



# THE McCLATCHY COMPANY

*Since 1857*

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## **McCLATCHY REPORTS MAY 2003 REVENUES AND PROVIDES SECOND QUARTER AND FULL YEAR OUTLOOK**

**Sacramento, CA, June 20, 2003 - The McClatchy Company (NYSE: MNI)** today reported that consolidated advertising revenues in May 2003 increased 1.6% and total revenues increased 1.0%. Year-to-date advertising revenues increased 3.6% and total revenues through May were up 2.8%.

Advertising revenue and linage statistics for the month of May and year to date are reviewed in more detail in McClatchy's statistical report, which follows.

Gary Pruitt, McClatchy's chairman and chief executive officer, said, "We have not previously issued guidance on our second quarter results because of the economic uncertainty created by the Iraq war and its aftermath. As May unfolded, we saw a slowing of advertising, particularly in the employment classified and retail categories.

"Revenues in June appear to be tracking closer to our May results than to our year-to-date trend. Also, we expect the quarter will include higher newsprint costs but will be helped by lower interest expense and a lower tax rate than last year. The lower tax rate is expected to contribute approximately two cents per share to our second quarter results. Considering all of this, we expect to report earnings between 79 and 81 cents per share from continuing operations for the second quarter of 2003. On June 10, we completed the sale of The Newspaper Network (TNN), a subsidiary, to the Associated Press and Vertis, Inc. for \$14.2 million. Total earnings per share factoring in the gain on the sale of TNN will likely be higher by 13 cents so will range between 92 and 94 cents per share. Earnings were 78 cents per share in the second quarter of 2002.

"With the slowing we have seen in May and June, and given the more difficult comparisons we face in the second half of the year in certain advertising categories, we believe our advertising revenues will increase in the low single-digit range in the second half of the year. We will continue to focus on those cost areas under our control. We expect to report earnings growth on top of record earnings in 2002. We anticipate that full-year 2003 earnings from

continuing operations will range between \$2.85 and \$2.95 per share compared to earnings from continuing operations of \$2.83 per share in 2002. We plan to discuss our full-year outlook in more detail at the Mid-Year Media Review in New York City on June 25<sup>th</sup>.”

McClatchy noted that management will give an update of its business strategy and outlook at the Mid-Year Media Review at 1:00 PM Eastern Time on June 25, 2003 at the McGraw Hill Auditorium in New York, New York. The presentation will be webcast live at [www.mcclatchy.com](http://www.mcclatchy.com) and will be archived for an extended period of time.

The McClatchy Company, headquartered in Sacramento, California, is a leading newspaper and Internet publisher. It publishes 11 daily and 11 non-daily newspapers located in western coastal states, North and South Carolina and the Twin Cities of Minneapolis/St. Paul. McClatchy has daily circulation of 1.39 million and Sunday circulation of 1.85 million. McClatchy's newspapers include, among others, the *Star Tribune* in Minneapolis; the three Bee newspapers in California - *The Sacramento Bee*, *The Fresno Bee* and *The Modesto Bee*; *The News & Observer* (Raleigh, NC), *The News Tribune* (Tacoma, WA) and the *Anchorage Daily News*.

McClatchy also publishes leading local websites in each of its 11 daily newspaper markets, offering readers information, comprehensive news, advertising, e-commerce and other services, and owns and operates Nando Media, a national on-line publishing operation. McClatchy is listed on the New York Stock Exchange under the symbol MNI.

#### Additional Information

This release contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ. Those risks and uncertainties are outlined in the company's December 29, 2002 annual report on Form 10-K and include, in particular, the risks that newsprint prices, retirement costs, medical costs and interest rates could rise above current expectations or that the company's businesses could be more severely negatively affected by the continuing economic uncertainty in Minnesota, California's Central Valley, the Carolinas, Washington State or Alaska. The company assumes no obligation to update the information in this release.

**The McClatchy Company**  
**Consolidated Statistical Report**

(In thousands, except for preprints and page views)

	Period 5			Period 5 Year-to-Date		
	2003	2002	% Change	2003	2002	% Change
<b>Revenues - Net: *</b>						
Advertising						
Minneapolis	\$22,461	\$22,533	-0.3%	\$120,570	\$117,054	3.0%
California	26,085	25,310	3.1%	135,745	127,693	6.3%
Carolinas	11,438	11,417	0.2%	60,395	60,764	-0.6%
Northwest	10,629	10,238	3.8%	53,691	51,861	3.5%
Total Advertising	\$70,613	\$69,498	1.6%	\$370,401	\$357,372	3.6%
Circulation	12,768	12,726	0.3%	70,412	70,232	0.3%
Other	1,675	1,934	-13.4%	9,184	10,148	-9.5%
Total Newspapers	\$85,056	\$84,158	1.1%	\$449,997	\$437,752	2.8%
Non-Newspapers	64	123	-48.0%	487	549	-11.3%
Total Revenue	\$85,120	\$84,281	1.0%	\$450,484	\$438,301	2.8%

\* Revenues reported are from continuing operations only.

**Average Paid Circulation: (Period)**

Daily	1,390.0	1,391.6	-0.1%	1,391.3	1,390.8	0.0%
Sunday	1,847.8	1,836.3	0.6%	1,848.5	1,848.9	0.0%
Community Newspapers	60.6	62.5	-3.0%	61.3	63.2	-3.0%

**Online: (Monthly)**

Millions of Page Views	109.9	102.7	7.0%	590.9	500.4	18.1%
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**Advertising Linage for Dailies:**

Full Run ROP						
Retail	435.2	449.7	-3.2%	2,251.5	2,269.3	-0.8%
National	102.1	87.6	16.6%	476.2	432.0	10.2%
Classified	583.0	600.3	-2.9%	3,057.4	3,079.3	-0.7%
Total	1,120.3	1,137.6	-1.5%	5,785.1	5,780.6	0.1%
Millions of Preprints Distributed	238.6	225.4	5.9%	1,286.5	1,179.8	9.0%

**Full Run ROP Linage by Market for Dailies:**

**California:**

<i>The Sacramento Bee</i>	203.2	205.0	-0.9%	1,034.0	1,000.4	3.4%
<i>The Fresno Bee</i>	99.9	98.4	1.5%	528.7	503.6	5.0%
<i>The Modesto Bee</i>	106.9	105.9	0.9%	523.4	529.8	-1.2%

**Star Tribune, Minneapolis**

	155.5	150.8	3.1%	772.8	746.5	3.5%
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**Northwest:**

<i>The News Tribune, Tacoma</i>	106.2	114.0	-6.8%	531.8	576.6	-7.8%
<i>Anchorage Daily News</i>	78.8	82.2	-4.1%	382.9	399.1	-4.1%
<i>Tri-City Herald</i>	62.0	58.8	5.4%	314.5	313.0	0.5%

**Carolinas:**

<i>The News &amp; Observer, Raleigh</i>	151.3	158.4	-4.5%	821.5	867.2	-5.3%
South Carolina Dailies	156.5	164.1	-4.6%	875.5	844.4	3.7%
Total	1,120.3	1,137.6	-1.5%	5,785.1	5,780.6	0.1%