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Contact: Jill Mackie, 206/464-2028

Hearst and Seattle Times Reach Agreement

SEATTLE -- The Seattle Times Company and the Hearst Corporation have announced a resolution to their four-year legal dispute concerning the joint operating agreement under which *The Seattle Times* and Hearst's *Seattle Post-Intelligencer* operate.

Under terms of the agreement, both newspapers will continue to publish for the foreseeable future. Under the agreement, The Seattle Times Company is buying back the guaranteed revenue stream to Hearst if the *P-I* is ever closed and Hearst is paying the Times in exchange for an agreement that the Times will not issue further loss notices until at least 2016.

“We are happy to have found common ground,” *Seattle Times* CEO and Publisher Frank Blethen said. “Both newspapers were at risk due to the dramatic erosion of the newspaper revenue model in this decade. Now we can each focus on publishing newspapers that are relevant to our community while we work at adjusting the old business model to the new realities.”

Other elements of the agreement, aimed at fostering a renewed constructive business relationship between the two parties, include a provision to name a senior circulation executive dedicated to monitoring *P-I* circulation and efforts to try to slow or arrest the circulation decline of the *P-I*. The settlement also calls for all current litigation and claims to be dropped and specifies that any future issues will go to binding arbitration.

“This is a positive development for the people of this region, for our readers and advertisers, and for our employees, who have been very dedicated and worked extremely hard despite a great deal of uncertainty for a long time,” said Carolyn Kelly, Seattle Times President and COO. “We have a lot of work ahead of us as, but we’re in a much better position going forward.”

Seattle Times CEO and Publisher Frank Blethen said both parties agreed that the settlement is the best chance to maintain two metropolitan newspaper voices in the Seattle market.

“We share a mission to keep newspapers alive and healthy not just in Puget Sound but nationally,” Blethen said. “It is time we focus on that challenge and put our differences aside. That’s what we want and what our readers want.”

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