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NEWS RELEASE

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NOTE: A separate statement by the previous owners of Chicago Reader and Washington City Paper is in a separate attachment.

Creative Loafing Inc. Acquires *Chicago Reader and Washington City Paper*

TAMPA, Fla. – Two of the country’s leading alternative weekly newspapers, *Chicago Reader* and *Washington City Paper*, were acquired today by Creative Loafing Inc., which owns alternative weeklies in Atlanta, Tampa, Sarasota and Charlotte.

The Chicago and Washington, D.C. papers were both controlled by founders of *Chicago Reader*. Also included in the acquisition is the “Straight Dope” syndicated column, whose associated website, straightdope.com, has nearly 2.3 million page views per month.

Chicago Reader, founded in 1971, is one of the oldest alternative newspapers in the country and now has an average weekly circulation of 135,000 papers. The *Washington City Paper*, founded in 1982, has an average circulation of 80,000. Both newspapers are highly regarded for their coverage of urban issues, arts and culture.

“We are extremely proud to be associated with these great media companies,” said Creative Loafing CEO Ben Eason, whose family founded the first *Creative Loafing* newspaper in Atlanta in 1972. The company expanded into Charlotte in 1987, Tampa in 1988 and Sarasota in 1999 and is now headquartered in Tampa. It also has a minority interest in the *Birmingham Weekly* in Alabama. “We have built our *Creative Loafing* brand by offering valuable content to people who influence public opinion and public tastes in culturally vibrant markets. The addition of two top-ten markets – and two of the industry’s most respected alternative news products – offers us a pivotal gateway of connectivity with the young adult audience.”

“Our expansion into Chicago and Washington reflects our confidence in the future of alternative publishing – in print, on the web and in other media as they emerge,” Eason said. “While others may be looking at publishing companies through the lens of old print media, we are pioneering the opportunities offered by convergent print, web, and new media applications.”

The previous owners of the Reader and the City Paper issued a separate statement.

Skyway Capital Partners, LLC, of Tampa represented Creative Loafing in the transaction. The acquisition includes a financial investment from BIA Digital Partners, a private investment firm in Chantilly, Va. Gregg Johnson of BIA Digital Partners will serve on Creative Loafing’s Board. *Chicago Reader* and *Washington City Paper* were represented by Bulkley Capital, L.P., based in Dallas.

Creative Loafing’s other four newspapers have combined average circulation of nearly 275,000 papers per week. “We will have weekly circulation of approximately half a million newspapers, monthly print readership of 2,000,000 and more than ten million page views per month on our various websites.

“We operate in fantastic cities that have vibrant cultures. All are wonderful places to live and work and play, and our company will grow as they grow. The real opportunity,” Eason added, “lies now with our advertising partners, who can advance meaningful marketing initiatives through our unparalleled ability to engage the most creative and involved community leaders through our print, internet, and new mobile and event opportunities.”

Eason said the combination of these two groups of alternative papers will produce substantial savings from combined corporate and administrative costs and reliance on CL’s centralized operations for production and printing. The combination of publications, internet platforms and event/social networking strategies will also appeal to national advertisers seeking to reach its educated, culturally aware audience in these major metropolitan areas.

“There has never been a more exciting or challenging time to be in the publishing business. We’re thrilled to be in the position to take advantage of the trends that are emerging: localism, local search, hard hitting/community focused journalism, and the avenues available to local media companies like Creative Loafing/Reader/City Paper. We have the brands and credibility to offer our audience content in print, web, and mobile and the creation of events and social networks to tie individual audience members into communities.”

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[Statement from former Reader/City Paper owners in separate attachment]