

News

HEARST CORPORATION TO SEEK BUYER FOR *SEATTLE POST-INTELLIGENCER*

SEATTLE, January 9, 2009—Hearst Corporation announced that it is offering for sale the *Seattle Post-Intelligencer* (*P-I*) and its interest in the Joint Operating Agreement (JOA) under which the *P-I* and *The Seattle Times* are published.

Hearst said that should a sale of the *P-I* not occur within 60 days, it will pursue other options for the property. These options include a move to a digital-only operation with a greatly reduced staff or a complete shutdown of all operations. In no case will Hearst continue to publish the *P-I* in printed form following the conclusion of this process.

Regarding speculation over Hearst's possible interest in acquiring *The Seattle Times* newspaper, Hearst said such an acquisition is not under consideration.

The *P-I*, which Hearst has owned since 1921, has had operating losses since 2000. The *P-I* lost approximately \$14 million in 2008 and its forecast anticipates a greater loss in 2009.

“Our journalists continue to do a spectacular job of serving the people of Seattle, which has been our great privilege for the past 88 years,” said Steven R. Swartz, president of Hearst Newspapers. “But our losses have reached an unacceptable level, so with great regret we are seeking a new owner for the *P-I*.”

Operating under a JOA since 1983, the *P-I* and the *Times* have maintained separate news operations, with The Seattle Times Company handling production, circulation, advertising sales and all other non-news operations for both newspapers. The agreement provides that the revenue taken in by the *Times*' business operation, after deducting operating costs, is shared 60 percent to the *Times* newspaper and 40 percent to the *P-I*. The newspapers must then pay for their editorial operations from their shares of these funds.

The *P-I*, founded in 1863 as the *Seattle Gazette*, has daily circulation of 114,000, according to the most recent report from the Audit Bureau of Circulations. The Sunday newspaper, which is a joint enterprise of the *Times* and *P-I*, has circulation of 382,000, according to the same report. Seattlepi.com, the newspaper's Web site, had page views of approximately 500 million in 2008, and has an average of 4 million unique monthly visitors, according to the Web site's internal logs.

Hearst has retained newspaper industry investment bankers Broadwater & Associates of New York to search for a buyer for the *P-I*.

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