APPENDIX D

FINANCIAL PROJECTIONS

A. Introduction.

As a condition to confirmation of a plan of reorganization, the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor. In connection with the development of the Plan, and for purposes of determining whether the Plan satisfies this feasibility standard, the Debtors' management analyzed the ability of the Debtors to meet their obligations under the Plan with sufficient liquidity and capital resources to conduct their businesses. As a consequence, the Debtors' management developed and prepared the following Projections of Star Tribune's financial statements (the "**Projections**") for the fiscal years 2009 through 2012 (the "**Projection Period**").

THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH THEIR BUSINESS PLANS, BUDGETS OR STRATEGIES OR MAKE EXTERNAL PROJECTIONS OR FORECASTS OF THEIR ANTICIPATED FINANCIAL POSITIONS OR RESULTS OF OPERATIONS. ACCORDINGLY, THE DEBTORS (INCLUDING STAR TRIBUNE) DO NOT ANTICIPATE THAT THEY WILL, AND DISCLAIM ANY OBLIGATION TO, FURNISH UPDATED BUSINESS PLANS, BUDGETS OR PROJECTIONS TO HOLDERS OF CLAIMS OR INTERESTS PRIOR TO THE EFFECTIVE DATE OR TO STOCKHOLDERS AFTER THE EFFECTIVE DATE OR TO INCLUDE SUCH INFORMATION IN DOCUMENTS REQUIRED TO BE FILED WITH THE SECECURTIES EXCHANGE COMMISSION OR ANY STOCK EXCHANGE OR OTHERWISE MAKE SUCH INFORMATION PUBLICLY AVAILABLE.

B. Projections.

The Projections should be read in conjunction with the assumptions, qualifications and explanations set forth herein and the Disclosure Statement.

The Projections set forth below have been prepared based on the assumption that the Effective Date will be September 28, 2009 (the start of the Debtor's fiscal period). Although the Debtors are seeking to cause the Effective Date to occur as soon as practicable, there can be no assurance as to when or if the Effective Date will actually occur.

Star Tribune's Projected Consolidated Statements of Operations set forth below present the projected consolidated results of operations of Star Tribune for 2009 through 2012.

Projected Consolidated Statement of Operations
(Unaudited)

($ in 000s)	4Q	Fiscal Year		
	2009	**2010**	**2011**	**2012**
Revenues				
Advertising	$ 38,205	$ 136,019	$ 145,270	$ 152,011
Circulation	11,369	44,647	43,977	43,317
Other revenue	990	3,829	3,829	3,829
Total revenue	**50,564**	**184,495**	**193,077**	**199,158**
Operating Expenses				
Compensation	27,475	87,017	91,399	94,069
Newsprint	6,746	25,792	26,873	26,874
Other cash expenses	12,844	50,770	51,785	52,821
Depreciation & amortization	3,341	14,662	16,411	16,964
Total operating expenses	**50,406**	**178,241**	**186,468**	**190,728**
Operating income	157	6,254	6,609	8,430
Interest expense, net	2,257	9,318	9,781	10,293
Pretax income	**(2,100)**	**(3,064)**	**(3,172)**	**(1,862)**
Income tax expense / (benefit)	(850)	(1,240)	(1,284)	(754)
Net income	**$ (1,250)**	**$ (1,824)**	**$ (1,888)**	**$ (1,109)**
Adjusted EBITDA[1]	9,472	20,916	23,020	25,395

Please read in conjunction with associated notes.

[1] Includes add back for one-time pension charge in 4Q 2009.

Star Tribune's Projected Consolidated Balance Sheets set forth below present the projected consolidated financial position of Star Tribune including the contemplated new capital structure of Star Tribune, giving effect to confirmation and consummation of the transactions contemplated by the Plan, as of the end of each fiscal year from 2009 to 2012.

