-looking information" under applicable Canadian securities laws. The Company has tried, where possible, to identify such information and statements by using words such as "believe," "expect," "intend," "estimate," "anticipate," "may," "will," "could," "would," "should" and similar expressions and derivations thereof in connection with any discussion of future events, trends or prospects or future operating or financial performance. Forward-looking statements in this news release include statements with respect to the continuation of community-based products, realization of anticipated cost synergies and efficiencies, serving additional

flyer and insert customers, the keeping open or shutting down of certain publications within a specified timeframe, the momentum of digital strategies and the managing of legacy revenue decline and associated costs. By their nature, forward-looking information and statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, among others: competition from digital and other forms of media; the effect of economic conditions on advertising revenue; the ability of the Company to build out its digital media and online businesses; the failure to maintain current print and online newspaper readership and circulation levels; the realization of anticipated cost savings; possible damage to the reputation of the Company's brands or trademarks; possible labour disruptions; possible environmental liabilities, litigation and pension plan obligations; fluctuations in foreign exchange rates and the prices of newsprint and other commodities. For a complete list of our risk factors please refer to the section entitled "Risk Factors" contained in our annual management's discussion and analysis for the years ended August 31, 2017 and 2016. Although the Company bases such information and statements on assumptions believed to be reasonable when made, they are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry in which the Company operates, may differ materially from any such information and statements in this press release. Given these risks and uncertainties, undue reliance should not be placed on any forward-looking information or forward-looking statements, which speak only as of the date of such information or statements. Other than as required by law, the Company does not undertake, and specifically declines, any obligation to update such information or statements or to publicly announce the results of any revisions to any such information or statements.

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