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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re:</b>	:
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	: <b>Chapter 11 Case No.</b>
	:
<b>STAR TRIBUNE HOLDINGS</b>	: <b>09-10244 (RDD)</b>
<b>CORPORATION, et al.,</b>	:
	: <b>(Jointly Administered)</b>
	:
<b>Debtors.</b> <sup>1</sup>	:
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**DECLARATION OF DAVID W. MONTGOMERY IN SUPPORT OF THE  
STAR TRIBUNE COMPANY’S MOTION TO REJECT ITS  
COLLECTIVE BARGAINING AGREEMENT WITH  
GCC/IBT LOCAL 1-M PURSUANT TO 11 U.S.C. § 1113**

David W. Montgomery declares and says:

1. I am the Chief Financial Officer of The Star Tribune Company (together with Star Tribune Holdings Corporation (“**Holdings**”), the “**Debtors**” or the “**Star Tribune**” or the “**Company**”), a debtor and debtor in possession in these chapter 11 cases. In that capacity, I am familiar with the Star Tribune’s day-to-day operations, business and financial affairs and the books and records.

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<sup>1</sup> The Debtors are Star Tribune Holdings Corporation and The Star Tribune Company. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

I have worked for the Star Tribune for the previous seventeen months, and have a total of nineteen years of experience in various capacities in the newspaper and publishing industry.

2. I offer this declaration in support of the Star Tribune's motion pursuant to 11 U.S.C. § 1113(c) (the "**1113 Motion**") to reject the collective bargaining agreements ("**CBA**") between the Star Tribune and the Graphic Communications Conference/International Brotherhood of Teamsters Local 1M (GCC/IBT Local 1M) (the "**Pressmen**").

3. Except as otherwise indicated, all facts set forth herein are based upon my personal knowledge of the Star Tribune's operations and finances; information learned from my review of relevant documents; information supplied to me by other members of the Star Tribune's management, the Star Tribune's professionals, or employees of the Star Tribune working under my supervision; or my opinion based upon my experience, knowledge and information concerning the Star Tribune's operations and the print and online news media industries. Unless otherwise indicated, the financial information contained herein is unaudited. I am authorized to submit this affidavit on behalf of the Star Tribune, and if called upon to testify, I would testify competently to the facts set forth in this declaration.

4. Section I of this declaration describes the Star Tribune's businesses, Section II describes the Star Tribune's current financial crisis and the circumstances giving rise thereto, and Section III describes the Star Tribune's cost-cutting efforts and its need for continued cost savings across the Company's

business, particularly from its labor unions, to allow for a successful chapter 11 reorganization and emergence as a viable and sustainable enterprise.

**I. Overview of the Star Tribune Business**

5. The Star Tribune is a newspaper and media corporation that publishes the *Star Tribune* newspaper in both a print and online format, and is the largest news provider in the state of Minnesota. In addition to the *Star Tribune*, the Star Tribune publishes numerous niche products in both print and online media, including *vita.mn*, an entertainment website and weekly print tabloid, *Homes Magazine*, a monthly premier home-buying magazine for the Twin Cities area, *Rental's Magazine*, a publication dedicated to renters and rental housing, numerous topic-specific special sections, *Twin Cities Values* or *TCV*, a total market coverage advertizing insert product targeting non-subscribing households and multiple website or other electronically delivered products and services. The Star Tribune also offers direct marketing and database marketing services.

6. The Star Tribune traces its roots to three newspapers interwoven with Minneapolis history: the *Minneapolis Tribune*; the *Star*; and the *Minneapolis Journal*. The *Minneapolis Tribune*, the oldest of the three newspapers that eventually became the *Star Tribune*, was founded in 1867. The Cowles family of Des Moines, Iowa purchased the *Star* in 1935, the *Minneapolis Journal* a few years later, and the *Tribune* in 1941. By 1982, the three papers had been consolidated to form a single daily morning newspaper called the *Minneapolis Star and Tribune*. In 1987, the *Minneapolis Star and Tribune*

became simply the *Star Tribune*, “Newspaper of the Twin Cities,” to reflect the newspaper’s growing presence in the Minneapolis / St. Paul metropolitan area. In 1987, the *Star Tribune* built the Heritage Center, a high-technology production facility for the company’s printing operations, which continues to be in use today. In 1998, Cowles Media sold the *Star Tribune* to the McClatchy Company. In March 2007, Avista Capital Partners, L.P. and Avista Capital Partners (Offshore), L.P. (together, “**Avista Capital Partners**”), acquired the *Star Tribune*’s businesses from the McClatchy Company for approximately \$530 million (the “**Acquisition**”).

