

# **NATIONAL NEWS AND CURRENT NEWS TO MERGE SINGLE-COPY NEWSPAPER OPERATIONS**



## **NEW COMPANY TO BE CALLED NEWSONE NEWSPAPER DISTRIBUTION SERVICES, LLC**



**“CREATING A NEW KIND OF MULTI-PUB. AGENCY . . . FOUNDED ON WORLD  
CLASS SERVICE” IS STATED OBJECTIVE**

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**WASHINGTON, DC and COLMAR MANOR, MD – January 6, 2003** -- National News Agency (NNA) and Current News Company (CNC) today formally announced the completion of a merger agreement to form a new distribution company. The new company, which will be called NewsOne Newspaper Distribution Services LLC, will join the single copy newspaper operations of the Washington/Baltimore Metropolitan area’s two largest multi-publication distributors and form one of the largest single-copy newspaper distributorships in North America. National News and Current News will continue to operate independent businesses in the areas of magazine distribution, home delivery of newspapers, and delivery of pre-paid newspapers.

NewsOne is expected to be fully operational by April 1, 2003. The new company will provide comprehensive retail distribution, fulfillment, and category management services to its publishers and retailers, with the objective of providing world-class results in all phases of the operation. The merger is expected to generate cost synergies and drive a significantly improved cost structure, which will be utilized to improve services and infrastructure, including the development of a fully interactive website that will allow publishers and retailers access to information pertinent to their business with the company. The interactive website is expected to be complete by the April 1, 2003 full launch.

John Skinker, chairman and chief executive officer of National News, and Michael Zlotnitsky, president and chairman of Current News, will be co-chairman of the new company’s board. T.J. Zlotnitsky, co chief executive officer of Current News, and John Skinker, will be co-chief executive officers. Laura Bright, chief financial officer of National News, and C. Sean Zlotnitsky, chief financial officer of Current News, will be co-chief financial officers. Ms. Bright will also hold the title of President of NewsOne. Stephen Myers, vice president of newspaper operations at Current News, will be vice president of operations at NewsOne. David Gasperetti, formerly of the USA Today, will join NewsOne as vice president, sales and client relations.

“First of all, we are grateful to have put the past behind us, and move forward into 2003 as one united entity,” said Michael Zlotnitsky, president and chairman of Current News, and co-chairman of the new company. “We have found in Mr. Skinker, Ms. Bright, and the National

News organization people with a great deal of integrity and class, as well as – to a degree that surprised us and, frankly, I think them as well – people with very similar values and goals as our own. Having established such a positive working relationship with our partners, we are looking forward to years and decades of success and increased cooperation with our clients.”

Co-chairman and co-chief executive officer John Skinker spoke of the mission of NewsOne: "We are creating a new kind of multi-publication agency – one founded first and foremost on world-class service, and one that works in close partnership with its customers to meet *their* goals and objectives. We are committed to continuing with practices that have been successful, but even more committed to developing new, best practices in areas of previous weakness by either company. We will talk to our customers regularly and often. We will find out what they want and need. Then we will go out and make it happen.”

"We are all delighted at the enormous opportunities created by this merger," said T.J. Zlotnitsky, the new company's co-chief executive officer. "Having more resources at our disposal will allow us to push the envelope on the kind and quality of services we can offer our publisher partners, and the convenience and value we can offer our retail partners. In addition to the clear cost benefits of combining the operations of two organizations that serve a nearly identical footprint, we are especially excited about the possibilities of developing a new business model; we envision NewsOne being a whole new kind of agency – a hybrid of publisher-style delivery excellence and access to data, and agency-style marketing, convenience and economy of scale. At a particularly challenging time for the publishing and retailing industries, creating new cost efficiencies is very important. Yet doing so in a manner that ensures that agency-delivery does *not* mean lower quality, less control, less access to information, or lost sales, is of even greater importance. We realize this is a great challenge and that we have a great deal to prove, but, working as one company and one team, we truly believe the sky is the limit."

The new company will conduct its delivery and customer service operations primarily from National News' facilities in Colmar Manor, MD and in Baltimore, MD. CNC's Washington, DC facility will be function primarily in the areas of sales & marketing, fulfillment, and category management services. A CNC distribution center in Baltimore, MD will be shut down and combined into National News' Baltimore facility.

### **About National News Agency**

National News was started in 1947 as a newspaper supplier to the federal government, a service the company still provides with distinction today. It developed into a subscription delivery company focusing mainly on business-to-business delivery of a variety of primary and secondary publications in the Washington, DC area. In the 1980's, National News expanded its delivery services by working with other regional distribution companies to develop a nationwide distribution network for time sensitive trade publications across the country. In the 1990's, National News entered the wholesale distribution business in the Washington, DC area, where it has established itself as the leading wholesaler of most national publications in the market. National News also provides hauling services for several major publishers in the Eastern United

States, traveling as far North as Harrisburg, PA and as far South as the Raleigh/Durham, NC area.

### **About Current News Company**

Michael Zlotnitsky founded CNC in 1986, out of the basement of his modest Rockville, MD home. CNC's first products were foreign periodicals, delivered to embassies and offices, and the now defunct free weekly, The Express Newspaper. As Mr. Zlotnitsky's three sons joined the company in the early 90's, the company grew its business to include single-copy service. The initial niche of the company was to handle local or locally printed newspapers, such as Times Community Newspapers, Journal, Gazette, Washington Times, Baltimore Sun, and McLean, VA-based USA Today. In 1996, the company established a sub-contracting relationship with industry giant Aramark, becoming the de facto distributor of most single-copy newspapers sold at major retail outlets. After the exit of Aramark from the single copy newspaper distribution trade in 1998, CNC developed a substantial single copy operation of its own, becoming one of the two principal agencies in the market. In 1997, CNC also launched its now highly regarded magazine and book division, which covers an area that reaches as far South as Elizabeth City, NC, and as far North as Princeton, NJ.

### **Additional Information about the Merger and Where to Find It**

The new company's website, [www.news-one.net](http://www.news-one.net), is under construction, but available for a preview at the following address: <http://64.227.220.114>. CNC's website can be accessed at [www.cncdistribution.com](http://www.cncdistribution.com). National News' website is [www.nationalnews.com](http://www.nationalnews.com)

With questions or comments, please contact either Laura Bright ([NNABright@aol.com](mailto:NNABright@aol.com), 1-800-367-1525) or T.J. Zlotnitsky ([Tal@cncdistribution.com](mailto:Tal@cncdistribution.com), 202-635-3300).