AFFILIATED MEDIA, INC.

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FOR IMMEDIATE RELEASE

- **Affiliated Media, Inc. Announces Financial Restructuring**
- **Provides for a Significant Reduction of Debt**
- **No Change in Control of Company**
- **New Model Reflects Changing Environment for Newspapers and Other Media**
- **Newspapers, Employees, Broadcast Operations, Vendors will be Unaffected**

DENVER, CO, January 15, 2010 – Affiliated Media, Inc. today announced that it has obtained the approval of its lenders to a financial restructuring of the company that will sharply reduce its debt, boost its cash flow and allow greater financial flexibility. The plan will be implemented in the near future through a "prepackaged" chapter 11 filing.

Affiliated Media, Inc. is the holding company for the MediaNews Group family of newspapers, the nation's second-largest newspaper publisher by circulation and owner of 54 daily newspapers, over 100 non-daily newspapers, as well as websites, television and radio broadcasters that serve markets in 12 states.

Unlike other media company reorganizations, this one **does not** involve the newspaper operations or have any effect on employees or vendors of the newspapers. Only the holding company will restructure.

The reorganization, structured in consultation with the company's senior lenders, provides for the swap by senior lenders of debt for equity, and reduction of the company's debt of approximately $930 million to $165 million. There will be no management change or change in control of the company. William Dean Singleton, Chairman and Chief Executive Officer of MediaNews Group, will continue to select a majority of the members of the Board of Directors. The Singleton led management will be authorized to own 20% of the company through stock and warrants. Singleton and company President Joseph J. Lodovic, IV will control the company through their ownership of all class A shares of the company, which entitles them to elect a majority of the board of directors. Other stockholders will own class B and class C shares.

"In our search for a new model that reflects the realities of today's changing newspaper environment, we have come up with a solution that restores financial strength and flexibility to our balance sheet," said Mr. Singleton. "It does not affect the operations of any of our newspapers or vendors or other operations. It gives us one of the strongest balance sheets in the industry. It gives us breathing space to create a new model for the newspapers we publish."

Mr. Singleton added: "One critical advantage of our plan, compared with those by some other media companies, is that it is a pre-packaged plan that has the approval of lenders and unlike other filings, this one does not involve our newspaper operations." He noted that the plan allows for claims of Affiliated Media's trade creditors, suppliers and employees to be unaffected by the filing and paid in the ordinary course as they come due. Almost all of the company's trade creditors, suppliers and employees are totally unaffected in any event since none of the individual newspaper operations are involved in the reorganization plan. "For them, it's business as usual," he said. The company is current on all vendor payments, he said, and expects to remain so. He said the company has adequate cash to fund all its operations in a normal fashion.

At present, senior lenders to the company are owed approximately $590 million, guaranteed by certain affiliates. The company also owes an aggregate principal amount of about $326 million to holders of subordinated notes. By accepting the Prepackaged Plan, senior lenders will trade their existing claims and guarantees for a *pro rata* share of the new secured term loan, in a smaller principal amount but with more collateral and a more financially sound borrower, as well as ownership of a majority of the new equity of the reorganized company, subject to a gradual dilution as a result of grants of restricted stock.

Subordinated note holders will receive warrants for future equity. All existing equity interests in Affiliated Media will be cancelled.

In contrast with most filings, where creditors may oppose the proposed plan of re-organization, a prepackaged filing means that affected creditors have already seen and accepted the plan prior to the time it is filed, so that it can proceed with little debate or negotiation, and can swiftly win approval from the court.

The newspaper industry is undergoing a major transformation, exacerbated by the current recession, which is causing falling advertising, a slumping retail market and significant drops in classified advertising. About 80 per cent of the company's revenues are generated by advertising sales, and those sales will likely continue to be affected by the economic downturn. In recent years, the company has undertaken a number of strategic initiatives to improve operating cash flow and to reduce costs. But it became clear yesterday's balance sheet couldn't be sustained by today's business environment.

Even as the newspaper environment has badly deteriorated over the past three years, MediaNews newspapers have performed better than the industry as a whole. Circulation of the company's newspapers grew for the September Audit Bureau of Circulations 6-month reporting period, while industry circulation dropped 10.6 percent. The growth included gains by the Denver Post after its primary competitor ceased publication. Excluding the Denver gain, the company's circulation dropped 4.8%, still well below the industry's 10.6% decline.

And the company's innovative advertising sales initiatives have resulted in advertising declines lower than the industry as a whole. December quarter advertising results have shown substantially smaller declines than were experienced in the first nine months of the year.

All but one of the company's newspapers are profitable.

"This reorganization does not come without pain," Mr. Singleton said. "Current shareholders will be losing the value of their holdings. But we believe that adopting this plan will give us a far better platform from which to develop, grow and participate in the consolidation and re-invention of the newspaper industry."

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