



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## Two Media Giants Emerge from Bankruptcy

### Publisher of National Enquirer to Exit Bankruptcy

American Media Inc, the publisher of National Enquirer is set to exit Chapter 11 bankruptcy protection by end of this month, if all goes as predicted. A judge in the Bankruptcy court for the Southern District of New York is expected to approve the publisher's planned exit from bankruptcy paving the way for it to emerge with a stronger capital base, less debt in its books and an improved cash reserve.

American Media, the publisher based in Boca Raton, Florida owns about a fifth of the market share of newsstand circulation in the US and Canada, filed for bankruptcy protection last month with debts amounting to \$879 million.

The publisher filed a pre-arranged bankruptcy petition in which it discussed its plans to emerge from bankruptcy with its creditors before lodging the bankruptcy filing in court. American Media had already received agreement from most of its creditors to convert their

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outstanding debts into equity owned by the creditors in the restructured company. The publisher also managed to arrange financing for about \$565 million to fund its operations.

The common plight of most publishers of print media also hit American Media as it tried to cope with the economic recession and the popularity of the Internet as a source of news and information. In addition, the rising prices of fuel, postage and paper have also added to the cost of doing business.

In its bankruptcy filing, American Media stated that its drop in revenue was attributed to the decline in single copy sales at check-out counters, which together with subscriptions accounted for half its revenue. Most of its other revenue is derived from advertising income.

American Media's single copy sales for the fiscal year of 2010 amounted to an average of 560,000 per week and its total average weekly circulation was about 784,000.

### **MGM Movie Studios Come Out of Bankruptcy**

Metro-Goldwyn Mayer, the movie studio company famed for the James Bond franchise, has emerged from bankruptcy with about \$500 million to use for rebuilding its business. The movie studio's pre-packaged bankruptcy plan received approval from its creditors on December 2 to eliminate about \$5 billion in debts in exchange for ownership in the revamped company.

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MGM's new co-chairman and CEOs, Roger Birnbaum and Gary Barber, who operate Spyglass Entertainment, plan to make only a small number of films at MGM every year in order to reduce distribution costs and production capacity. The company had laid off about 50 workers recently as part of the reorganization plan.

If you or your company need help overcoming your debts, consider filing for bankruptcy as a way out. Many companies and individuals have been saved through bankruptcy. Call us at (813) 200-4133 for a free consultation.