7. The *Star Tribune* is the leading daily and Sunday newspaper in the Minneapolis / St. Paul metropolitan area<sup>2</sup> [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] On the basis of circulation, the *Star Tribune* ranked nationally as the tenth largest Sunday newspaper and the fifteenth largest daily newspaper. It is the number one newspaper in the Minneapolis / St. Paul region, holding approximately 65% of that region’s readership.

8. In 1996, the *Star Tribune* launched *StarTribune.com*, which is the leading local digital news and information service in the Twin Cities and all of Minnesota. *StarTribune.com* receives approximately 6 million unique visitors

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<sup>2</sup> The Minneapolis / St. Paul metropolitan area has a population of approximately 3.2 million.

per month, and has received approximately 83 million page views per month over the past six months, an increase of 60% from over a year ago. *StarTribune.com* regularly ranks as the number one newspaper website in the United States for time spent per user per month.

9. The Star Tribune employs approximately 1,300 people, including approximately 820 union employees and 480 non-union employees. The Star Tribune is headquartered in downtown Minneapolis at 425 Portland Avenue.

10. For the year ended December 28, 2008, the Star Tribune had revenues of approximately \$246 million compared to \$304 million for the previous year ended December 30, 2007. As of December 28, 2008, the Star Tribune's unaudited consolidated financial statements reflected assets totaling approximately \$492 million and liabilities totaling approximately \$661 million. As of December 28, 2008, the Star Tribune reported cash, cash equivalents and marketable investments of approximately \$27 million.

11. On January 15, 2009 (the "**Petition Date**"), the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**").

## **II. The Star Tribune's Financial Crisis Is Dire**

12. The entire newspaper industry is facing unprecedented financial pressure amidst the current recession. Newspapers and other media across the country are struggling with historically low advertising revenue, partly because of the diminishing advertising buying from their biggest customers—the real estate, auto and retail markets—and partly due to the shift from print media to

electronic and other media and the accompanying advertising shift from newsprint pages to the Internet. Additionally, circulation subscriptions and revenue have been declining for years. In response to these industry trends, newspapers have significantly slashed costs, offered their publications for sale, reopened negotiations with lenders for flexibility on debt and in some cases, simply folded. Specifically, the decline in advertising revenue for newspapers has been the most onerous burden to address. For example, U.S. newspapers lost nearly \$2 billion or 18.1% in the third quarter of 2008 alone in total industry advertising revenue. This represented one of the worst percentage declines in years, compared to the third quarter of 2006 when total advertising revenue dropped only 1.5%. Moreover, online advertising sales have not offset the decline in advertising revenue. In the third quarter of 2008, total print advertising revenue was \$8.2 billion, compared to total online advertising revenue of only \$749.8 million. See Huffard Decl., Exhibit E-22, E-23.

13. The declines in print advertising and circulation have exacerbated one another. For example, the migration of reading habits away from print to online and other electronic media has contributed to the decline in circulation. In turn, as circulation has declined, advertising rates have not risen or, in some cases, fallen or advertisers have moved away from the print medium. As advertising revenue has dropped, newspapers are forced to make content changes that might result in further circulation or revenue decline.

14. Unfortunately, the Star Tribune has not been immune to these industry-wide perils; its business has been severely and adversely impacted.

Since 2007, the Star Tribune has faced rapidly declining revenue attributable to the overall downturn of the newspaper industry, the upheaval in the national, Minnesota and Twin Cities economies, the bursting of the real estate bubble and the migration of certain portions of its advertising revenue base to Internet-based media, such as its employment classified advertising moving to electronic jobs boards such as *monster.com*. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

15. Newspapers such as the *Star Tribune* have faced pressure on circulation, a key driver of advertising revenue. According to the October 2008 report from the Audit Bureau of Circulations, circulation at 571 newspapers reporting circulation to the Bureau for a period between April and September 2008 (in a year-over-year comparison) indicated that average weekday circulation fell 4.6% compared to the same six-month period in 2007. Sunday circulation dropped 4.8% in the same six-month period.<sup>3</sup> See Huffard Decl., Exhibits E-14, E-15. At the Star Tribune, circulation revenue was \$65 million as recently as 2005, and fell from \$54.7 million in 2007 to an estimated \$47.0 million in 2008. See Huffard Decl., Exhibit A at p.14.

