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**Philadelphia Newspapers, LLC to Voluntarily Restructure Debt Under Chapter 11
Publishing and Interactive Businesses to Continue Operations Without Interruption**

PHILADELPHIA (February 22, 2009) – Philadelphia Newspapers, LLC, publisher of The Philadelphia Inquirer and Daily News and other publications, and owner of Philly.com, the leading news and information company in the nation’s fourth largest media market, today announced that it is voluntarily restructuring its debt under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Pennsylvania. The company will continue the normal operations of its newspapers, magazines and online businesses without interruption during the debt-restructuring process.

“Philadelphia Newspapers’ goal is to bring its debt in line with the realities of the current economic and business conditions. Over the last two years, we have made significant progress in improving the quality of our journalism, building a relationship based on mutual trust and respect with our unions, making our operations one of the most efficient in the industry and innovatively serving our readers and advertisers,” said Chief Executive Officer Brian Tierney. “This restructuring is focused solely on our debt, not our operations. Our operations are sound and profitable. We are the medium of choice in this region for advertisers and readers. Over two million people either pick up one of our newspapers or view our news and information online every day.”

“In the last two years, we experienced the rare trifecta of a dramatic decline in revenue, the worst economic crisis since the Great Depression and a debt structure out of line with current economic realities,” Mr. Tierney continued. “It will be business as usual during the restructuring process. Our commitment to the communities we serve is steadfast, and we greatly appreciate the dedication and loyalty of our employees, readers, advertisers and vendors.”

The company filed for the Court’s approval of various, customary motions, including: the maintenance of employee payroll and health benefits; the fulfillment of certain pre-filing

obligations; the ability to use cash on hand to meet expenses; and the ability to honor customer programs.

In the court filing, the company also pointed out that it took this action after negotiating with its lenders for the last eleven months. During that time, the company has been billed more than \$13.4 million in penalty interest by its senior lenders led by Citizens Bank and fees for its lenders' lawyers and consultants including the Blackstone Group, Drinker Biddle and Akin Gump.

In conjunction with its filing, the company is seeking Bankruptcy Court approval of up to \$25 million in debtor-in-possession (DIP) financing provided by various lenders through NewSpring Capital. The DIP financing provides additional cash on top of the working capital generated by the business. The proposed DIP financing plus the cash flow from operations will ensure the company's ability to satisfy customary obligations associated with its normal course of business, including employee wages and benefits in the ordinary course and payment of post-petition obligations to vendors under existing terms.

Philadelphia Newspapers, LLC, has retained Proskauer Rose LLP and Dilworth Paxson LLP as its legal counsel.

About Philadelphia Newspapers, LLC

Philadelphia Newspapers, LLC is the operating subsidiary of Philadelphia Media Holdings, LLC. It is the leading media company in the Philadelphia region. As the leading media company in the region, more than 2 million people read The Inquirer, Daily News and philly.com every day.