

**FOR IMMEDIATE RELEASE - March 30, 2006**

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**JOINT STATEMENT BY THE SEATTLE TIMES COMPANY AND HEARST CORPORATION RELATING TO JOINT OPERATING AGREEMENT**

SEATTLE, March 30, 2006 –Hearst Corporation and the Seattle Times Company have agreed to refer disputes regarding their joint operating agreement to binding arbitration. Both sides have agreed to be bound by the arbitrator’s ruling and are foregoing their right to appeal.

The arbitrator’s role is to determine whether loss notices filed by The Seattle Times are valid and to consider the merit of claims Hearst has against The Times, including those in the lawsuit pending in King County Superior Court. Superior Court Judge Greg Canova must rule on whether to permit the two parties to move to arbitration, which is a common practice in resolving civil disputes.

Since Hearst’s lawsuit was filed in April 2003, the Seattle Times Co. has issued notices claiming losses in the periods from 2000 to 2002 and from 2002 to 2004. The Times has said it experienced a sixth consecutive JOA loss in 2005. The two companies have agreed that the arbitration will address the 2000-2002 and 2002-2004 loss notices filed by The Seattle Times, as well as a third notice covering 2003-2005, issued this week.

The parties have agreed that the loss notices will have no force or effect until their validity has been determined by the arbitrator. As is customary the arbitration will be private, but the arbitrator’s decision will be made public. The parties expect a decision by late spring 2007.

“Because this is the quickest way to resolve our differences, we endorse this approach. Quicker resolution is by far the best option for the newspapers and for the employees of both The Times and the Seattle Post-Intelligencer,” said Frank Blethen, publisher of The Seattle Times.

“This approach is the best option for everyone concerned,” said Roger Oglesby, editor and publisher of the P-I. “This brings a measure of certainty to a situation that has generated a lot of confusion and anxiety for newspaper employees and readers for some time.”

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