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<sup>3</sup> In 2000, the *Star Tribune* had a daily and Sunday circulations of 373,948 and 667,604 respectively. See Lebedoff Decl., Exhibit F at pp. 27-28.

16. The Star Tribune's online traffic has been growing dramatically with both unique visitors and page views increasing significantly month to month.<sup>4</sup> While this significant increase in *StarTribune.com*'s internet traffic provides an attractive platform for new revenue streams, online advertising revenue is still only a small fraction of total advertising revenue, comprising only 7.1% of the Star Tribune's total revenue in 2008. Therefore, the loss in print advertising and circulation revenue has not been offset by online advertising revenue.

17. The Star Tribune's total revenue, combining circulation, advertising and other revenue sources, was \$397 million in 2000. See Lebedoff Decl., Exhibit C. It has since declined dramatically from \$380 million in 2004 to a [REDACTED], representing an astounding [REDACTED] decrease. In 2008, total revenue was only \$246 million. See Huffard Decl., Exhibit A at p.14, B at p. 2.

18. The Star Tribune's total operating expenses have been reduced through aggressive cost reduction efforts throughout the organization, but have not kept pace with the significant decline in revenue. For the two-year period 2007 and 2008, total operating costs were reduced by \$56.2 million, from \$271.2 million in 2006 to \$215.0 million in 2008. During this two-year period, total

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<sup>4</sup> According to *Editor & Publisher* in a January 26, 2009 report, *StarTribune.com* ranks second nationally in the average time spent per user as measured by Nielsen Online. The average reader on *StarTribune.com* was estimated to spend 32 minutes and 20 seconds per session in December 2008, which was up from 20 minutes and 32 seconds from November 2008. In fact, *StarTribune.com* increased its site traffic by 50% over a six-month period ending in December 2008 through the use of software allowing users to add or modify content more easily. It currently ranks only behind *The New York Times*' website, where the average time spent per user was 33 minutes and 3 seconds for December 2008. See Huffard Decl., Exhibit E-57A.

operating expenses were reduced by 21% but total revenue declined by 31%, or \$110.1 million. Notably, employee compensation represents the largest portion of expenses at 57% for 2007 and 55% of total expenses for 2008.

19. The Star Tribune's cash flows are hindered by its burdensome debt. The Company holds total secured debt of \$478 million consisting of a first-lien term loan of \$336 million, a \$45 million fully drawn first-lien revolving credit facility, a \$96 million second-lien term loan, and a \$1 million long-term capital lease obligation. The Star Tribune had interest expenses of \$35 million in 2008, which exceeded its annual Adjusted EBITDA by \$4 million. As a result of the dramatic decline in advertising revenue and the resulting weaker-than-anticipated operating results, the Star Tribune has generated significantly less cash flow than required to satisfy its existing debt obligations to both its first- and second-lien lenders.<sup>5</sup>

20. On April 29, 2008, the Star Tribune failed to provide an "unqualified" audit from its accountants, and on June 30, 2008 missed \$2 million in scheduled interest payments to its second-lien lenders. On September 30, 2008, the Star Tribune missed \$9 million in aggregate interest and principal payments to both first- and second-lien lenders. This marked the first time that first-lien lenders were not paid. To date, the Star Tribune has missed

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<sup>5</sup> Under the first- and second-lien credit agreements, dated March 5, 2007, Star Tribune is the borrower and Holdings is the guarantor, Credit Suisse is a financial institution party thereto, Cayman Islands Branch is the administrative agent, and RBS Securities Corporation is syndication agent for the first- and second-lien lenders. The first-lien agreement provides for a term loan in the amount of \$340 million and a revolving commitment of up to \$50 million to finance general working capital requirements of the borrower. The second-lien agreement provides the borrower with a term loan of \$96 million.

approximately \$20 million in payments on its secured debt. The decision to miss such payments was driven by the Star Tribune's need to conserve cash and maximize liquidity while it pursued an ultimately unsuccessful out-of-court restructuring process, an effort complicated by failure of the Star Tribune and its unions to achieve a consensual agreement on necessary cost structure modifications and reductions.

