



THE McCLATCHY COMPANY

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McCLATCHY REPORTS FIRST QUARTER 2007 EARNINGS

SACRAMENTO, Calif., April 24, 2007 – The McClatchy Company (NYSE-MNI) today reported first quarter 2007 earnings from continuing operations of \$14.5 million, or 18 cents per share, compared to earnings from continuing operations of \$21.8 million, or 46 cents per share, in the first quarter of 2006. A loss from discontinued operations of \$5.5 million, or 7 cents per share, reflects the results of the (Minneapolis) *Star Tribune* newspaper which was sold on March 5, 2007. The company's total net income for the 2007 quarter was \$9.0 million, or 11 cents per share, compared to total net income of \$27.7 million, or 59 cents per share, in the 2006 first quarter. As a result of the acquisition of Knight Ridder on June 27, 2006 (the "Acquisition"), the company issued 35.0 million Class A shares which negatively impacted earnings per share for the 2007 quarter.

Revenues from continuing operations in the first quarter of 2007 were \$566.6 million, compared to revenues from continuing operations of \$194.5 million in 2006. The increase in revenues reflects the addition of 20 newspapers acquired in the Acquisition. On a pro forma basis, including all newspapers as if they had been owned since the beginning of 2006, revenues from continuing operations were down 5.0% from 2006 pro forma first quarter revenues of \$596.3 million. Advertising revenues were \$477.0 million, down 5.3% from pro forma advertising in 2006, and circulation revenues were \$71.9 million, down 3.6% on a pro forma basis.

The company benefited from strong cost reduction efforts in the 2007 quarter. Cash expenses were down 6.3% as the result of synergies realized from the Acquisition, reduction in staffing levels and lower newsprint expense. Operating cash flow was up slightly on a pro forma basis.

Earnings from continuing operations included a loss from its investments in unconsolidated companies of \$9.7 million, compared to income in the first quarter of 2006 (prior to the Acquisition) of \$0.4 million. This loss was due to the operating results of its newsprint investments and to seasonally low profitability at CareerBuilder, Classified Ventures and the Seattle Times Company.

Interest expense from continuing operations for the first quarter of 2007 includes \$5.7 million related to \$530 million in debt repaid from the proceeds of the sale of the *Star Tribune* on

March 5, 2007. However, the operations of the *Star Tribune* were included in discontinued operations during the first two months of 2007.

The company's first quarter 2007 loss from discontinued operations, reflects a better result than it had previously expected. As foreshadowed in its 2006 Form 10-K Annual Report, McClatchy recorded tax expense of approximately \$40 million in the first quarter of 2007 caused by the sale of *Star Tribune*-related intellectual property from the company's intellectual property subsidiary when the transaction closed. However, this income tax expense was offset by an additional \$41 million income tax benefit from updated estimates of the company's tax basis in the *Star Tribune*. Based upon these revised estimates, the company expects the 2008 tax refund to be an estimated \$201 million rather than its original estimate of \$160 million. Therefore, the company expects to realize approximately \$731 million in after-tax proceeds from the sale of the *Star Tribune*, instead of \$690 million.

Commenting on first quarter results, Gary Pruitt, chairman and chief executive officer, said, "In the first quarter of 2007 we faced the toughest advertising climate we have seen in a number of years. In particular, real estate and automotive advertising were hurt by the continuing declines in sales of both homes and domestic vehicles. Internet revenues were up 5.4%, as our online employment revenues are being affected by the revised CareerBuilder affiliate agreement. However, we continue to see strong growth in other online advertising categories. Excluding online employment advertising, our online advertising revenues grew 17.0% in the quarter.

"We continued to focus on cost controls to help offset the impact of the revenue challenges and reduced cash operating expenses by 6.3% on a pro forma basis in the quarter. As a result, our operating cash flow grew slightly on a pro forma basis. Few newspaper operations can make that claim.

"As we look to the second quarter, we expect continued declines in real estate advertising, particularly in the California and Florida newspapers, and do not see a significant rebound as yet in the other classified advertising categories. So we expect second quarter advertising results to be similar to the first quarter.

"While we are continuing to look for additional ways to reduce costs, we are delivering on the Knight Ridder synergies. We will continue to reduce staffing levels through attrition and see continued relief in newsprint pricing as the year unfolds. We are scrutinizing all other areas of expense for opportunities.

