

PN Advertiser

February 23, 2009

Dear Philadelphia Newspapers Advertiser:

I am writing to share some news with you because you are an important partner in the ongoing growth and innovation of our company. As we are all aware, economic conditions have been extremely challenging. At Philadelphia Newspapers (PN) we are focused on managing through this downturn and maintaining the innovative marketing approaches which we have developed for you since local ownership took control of the company nearly three years ago.

Like many of you, we have recently experienced a rare trifecta including a dramatic decline in total revenue, the worst economic conditions since the Great Depression and a debt structure which is out of line with current economic reality. In an effort to meet these challenges, yesterday we voluntarily filed to reorganize our debt under chapter 11 of the U.S. Bankruptcy Code in the Eastern District of Pennsylvania.

This filing has no impact on our operations. You can continue to rely on our products to communicate your message to over 1.2 million print and online readers. And, you can continue to rely on us for even more marketing innovations like our nationally-recognized MediaLab and ResearchLab programs, and our latest positioning as our readers' source for savings. These initiatives have moved us from the bottom tier to the top tier in advertising revenue among the top 25 newspapers in the country.

Our ongoing partnership with you will be an important part of our continued success. Our decision to file for chapter 11 was a strategic decision which will make us stronger both now and in the future. Our readership remains strong and our operations are cash flow positive, reflecting PN's position as one of the most efficient newspaper companies in the country.

We greatly value our relationship with you and appreciate your continued trust. We will keep you updated as necessary as we move through this process. But for now, it is business as usual. If you have any questions, I encourage you to call your advertising representative.

Sincerely,