21. To date, the first- and second-lien lenders have not elected to accelerate their debt, but there is no formal forbearance agreement among the Star Tribune and its lenders. At current market rates, all lenders and equity holders in the Star Tribune have already lost nearly \$500 million, with the second-lien lenders and equity holders having lost almost 100% of their investment. The current market value of the debt reflects the market's belief that the Star Tribune's businesses are worth far less than the \$392 million outstanding in principal and interest of its first-lien debt alone. Specifically, the first-lien term loan is trading at about 17.3% to 23.0% of par value, suggesting the market's view that the debt is not supported by total company enterprise value. The second-lien debt is trading in approximately the 2.8% to 7.5% range. See Huffard Decl., Exhibit G. As a result, the lenders could foreclose on the Star Tribune's assets or become equity stakeholders in the Star Tribune.

22. As a result of declining revenue, the Star Tribune's adjusted earnings before interest, taxes, depreciation and amortization and restructuring costs ("**Adjusted EBITDA**"), an approximate proxy for operating cash and generally a critical measure of financial health, was \$31.0 million for 2008, a

47% decrease from \$59.0 million for 2007, and a 73% decrease from \$114.6 million for 2004. Adjusted EBITDA was as high as \$136 million in 2000. See Lebedoff Decl., Exhibit C at p. 7. [REDACTED]

[REDACTED]

[REDACTED]

See Huffard Decl., Exhibit B at p. 2.

23. The Star Tribune's cash balance as of the Petition Date was only approximately \$29 million.

### **III. The Star Tribune's Past Cost Savings and Urgent Need for Continued Cost Savings**

24. Beginning in March 2007, the Star Tribune began a series of aggressive cost-cutting measures that have continued as a result of the Star Tribune's weaker-than-anticipated operating results and its insufficient generation of cash flow to service its existing debt obligations. These efforts have included evaluating and modifying business practices to adopt more efficient processes, across-the-board workforce reductions, management wage freezes and other cost-cutting measures. Even with the substantial savings that have resulted from these cost-cutting actions, the Star Tribune simply cannot survive as a high-cost operator in a declining and rapidly changing market, either in the Twin Cities and more broadly across the United States, unless it achieves additional savings, particularly from its labor unions.

25. On March 18–20, 2008, the Star Tribune, certain members of management, Restructuring Associates, Inc. (“RAI”) and representatives from all of the Star Tribune's unions held meetings to discuss the Star Tribune's

deteriorating financial situation and the need for cost savings. See Lebedoff Decl., Exhibits C–J. At that time, the Star Tribune projected necessary savings of almost \$15 million annually in labor union savings, together with \$5 million in non-contract savings, to continue operations. See Lebedoff Decl., Exhibit N.

26. In April 2008, the Star Tribune hired Blackstone Advisory Services L.P. (“**Blackstone**”), a New York-based financial advisory firm, to evaluate the Star Tribune’s finances, assist with the Star Tribune’s restructuring effort and provide other strategic alternatives. At the time the Star Tribune engaged Blackstone, the Star Tribune was facing increased financial pressure from both declining advertising revenues and circulation volumes.

27. Although the Star Tribune has been unable to achieve the required cost savings from its unionized workforces, it has pursued cost reductions across all areas of the business and had by the end of 2008 already reduced its cost base by approximately \$50 million since early 2007, including savings from headcount reductions and other employee-related costs as well as non-employee operating costs.

28. Reductions in non-employee operating costs include, but are not limited to, the following cost savings of approximately \$14 million through non-contract measures:

- \$12.2 million by changing newsprint brokers, reducing unpaid space, and copy and page reductions;
- \$1.6 million through the elimination of the Sunday television listings insert;
- \$0.5 million through various expense savings initiatives, including outsourcing, shutting down and consolidation of corporate offices, more

efficient processes, renegotiation of supply contracts, automation of the photo color-correction process, reduction of the page width and overall cost reduction efforts across all departments.