"The cyclical downturn in all three major classified categories is exacerbating the impact of structural shifts affecting newspapers. However, we believe our strategic moves in acquiring Knight Ridder and selling the *Star Tribune* have both helped us in this difficult time and made us an even stronger competitor. For instance, our operating cash flows in the first eight months after the Acquisition would have been down 16.3% had we not done the Acquisition or sold the *Star Tribune*. Had we acquired the Knight Ridder newspapers, but not sold the *Star Tribune*, our operating cash flows would have declined 5.2% on a pro forma basis. But by making the

Acquisition, and all of the divestitures to realign our portfolio as we have, our operating cash flows were essentially flat—down 0.3% on a pro forma basis. So our performance was much better for having acquired Knight Ridder and selling the 13 papers. With our portfolio of newspapers and digital assets in growth markets, new alliances with technology companies, and changes we are making in our cost structure, we approach the future with optimism.

“On April 16, we announced that we had joined an important alliance with Yahoo! and 11 other newspaper companies. This partnership presents opportunities for McClatchy and other newspaper companies to grow online by boosting traffic, bolstering search efforts and creating a state-of-the-art online ad network. We examined many alternatives in determining that this represents the right deal, with the right partners, at the right time. The partnership has emerged as the newspaper industry’s preferred solution, and as more companies join, we expect that gravitational pull will become even stronger.”

The company’s pro forma statistical report, which summarizes revenue performance for March and the first fiscal quarter of 2007, follows. This report includes advertising revenues for the 20 Knight Ridder newspapers the company acquired, but did not own in the first half of its fiscal 2006, and excludes the revenues of the *Star Tribune* newspaper. The pro forma information is meant to provide investors a sense of what the advertising results of the continuing operations would have been in each interim period.

A reconciliation of operating expenses, operating cash flow (as defined) and operating income to pro forma amounts are posted on the company’s website for the first three quarters of 2006. A reconciliation of the operating cash flow and operating income for the eight months ended March 4, 2007 and February 26, 2006 to pro forma amounts are also posted.

At noon Eastern time today, McClatchy will review its results in a conference call (877-278-1205 pass code 3510894) and webcast (www.mcclatchy.com). The webcast will be archived at McClatchy’s website.

The McClatchy Company is the third largest newspaper company in the United States, with 31 daily newspapers and approximately 50 non-dailies. McClatchy-owned newspapers include *The Miami Herald*, *The Sacramento Bee*, the (Fort Worth) *Star-Telegram*, *The Kansas City Star*, *The Charlotte Observer*, and *The (Raleigh) News & Observer*. In addition, McClatchy has a robust network of internet assets, including leading local websites in each of its daily newspaper markets, offering users information, comprehensive news, advertising, e-commerce and other services. The company also owns and operates McClatchy Interactive, an interactive operation that provides websites with content, publishing tools and software development; Real Cities (www.RealCities.com), the largest national advertising network of local news websites and 15.0% of CareerBuilder, the nation’s largest online job site. McClatchy also owns 25.6% of Classified Ventures, a newspaper industry partnership that offers classified websites such as cars.com and apartments.com. McClatchy is listed on the New York Stock Exchange under the symbol MNI.

ADDITIONAL INFORMATION

Statements in this press release regarding future financial and operating results, future opportunities for the company and any other statements about management's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "estimates" and similar expressions) should also be considered to be forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ. These risks and uncertainties include national and local economic conditions that could affect advertising and circulation rates and volumes, changes in interest rates and/or newsprint prices, increased competition in our markets, the impact of any litigation or potential litigation, as well as the other risks detailed from time to time in the Company's publicly filed documents, including the Company's Annual Report on Form 10-K for the year ended December 31, 2006, filed with the U.S. Securities and Exchange Commission. McClatchy disclaims any intention and assumes no obligation to update the forward-looking information contained in this release.

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THE McCLATCHY COMPANY
CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
(In thousands, except per share amounts)

