

*Editor/Reporter: This announcement marks a significant development on Maine's media landscape. Please contact Richard Anderson directly at 207-594-5351. If you need further assistance, contact Rand Ardell (info below).*

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## **News Release**

### **Village NetMedia to Purchase Six Weekly Newspapers in MidcoastMaine from Courier Publications**

*VillageSoup will be extended and newspapers revitalized,  
improving service to readers, advertisers and communities*

CAMDEN, Maine (June 17, 2008) – Village NetMedia Inc., affiliate of the groundbreaking VillageSoup website and owner of two award-winning community newspapers, will purchase Courier Publications' roster of six weekly newspapers across Midcoast Maine, the company announced Tuesday.

The transaction is expected to be completed by June 30.

Richard M. Anderson, the CEO and cofounder of Rockland, Maine-based Village NetMedia and VillageSoup, Inc., said the company's expansion will energize and transform the local weekly newspaper market in coastalMaine.

As a result of the transaction, he said, readers, advertisers and communities will be better served, and VillageSoup will be introduced into Kennebec and Hancock counties.

VillageSoup is a 10-year-old news and information business that is gaining national attention. VillageSoup creates a "virtual town square" by bringing strong local journalism together with a forum for broad community involvement and interaction with local businesses and organizations.

With the expanded business opportunities, VillageSoup will meld its innovative and popular online platform with some of Maine's oldest and most established community newspapers, putting coastal Maine at the forefront of the transformation of news organizations across the country.

NetMedia will purchase the tri-weekly Courier Gazette (Rockland) and the weekly Camden Herald, Republican Journal (Belfast), Waldo Independent (Belfast), Bar Harbor Times and Capital Weekly (Augusta) from Courier Publications, a wholly-owned subsidiary of Crescent Publishing Company, LLC of Greenville, S.C. NetMedia will also purchase Courier Publications' Rockland printing operation

"The media landscape is changing in Maine and across the country, and I'm proud to say that we are creating an innovative approach that works," Anderson said. "VillageSoup integrates a highly interactive web site with traditional print, and is the future for small town media. This purchase allows us to expand our reach and breathe new life and energy into these papers, all for the benefit of readers and advertisers."

The Waldo Independent, a Courier Publications paper, and Waldo County Citizen, a NetMedia publication, will be folded into The Republican Journal, which will continue to serve the Belfast region as it has since 1829. The Knox County Times will be folded into the Camden Herald and Courier Gazette.

NetMedia will continue to publish the Knox and Waldo County VillageSoup web sites and will soon launch VillageSoup web sites serving Kennebec County, where the Capital Weekly is located, and Hancock County, home of The Bar Harbor Times.

NetMedia anticipates hiring a large percentage of Courier employees, with a net loss of about 26 positions across the six Courier Publications operations, Anderson said. Most of the eliminated jobs will be in Knox and Waldo counties, where the duplication of services is most prevalent. Presently, there are 129 people employed across the eight publications of the two firms.

Employees of both companies were notified of the transaction today. Prior to the closing of the deal, expected by the end of the month, Anderson and other NetMedia officials will meet with Courier employees to discuss job opportunities as part of the effort to meet the new staffing requirements.

“While we are confident that this transaction will result in a superior product, temporary job losses in the community are unfortunately unavoidable,” Anderson said. “We certainly had hoped we could offer positions to everyone, but with the duplication of services and necessary contractions, it is just not feasible.”

With anticipated licensing of VillageSoup by other news organizations around the country, Anderson added that he expects new jobs to be created in the future.

South Carolina-based Crescent Publishing, owned by a private equity group, purchased Courier Publications in 2001. Returning the Courier Publications family of Maine newspapers to local ownership should be welcomed news for area residents, Anderson said.

“VillageSoup and its affiliated newspapers are recognized as part of the fabric of everyday life in Midcoast Maine. I think there’s a certain comfort that our readers will get from knowing that the owner is a member of their community,” he said.

Anderson, 67, is a Camden resident who is active in the community, serving on a number of local boards. He founded VillageSoup with his son, Derek Anderson, in 1997.

Melding VillageSoup with the region’s most-established “legacy” community newspapers will be a winning combination, he said. Local businesses, non-profits and others who advertise will be able to consolidate their media spending and have a much stronger online presence as well.

“We’re going to reenergize those papers and web sites making them more community oriented for the loyal readers who depend on them, and we’re going to make it easier and less costly for all advertisers to serve our communities,” Richard Anderson said.

The Courier papers being purchased will keep their present mastheads, but will have VillageSoup branding integrated. All papers will remain broadsheets, but will become more energetic with respect to content and look-and-feel, he said.

Each will be supported by VillageSoup web sites that are gaining notice across the media industry.

VillageSoup, Inc. recently received an \$885,000 Knight Foundation grant to redeploy the VillageSoup platform as open source software. Testing is beginning in communities across the country. Thus far, paper groups in the Hamptons on Long Island (N.Y.) and in Alberta, Canada have signed on. In addition, Crescent Publishing has agreed to incorporate the VillageSoup model with six of its remaining papers in the Gulf Coast area of Alabama.

VillageSoup creates a “virtual community expo,” Anderson said, enabling neighbors to grow together as they learn about the news that affects their community, share the ideas that unite their community, and shop the goods and services that sustain their community.

“With the declining revenues of traditional newspapers – both in circulation and advertising – the 10-year VillageSoup experiment is finally being recognized in the industry,” Anderson said. “Our approach helps transition traditional community newspaper companies into community host companies, and that’s the future for the industry.”

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#### Timeline of Significant Events

1829 – **The Belfast Republican Journal** begins publication.

1846 – **The Courier Gazette** begins publication in Rockland.

1869 – **The Camden Herald** begins publication.

1914 – **The Bar Harbor Times** begins publication, serving Mt. Desert Island.

1985 – **The Waldo Independent** begins publication in Belfast.

1985 – **Capital Weekly** begins publication, serving the Augusta area.

1997 – Village NetMedia launches what would become **VillageSoup.com**, an innovative local web-based news and information site serving residents and businesses in Knox County.

1999 – **VillageSoup.com** expands into Waldo County.

2001 – South Carolina-based **Crescent Publishing Co. LLC, a private equity firm, purchases Courier Publications**, a family of Maine community newspapers serving central and coastal Maine. Crescent also owns seven weekly papers in the Gulf Coast region of Alabama.

2003 – Village NetMedia launches the **Knox County Times**, based in Rockland. Within a year, the paper is named the best small weekly newspaper in Maine.

2004 – Crescent Publishing adds **The Waldo Independent** in Belfast to its Maine holdings.

2004 – Village NetMedia launches the **Waldo County Citizen**, based in Belfast.

2005 – Crescent Publishing ceases publication of the **Ellsworth Weekly**.

2006 – Crescent Publishing ceases publication of the **Lincoln County Weekly**.

June 17, 2008 – **Village NetMedia announces the acquisition of Crescent's Maine assets**, including six weekly newspapers in Midcoast Maine, Augusta and Bar Harbor, as well as a printing facility in Rockland.

June 30, 2008 – **Village NetMedia to finalize acquisition of Crescent Publications.**

July, 2008 - **Village NetMedia expected to cease publication of the Waldo Independent, Knox County Times and the Waldo County Citizen** while bolstering the Republican Journal, Courier Gazette, Camden Herald, Bar Harbor Times and Capital Weekly. VillageSoup.com sites to be launched in Kennebec and Hancock counties.

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