29. The Star Tribune undertook significant reductions in its staffing levels soon after the Acquisition and continued to restructure and realign its workforce to meet developing business conditions through to the present date. The Company already reduced total annual compensation costs by approximately \$36 million by the end of 2008 through headcount reductions and other employee-related costs. A component of the \$36 million in labor cost reductions includes savings of approximately \$2 million as a result of not paying senior management incentive compensation for 2007 or 2008 and all other management incentive compensation for 2008 and freezing all management salaries and all non-management non-union salaries for 2008. Notably, Chris Harte, who has been serving as publisher since September 18, 2007, has foregone receiving any compensation at all.

30. The \$36 million in labor cost savings have also been achieved through workforce reductions through voluntary buyouts, layoffs and elimination of open positions. Specifically, during the 2007 and 2008, the Company saved approximately \$18 million in compensation from non-union employees, a reduction of 26%, by eliminating 358 positions, which included 78 manager positions. The Company also saved approximately \$16 million in union compensation during that time, a reduction of 18%, by eliminating 258 positions. Overall, the Company eliminated 384 jobs in 2007 and an additional 232 jobs in 2008 in a series of staff reductions across all operating departments.

31. Over the past ten years up through January 2009, non-union employee levels have decreased much more dramatically than unionized employees. In 1998, the total number of Star Tribune full-time equivalent employees (“FTEs”) was nearly 2,500, with half of the workforce made up of non-union employees. Since 1998, non-union FTEs decreased by 750 or 61%, while union FTEs decreased by only 430 or 34%. Today the Company’s workforce is comprised of 1,300 FTEs, made up of just 480 or 37% non-union employees, while union employees number 820 or 63% of the total workforce. Notably, since 2004, non-union payroll expense has declined by 33%, while union payroll expense has declined by only 16%.

32. The Star Tribune eliminated an additional 59 positions in January, 2009. Since the Acquisition through January 2009, the Company has eliminated 388 non-union positions and 287 union positions that reduced ongoing compensation costs by an estimated \$44 million per year, of which \$24 million was from non-union employees and \$20 million was from union employees.

33. Unfortunately, the Star Tribune’s revenues continued to deteriorate throughout 2008. This deterioration accelerated in the third and fourth quarters of 2008 as the general economy, stock market and credit markets suffered unprecedented declines. As a result of the Star Tribune’s significantly declining financial condition and the continuing industry- and market-wide turmoil, the Star Tribune again sought critical union cost savings.

34. On December 2, 2008, the Star Tribune and its professionals, including Blackstone, met with the leadership of all its unions to explain its basis

for seeking \$20 million in annualized labor contract savings. See Lebedoff Decl., Exhibit V. The Star Tribune sought an additional \$5 million above the \$15 million sought during the summer 2008 negotiations, for a total of \$20 million in union contract savings, due to the Star Tribune's deteriorating financial condition over the second half of 2008 and the worsening of the economy and credit markets.

35. During the December 2, 2008 union presentation, the Star Tribune and its advisors described the dire financial situation of the Star Tribune and emphasized the urgent need for union cooperation in order to achieve \$20 million in savings so that the Company may survive. The Star Tribune indicated that, without significant union contract savings by January 7, 2009, chapter 11 would be a necessity for the Company to survive and its cost saving needs would then be even greater.

36. Beginning in December 2008, the Star Tribune also began to implement measures to achieve an additional \$10 million in non-contract savings. Representative examples of these recent cost-cutting efforts include the following:

- Elimination of approximately eighty positions within the Star Tribune, including Newsroom, Circulation, Advertising, Production, Information Technology, Finance, Human Resources and Building Services;
- Production and circulation initiatives, including the combination of certain sections on certain low-revenue days;
- Elimination of the *MARQ* niche magazine which reduced staff and non-labor costs;
- Improved newsprint pricing and discounts negotiated as part of new

payment terms;

- A variety of other cost reductions, including renegotiation of existing vendor contracts, reductions in pages, building services costs, information technology maintenance costs and various other general cost reductions.

