

**FOR IMMEDIATE RELEASE**  
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## **NETWORK COMMUNICATIONS, INC. COMPLETES ITS OUT-OF-COURT RESTRUCTURING WITH UNANIMOUS SUPPORT**

### **New Capital Structure Provides Operating Flexibility and Expands Strategic Options, CEO Says**

Lawrenceville, GA, January 10, 2011 - Network Communications, Inc., a leading local media company providing lead generation, advertising and Internet marketing services to the housing industry, announced today that it completed an out-of-court restructuring of its balance sheet on Friday, January 7, 2011 with unanimous support of all the institutions associated with the process.

The restructuring reduces the company's debt from approximately \$300 million to approximately \$115 million. A major component of this reduction was accomplished by the tendering of \$174.8 million of its 10¾% Senior Notes due 2013 in exchange for \$45.0 million of new 8.6% Senior Subordinated PIK Notes due 2020 and 100% of new common stock. The restructuring was also made possible by the agreement of 100% of the company's senior secured lenders to extend the maturity date of the company's senior secured credit facility and to amend certain other provisions of the facility.

"We are very pleased with the outcome of our restructuring, which reduces the outstanding debt on NCI from approximately \$300 million to approximately \$115 million," said Dan McCarthy, CEO. "This outcome improves our operating flexibility and expands our strategic options as we continue to evolve and transition our business to provide high-quality marketing solutions to our customers in the housing market. It is important to note that the exchange offer received unanimous support from the institutions participating in the restructuring. We are appreciative of the hard work and support of all the professionals involved."

Concurrent with the restructuring, McCarthy and Chief Financial Officer Gerry Parker entered into new four-year employment contracts to lead the company.

"Dan and I are looking forward to working with our board, our employees and our business partners to rebuild our market positions and deliver value to our stakeholders," Parker said.

Over the past two years, NCI has introduced a number of innovative marketing services in response to customer demand for lower-priced, high-impact digital solutions. One of the most successful new offerings has been the DigitalSherpa suite of social media marketing services, which has more than 1200 customers just 18 months after

introduction. These services, combined with its unmatched local distribution network, position NCI as one of the strongest players in the local lead-generation and marketing services segment.

Kirkland & Ellis LLP acted as legal advisor to the Company. Houlihan Lokey acted as financial advisor and investment banker to the Company and Kurtzman Carson Consultants LLC acted as exchange agent and information agent for the Company. Imperial Capital, LLC acted as financial advisor to the administrative agent to the credit facility and Jones Day acted as legal advisor to the administrative agent to the credit facility. Milbank, Tweed, Hadley & McCloy LLP acted as legal advisor to Beach Point Capital Management LP.

#### **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.

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