



**FOR IMMEDIATE RELEASE**  
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## **NCI Launches Balance Sheet Restructuring**

### ***Company to Cut Outstanding Indebtedness from Approximately \$300 Million to \$115 Million***

Lawrenceville, GA (November 17, 2010) – Network Communications, Inc., along with its subsidiaries and affiliates (“NCI” or the “Company”), announced today that it has reached an agreement with a majority of its stakeholders on the terms of a balance sheet restructuring that will significantly reduce the Company’s outstanding indebtedness, increase the Company’s liquidity and enable the Company to compete successfully in the competitive local media and marketing industries. Under the terms of the Restructuring (defined below), NCI will pay in full all of the Company’s customers, suppliers and vendors in the ordinary course of business.

The Company does not anticipate any interruption in its business operations in connection with the Restructuring and will continue to operate and service its customers in the normal course of business. All customers, vendors and suppliers will continue to be paid in full under their usual and customary business terms.

The Restructuring—which will result in the reduction of the Company’s outstanding indebtedness from approximately \$300 million to approximately \$115 million and will significantly reduce the Company’s annual interest expense—will include: (a) the extension and amendment of the Company’s existing revolving loan and term loan facilities (the “Senior Credit Facilities”); (b) the cancellation of the Company’s outstanding 10¾% Senior Notes due 2013, in the aggregate principal amount of \$175 million (the “Senior Notes”), in exchange for 100% of the new common stock of NCI (the “New Common Stock”) and new senior subordinated pay-in-kind notes in an aggregate principal amount of up to \$45 million (the “New Notes,”); (c) the cancellation of the Company’s 12% senior subordinated notes, due 2013, in the aggregate principal amount of \$25 million (accreted to approximately \$49 million) (the “Subordinated Notes”) in exchange for a portion of the warrants to purchase 5% of the New Common Stock of NCI at an exercise price that implies a total enterprise value of \$200 million (the “Warrants” and together with the New Common Stock and the New Notes the “New Securities”); and (d) the cancellation of the Company’s existing equity interests in exchange for a portion of the Warrants (collectively, the “Restructuring”).

### **The Restructuring Support Agreement**

The Company has entered into a restructuring support agreement (the “Restructuring Support Agreement”) with the holders of approximately 89% of the aggregate principal amount of the outstanding Senior Notes (such holders, the “Consenting Noteholders”), lenders holding approximately 63% of the outstanding indebtedness under the term loan facility, lenders holding

approximately 91% of the outstanding indebtedness under the revolving loan facility (such lenders, the “Consenting Lenders”) and a majority of the Company’s existing equity owners (the “Sponsors”). Pursuant to the Restructuring Support Agreement, each of the Consenting Noteholders, the Consenting Lenders and the Sponsors have agreed to support the Restructuring, tender their Senior Notes in exchange for the New Securities (in the case of the Consenting Noteholders) and vote all of their respective claims and interests in favor of the Prepackaged Plan.

### **The Prepackaged Plan of Reorganization**

If 100% of the holders of Senior Notes have not tendered their Senior Notes for the New Securities and 100% of the banks have not executed the New Credit Agreement, but a sufficient number of creditors vote to accept the Prepackaged Plan, then the Company will pursue an in-court restructuring. Under the Prepackaged Plan, the lenders under Senior Credit Facilities, the holders of the Senior Notes, the holders of the Subordinated Notes and the holders of the current equity interests will receive essentially the same treatment with respect to their claims and interests as they would through the out-of-court Restructuring.

### **Additional Information**

Kirkland & Ellis LLP is serving as legal counsel to the Company for the Restructuring.

Houlihan Lokey, Inc. is serving as investment banker and financial advisor to the Company for the Restructuring.

Kurtzman Carson Consultants, LLC (“KCC”) is serving as noticing, balloting and claims agent for the solicitation of the Prepackaged Plan. Holders of Senior Notes with questions regarding the Restructuring should contact KCC at (917) 281-4800.

### **About NCI**

Network Communications, Inc. is a leading local media company providing lead generation, advertising and Internet marketing services to the housing industry. The company's leading brands are Apartment Finder, The Real Estate Book, DigitalSherpa, Unique Homes, New England Home and Atlanta Homes & Lifestyles. NCI has market representation in more than 500 local markets around the United States. The company’s strategy focuses on providing high-quality and measurable marketing solutions to local clients by leveraging its proprietary prospect-focused distribution and content management infrastructure. NCI distributes more than 9.4 million local print catalogs of apartments for rent and homes for sale every month through more than 300,000 distribution points; NCI’s websites are leading Internet destinations for consumers looking for homes to rent or buy, with an average of 2.0 million unique users every month; and it provides Internet marketing services using social media tools to its customers.

### **Forward-Looking Statements**

Statements in this release which are not purely historical facts, including statements about forecasted financial projections or other statements about anticipations, beliefs, expectations, hopes, intentions or strategies for the future, may be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements are based upon

information available to the Company on the date this release was submitted. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements.

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