37. In light of the continuing decline of its revenues, the Star Tribune has continued to look for additional ways to cut costs. The Star Tribune's other expenses—such as ink, electricity, and fuel—are largely commodity costs that are determined by the market and are generally beyond the Company's ability to control. Since the Petition Date, the Company has identified additional non-contract savings, with an annual EBITDA impact of \$10.6 million in savings, or \$6.2 million in immediate cash savings. These savings are above and beyond the \$10 million in non-contract savings identified in December 2008. The following are among the key changes:

- Elimination of twenty additional positions across the Company;
- Reduction of costs for training, computer-related spending, closing certain satellite offices, marketing costs, travel and office supplies;
- A wage freeze for non-union employees that began on February 11, 2008 will continue throughout 2009;
- The elimination of all incentive-based compensation for all managers for 2009, with the exception of advertising sales managers, who have a higher percentage of at-risk pay;
- The temporary suspension of the Company's 401(k) contributions, effective as of March 31, 2009, but with the intention of reinstating a company match after the economy and the Company's financial condition improve;
- The Star Tribune has announced its intention to freeze its non-union employees' pension plan, and thereby preclude pension benefits to new entrants, but allow employees' previously vested and accrued

benefits to stay, but without the ability to earn additional benefits. This freeze will align with a similar across-the-board freeze or pension plan withdrawals being requested from unionized employees;

- A Paid Time Off (“PTO”) plan has been announced that will replace the Company’s current vacation, sick and holiday time off plans. Under this plan, all employee time off plans are consolidated under a single plan for employees to utilize at their discretion. Unlike under the previous vacation program, most unused PTO does not carry over to the following year. The Company will no longer provide any other paid time off, aside from its short- and long-term disability programs and government-mandated time off, such as voting, jury duty supplemental pay.

38. At present, the Star Tribune requires greater cost savings than the \$20 million in annualized savings requested from the unions in December 2008. This \$20 million savings projection was estimated in November and December 2008, but the Company’s financial decline has accelerated in 2009 and will necessitate cost savings sufficiently in excess of \$20 million in order to successfully emerge from chapter 11 reorganization. Moreover, the Company will continue to identify even further non-contract savings above and beyond the \$20.5 million in savings currently being implemented. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This contributed to one of the

poorest months in financial performance in decades for the Company. [REDACTED]

[REDACTED]

[REDACTED] The Company’s current

financial challenges are due to significant advertising revenue decline from the

close of the holiday season, dramatic year-over-year declines in advertising from

the employment, real estate and automotive sectors, the severe downturn in the national and local economies and substantial costs associated with the Company's chapter 11 filing.

39. To save the business through desperately needed savings, the Star Tribune is forced to seek Section 1113 relief against one of its largest unions, the Pressmen. The Star Tribune must achieve annualized cost savings from the Pressmen to bring its expenses in line with its greatly reduced revenue, which includes adjusting wages rates to be in line with market rates. On January 23, 2009, the Star Tribune delivered its bargaining proposal pursuant to § 1113 (the “**1113 Proposal**”) to the Pressmen seeking annualized savings of \$3.5 million comprised of revising restrictive work rules resulting in employees being paid for substantial overtime and having a larger work force than necessary, adjusting wages to market rates and freezing wage increases. See Lebedoff Decl., Exhibit A.

40. These cost reductions are critical for the Star Tribune's survival. The Star Tribune has not been, and will not be able to, keep its operating cash flow at a sufficient level to sustain its debt or to maintain operations in the ordinary course of business without such savings. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] See Huffard Decl., Exhibit C at p. 2. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

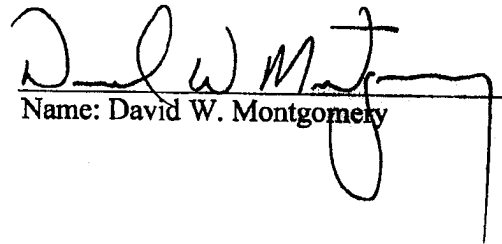
[REDACTED]

41. With the contemplated union contract savings, the Star Tribune's costs will be brought in line with its revenues and the Company will be able to generate sufficient cash flows to maintain operations and to have the flexibility to adjust to changes in the industry and market. The Star Tribune remains an important business, both in the Twin Cities and nationally. In the Twin Cities, it has the largest circulation of any newspaper. It reaches more people in that market than any other medium. In terms of revenue, it retains the dominant advertising revenue market share among traditional media, receiving 37% of all advertising dollars. If costs are brought in line with revenues, the Star Tribune should be able to capitalize on its leading market presence to successfully reorganize.

*[Remainder of Page Intentionally Left Blank]*

I, the undersigned, Chief Financial Officer of the Star Tribune, declare under penalty of perjury that the foregoing is true and correct.

Dated: Minneapolis, Minnesota  
February 19, 2009



Name: David W. Montgomery