| | Three Months Ended | |
|---|--------------------|-------------------|
| | April 1, 2007 | March 26, 2006 |
| REVENUES - NET: | | |
| Advertising | \$ 477,023 | \$ 166,334 |
| Circulation | 71,880 | 23,764 |
| Other | 17,655 | 4,365 |
| | 566,558 | 194,463 |
| OPERATING EXPENSES: | | |
| Compensation | 236,324 | 85,739 |
| Newsprint and supplements | 75,417 | 26,264 |
| Depreciation and amortization | 37,833 | 9,887 |
| Other operating expenses | 129,596 | 37,294 |
| | 479,170 | 159,184 |
| OPERATING INCOME | 87,388 | 35,279 |
| NON-OPERATING (EXPENSES) INCOME: | | |
| Interest expense | (53,785) | - |
| Interest income | 64 | 13 |
| Equity income(losses) in unconsolidated companies, net | (9,749) | 396 |
| Other - net | (48) | (7) |
| | (63,518) | 402 |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX PROVISION | 23,870 | 35,681 |
| INCOME TAX PROVISION | 9,357 | 13,900 |
| INCOME FROM CONTINUING OPERATIONS | 14,513 | 21,781 |
| INCOME (LOSS) FROM DISCONTINUED OPERATIONS - NET OF INCOME TAXES | (5,483) | 5,946 |
| NET INCOME | \$ 9,030 | \$ 27,727 |
| NET INCOME PER COMMON SHARE: | | |
| Basic: | | |
| Income from continuing operations | \$ 0.18 | \$ 0.46 |
| Income (loss) from discontinued operations | (0.07) | 0.13 |
| Net income per share | \$ 0.11 | \$ 0.59 |
| Diluted: | | |
| Income from continuing operations | \$ 0.18 | \$ 0.46 |
| Income (loss) from discontinued operations | (0.07) | 0.13 |
| Net income per share | \$ 0.11 | \$ 0.59 |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES: | | |
| Basic | 81,885 | 46,735 |
| Diluted | 81,982 | 46,974 |

See notes to consolidated financial statements.

The McClatchy Company
Consolidated Statistical Report
(In thousands, except for preprints)

| Revenues - Net: | March | | | | | | |
|--|-----------|-----------------------|-------------|------------------------|-----------|-----------------------|-------------|
| | Combined | | | Print Only | | | |
| | 2007 | *Pro Forma 2006 | % Change | As Reported 2006 | 2007 | *Pro Forma 2006 | % Change |
| Advertising | | | | | | | |
| Retail | \$68,478 | \$65,732 | 4.2% | \$20,890 | \$66,503 | \$64,608 | 2.9% |
| National | 13,405 | 15,301 | -12.4% | 4,170 | 12,911 | 14,743 | -12.4% |
| Classified Total | 60,625 | 68,876 | -12.0% | 24,623 | 49,555 | 57,182 | -13.3% |
| Automotive | 13,855 | 15,391 | -10.0% | 5,652 | 11,955 | 13,718 | -12.9% |
| Real Estate | 17,530 | 21,543 | -18.6% | 8,920 | 16,353 | 20,254 | -19.3% |
| Employment | 22,200 | 25,442 | -12.7% | 8,165 | 14,697 | 17,154 | -14.3% |
| Other Class | 7,040 | 6,500 | 8.3% | 1,886 | 6,550 | 6,056 | 8.2% |
| Direct Marketing | 11,698 | 12,285 | -4.8% | 3,695 | 11,698 | 12,285 | -4.8% |
| Other Adv Rev | 146 | 136 | 7.4% | 135 | 146 | 136 | 7.4% |
| Total Advertising | \$154,352 | \$162,330 | -4.9% | \$53,513 | \$140,813 | \$148,954 | -5.5% |
| Circulation | 22,130 | 23,412 | -5.5% | 7,478 | | | |
| Other | 6,143 | 5,665 | 8.4% | 1,411 | | | |
| Total Revenues | \$182,625 | \$191,407 | -4.6% | \$62,402 | | | |
| Memo: Online Only Advertising Revenue | \$13,539 | \$13,376 | 1.2% | \$3,568 | | | |

Advertising Revenues by Market:

| | | | | | | | |
|-------------------|-----------|-----------|--------|----------|-----------|-----------|--------|
| California | \$29,581 | \$32,509 | -9.0% | \$30,468 | \$27,559 | \$30,567 | -9.8% |
| Southeast | 38,859 | 39,167 | -0.8% | 12,706 | 34,570 | 35,316 | -2.1% |
| Florida | 25,011 | 29,431 | -15.0% | 0 | 23,257 | 27,312 | -14.8% |
| Midwest | 21,393 | 22,275 | -4.0% | 0 | 19,456 | 20,095 | -3.2% |
| Northwest | 17,279 | 16,591 | 4.1% | 10,339 | 15,500 | 15,143 | 2.4% |
| Texas | 16,082 | 16,815 | -4.4% | 0 | 14,954 | 15,677 | -4.6% |
| Other | 6,147 | 5,542 | 10.9% | 0 | 5,517 | 4,844 | 13.9% |
| Total Advertising | \$154,352 | \$162,330 | -4.9% | \$53,513 | \$140,813 | \$148,954 | -5.5% |

Advertising Statistics for Dailies:

| | | | | | | | |
|------------------------------------|--|--|--|-------|---------|---------|-------|
| Full Run ROP Linage | | | | 964.4 | 2,531.1 | 2,681.2 | -5.6% |
| Millions of Preprints Distributed | | | | 169.5 | 548.7 | 528.0 | 3.9% |
| Average Paid Circulation:** | | | | | | | |
| Daily | | | | | 2,849.0 | 2,975.3 | -4.2% |
| Sunday | | | | | 3,500.6 | 3,674.8 | -4.7% |

* Pro Forma includes Knight Ridder acquisition and excludes (Minneapolis) Star Tribune newspaper.

