

# Insolvency: Icon US brand calls in the administrators

The Tribune Company, publisher of the iconic Chicago Tribune and other newspapers has put its publishing businesses into Chapter 11 Protection under US insolvency legislation intending to restructure its debt obligations.

The application does not include The Chicago Cubs and says that attempts to "monetize" that asset will continue. The famous venue, Wrigley Field, is also not included in the filing.

"Over the last year, we have made significant progress internally on transitioning Tribune into an entrepreneurial company that pursues innovation and stronger ways of serving our customers," said Sam Zell, chairman and CEO of Tribune. "Unfortunately, at the same time, factors beyond our control have created a perfect storm -- a precipitous decline in revenue and a tough economy coupled with a credit crisis that makes it extremely difficult to support our debt.

"We believe that this restructuring will bring the level of our debt in line with current economic realities, and will take pressure off our operations, so we can continue to work toward our vision of creating a sustainable, cutting-edge media company that is valued by our readers, viewers, and advertisers, and plays a vital role in the communities we serve. This restructuring focuses on our debt, not on our operations."

The company says "While the company has sufficient cash to continue operations, to supplement its cash availability in the event of even more significant declines in its operating results, the company has negotiated an agreement with Barclays to maintain post-filing its existing securitization facility. Barclays has also agreed to provide a letter of credit facility. The company expects to submit these agreements to the Court for approval as part of its First Day Motions."

The company says that it is the largest employee-owned company in the USA. It was bought in April 2007 by property multi-millionaire Zell who reportedly organised an employee buyout that paid USD8.4 milliard in employee-raised funds with Zell contributing some USD315 million. Current assets are around USD milliard - against debt of USD13 milliard.

The group includes The Tribune, The New York Daily News, The Times-Herald in Washington, Newsday and others.