Business

Harte-Hanks selling two TV's to Gannett for $155 million

Divestiture related sale of WFMY-TV Greensboro, N.C., and WFMY-TV Jacksonville, Fla., will give Gannett almost 10% coverage

Gannett Co. has agreed to buy two Harte-Hanks television stations for $155 million, raising its TV station total to 10 and boosting its place in television's top 10 group owners.

Harte-Hanks is selling the stations, WFMY-TV Greensboro, N.C. and WTLV-TV Jacksonville, Fla., as part of a nearly $500 million divestiture which includes its seven cable television systems and several local newspapers.

The San Antonio, Tex.-based Harte-Hanks has said it will use the proceeds from the sales to pay down and refinance $700 million in debt from the 1985 leveraged buyout which took the media company private.

No further financial details on the acquisition were released, but the companies said the deal should be completed by the end of first quarter of 1988, after FCC approval is granted.

Gannett Broadcasting's Peter Kohler, vice president of television, called 50th ADI Greensboro, where WFMY-TV is the number one station, and 57th ADI Jacksonville, both "terrific markets." Kohler was also optimistic Gannett could bolster the Jacksonville station's performance—it was a distant third in last May's sweeps—and said Gannett sees the market as "very dynamic [with] good upside potential." Although Kohler would not comment on the stations' recent fiscal performance, one financial analyst earlier this year estimated WFMY-TV's 1986 net revenue at $14 million, with cash flow of $5 million, and WTLV-TV's 1986 net revenue at $12 million, with cash flow of $4 million.

The acquisition will increase Gannett Broadcasting's total U.S. penetration of television audiences from 8.8% to nearly 9.9% (if calculated using the FCC's 50% UHF coverage discount), ahead of Reliance Group, currently the ninth largest TV group and behind Group W, which covers 10.1% of U.S. audiences.

Gannett already owns an independent in Boston, a CBS affiliate in Washington, NBC affiliates in Atlanta, Minneapolis-St. Paul and Phoenix and ABC affiliates in Denver, Oklahoma City and

Bottom Line

No deal. Dun & Bradstreet Corp. has ended $500-million-plus bid for Information Resources Inc., following Federal Trade Commission opposition to deal on antitrust grounds. Dun & Bradstreet agreed in August to acquire Information Resources and planned to merge it with D&B's Nielsen marketing and media research divisions to provide TV audience measurement services together with research in brand sales and product marketing. However, FTC said merger "could substantially reduce competition in syndicated national tracking services," and said it would seek federal court action to block acquisition. Deal would have provided IR's shareholders with 8.54 million shares of D&B common stock valued at time at approximately $572 million.

□

Dear Mr. President. Corporation for Public Broadcasting Chairman Howard Gutin last week sent letter to White House urging President Reagan to support Senate Commerce Committee's FY 1988 Budget Reconciliation proposal. Proposal includes creation of public broadcasting trust fund supported through revenue raised by fee imposed on commercial broadcast license transfers. Describing trust fund as "visionary program," Gutin said in letter: "The public broadasting system simply cannot provide high-quality programing, which takes years to produce, when the fate of the critical core of our funding is unknown from year to year."

□

Name change. Taft Broadcasting is now operating under name of Great American Broadcasting, as first announced when Taft merged last month with entity controlled by Cincinnatti-based investor Carl Lindner. Great American Broadcasting includes TV and radio stations and program production businesses, New York-based distribution subsidiary Worldvision Enterprises and Boston-based satellite communications division.

□

Helping hand. National Association of Broadcasters has new television financial monitoring system allowing stations to compare their performance with similar stations based on type of station, ADI, region and other factors. System, developed in consultation with Denver-based consultants Browne, Bortz & Coddington, uses financial data collected in yearly survey by NAB and Broadcast Financial Management Association, and produces 40-50-page report comparing stations' revenue, expenses, ratings and market data and offering trend analyses and other information. Cost of service varies from $100 to $400 per report, depending on NAB membership and number of reports ordered.

□

Last leg. Adams-Russell shareholders approved approximately $475-million sale to Cablevision Systems at special meeting, bringing deal one step nearer to anticipated mid-December close (BROADCASTING, Nov. 16). General Electric Credit Corp. is financing deal with 10-year, $285-million loan and $20 million in issuance of preferred stock to GE Credit subsidiary, with Cablevision investing $40 million in acquisition, and GE-owned Kidder, Peabody & Co. also providing $125 million from private placement of senior subordinated notes and through revolving credit facility.

□

More buybacks. Stock repurchases initiated by number of companies after Oct. 19 stock market crash continued in recent weeks. Viacom parent National Amusements has bought more than 200,000 shares of two million it said it would buy of company; Jones Intercable has purchased approximately 435,000 of its Class A common stock and 160,000 shares of common stock; New World Entertainment has repurchased 79,400 in its previously announced 750,000-share stock buyback program. Also initiating buybacks are radio group Infinity Broadcasting, Reeves Communications amd equipment manufacturer Cetec.

□

Airline advertising. National Association of Broadcasters is working to undo language in legislation (H.R. 3051) that would require airline industry to include series of disclaimers in advertisements. Senate and House were in conference over measure last week and NAB hopes to convince Congress to revise requirement so it won't be as burdensome to broadcasters airing such ads.