** Reflects average paid circulation based upon number of days in period. Does not reflect ABC reported figures.

The McClatchy Company
Consolidated Statistical Report
(In thousands, except for preprints)

March Year-to-Date

| | Combined | | | Print Only | | | |
|--|-----------|-----------------------|-------------|------------------------|-----------|-----------------------|-------------|
| | 2007 | *Pro Forma 2006 | % Change | As Reported 2006 | 2007 | *Pro Forma 2006 | % Change |
| Revenues - Net: | | | | | | | |
| Advertising | | | | | | | |
| Retail | \$206,028 | \$204,345 | 0.8% | \$64,688 | \$200,134 | \$201,162 | -0.5% |
| National | 45,150 | 50,399 | -10.4% | 13,758 | 43,746 | 48,150 | -9.1% |
| Classified Total | 188,535 | 211,676 | -10.9% | 76,282 | 154,628 | 178,030 | -13.1% |
| Automotive | 42,135 | 50,221 | -16.1% | 18,499 | 36,490 | 45,397 | -19.6% |
| Real Estate | 55,150 | 64,214 | -14.1% | 26,463 | 51,465 | 60,461 | -14.9% |
| Employment | 69,646 | 75,713 | -8.0% | 25,127 | 46,550 | 52,109 | -10.7% |
| Other Class | 21,604 | 21,528 | 0.4% | 6,192 | 20,123 | 20,063 | 0.3% |
| Direct Marketing | 36,942 | 36,835 | 0.3% | 11,093 | 36,942 | 36,835 | 0.3% |
| Other Adv Rev | 368 | 518 | -29.0% | 513 | 368 | 518 | -29.0% |
| Total Advertising | \$477,023 | \$503,773 | -5.3% | \$166,334 | \$435,818 | \$464,695 | -6.2% |
| Circulation | 71,880 | 74,585 | -3.6% | 23,764 | | | |
| Other | 17,655 | 17,937 | -1.6% | 4,365 | | | |
| Total Revenues | \$566,558 | \$596,295 | -5.0% | \$194,463 | | | |
| Memo: Online Only | | | | | | | |
| Advertising Revenue | \$41,205 | \$39,078 | 5.4% | \$10,502 | | | |
| Advertising Revenues by Market: | | | | | | | |
| California | \$92,486 | \$102,466 | -9.7% | \$96,220 | \$86,044 | \$96,621 | -10.9% |
| Southeast | 118,860 | 119,905 | -0.9% | 38,236 | 106,391 | 108,780 | -2.2% |
| Florida | 82,181 | 93,366 | -12.0% | 0 | 76,340 | 86,960 | -12.2% |
| Midwest | 63,833 | 68,009 | -6.1% | 0 | 57,748 | 61,598 | -6.3% |
| Northwest | 52,573 | 51,129 | 2.8% | 31,878 | 47,221 | 46,963 | 0.5% |
| Texas | 48,440 | 51,974 | -6.8% | 0 | 45,190 | 48,459 | -6.7% |
| Other | 18,650 | 16,924 | 10.2% | 0 | 16,884 | 15,314 | 10.3% |
| Total Advertising | \$477,023 | \$503,773 | -5.3% | \$166,334 | \$435,818 | \$464,695 | -6.2% |
| Advertising Statistics for Dailies: | | | | | | | |
| Full Run ROP Linage | | | | 2,995.2 | 7,637.7 | 8,389.5 | -9.0% |
| Millions of Preprints Distributed | | | | 535.6 | 1,683.8 | 1,633.5 | 3.1% |
| Average Paid Circulation:** | | | | | | | |
| Daily | | | | | 2,830.2 | 2,934.9 | -3.6% |
| Sunday | | | | | 3,480.4 | 3,620.8 | -3.9% |

* Pro Forma includes Knight Ridder acquisition and excludes (Minneapolis) Star Tribune newspaper.

** Reflects average paid circulation based upon number of days in period. Does not reflect ABC reported figures.