Projected Consolidated Balance Sheets

(Unaudited)

($ in 000s)	Fiscal Year			
	2009	**2010**	**2011**	**2012**
Assets				
Cash and equivalents	$ 26,825	$ 31,121	$ 38,621	$ 48,983
Trade receivables	25,190	26,458	27,806	29,122
Other receivables	521	521	521	521
Inventory	2,744	2,727	2,859	2,843
Deposits	3,314	3,314	3,314	3,314
Deferred income taxes	4,893	4,893	4,893	4,893
Other current assets	2,108	2,108	2,108	2,108
Total current assets	65,595	71,142	80,122	91,783
PP&E, net	71,876	65,904	57,773	48,669
Intangibles, net	180,121	178,681	177,241	175,801
Other assets	1,454	1,454	1,454	1,454
Total Assets	**319,046**	**317,181**	**316,590**	**317,707**
Liabilities				
Accounts payable	3,901	3,806	3,910	3,962
Accrued compensation	19,272	18,022	17,598	17,128
Unearned revenue	13,024	12,763	12,572	12,383
Accrued interest	2,326	2,375	2,486	2,580
Other accrued liabilities	4,687	4,682	4,677	4,672
Total current liabilities	43,209	41,648	41,242	40,725
Long-term debt	100,000	104,678	109,873	115,689
Capital leases	532	112	-	-
Deferred income taxes	65,358	62,620	59,240	56,168
Other liabilities	81,197	81,197	81,197	81,197
Total Liabilities	**290,296**	**290,255**	**291,553**	**293,778**
Shareholders' Equity	**28,750**	**26,926**	**25,037**	**23,929**
Total liabilities and shareholders' equity	**$ 319,046**	**$ 317,181**	**$ 316,590**	**$ 317,707**

Please read in conjunction with associated notes.

Star Tribune's Projected Consolidated Statements of Cash Flows set forth below present the projected consolidated cash flows of Star Tribune from 4Q 2009 through 2012.

Projected Consolidated Statements of Cash Flows
(Unaudited)

($ in 000s)	4Q	Fiscal Year		
	2009	**2010**	**2011**	**2012**
Cash flows from operating activities				
Net income	$ (1,250)	$ (1,824)	$ (1,888)	$ (1,109)
Adjustments to reconcile net income to net cash flows from operating activities:				
Change in net working capital	(107)	(2,861)	(1,997)	(1,911)
Noncash interest expense	2,326	4,727	5,306	5,910
Depreciation and amortization	3,341	14,662	16,411	16,964
Deferred income taxes	(850)	(2,738)	(3,379)	(3,073)
Stock option expense	-	-	-	-
Cash flows from operating activities	**3,460**	**11,965**	**14,452**	**16,782**
Cash flows from investing activities				
Capital expenditures	(722)	(7,670)	(6,952)	(6,420)
Cash flows from investing activities	**(722)**	**(7,670)**	**(6,952)**	**(6,420)**
Cash flows from financing activities	**-**	**-**	**-**	**-**
Cash and equivalents - beginning of period	24,088	26,825	31,121	38,621
Change in cash and equivalents	2,737	4,295	7,500	10,362
Cash and equivalents - end of period	**$ 26,825**	**$ 31,121**	**$ 38,621**	**$ 48,983**

Please read in conjunction with associated notes.

C. Accounting Policies.

The Projections have been prepared using accounting policies that are consistent with those applied in the Debtors' historical financial statements.

The Debtors believe, at this point, they will qualify for treatment under fresh start accounting principles outlined in SOP 90-7. The Projections include assumed fresh start adjustments to various financial accounts of the Debtors that are based upon management estimates. The most material of these assumptions is that assets and liabilities included in the Projections have been adjusted to reflect the capital structure upon emergence and estimated fresh start adjustments.

D. Summary of Significant Assumptions.

The Debtors, with the assistance of various professionals, prepared the Projections for the 4th fiscal quarter of 2009 and the fiscal years 2010-2012. The Projections reflect numerous assumptions, including various assumptions regarding the anticipated future performance of Star Tribune and the newspaper industry, general business and economic conditions and other matters, most of which are beyond the control of the Debtors and their management. Therefore, although the Projections are necessarily presented with numerical specificity, the actual results achieved during the Projection Period will vary from the projected results. These variations may be material. Although Star Tribune believes that the assumptions underlying the Projections, when considered on an overall basis, are reasonable in light of current circumstances, no representation can be or is being made with respect to the accuracy of the Projections or the ability of Star Tribune to achieve the projected results of operations. In deciding whether to vote to accept or reject the Plan, claimants must make their own determinations as to the reasonableness of such assumptions and the reliability of the Projections. See Article 8 of the Disclosure Statement.

Additional information relating to the principal assumptions used in preparing the Projections is set forth below:

General Market Conditions

The Projections take into account the current market environment in which the Debtors compete, including many economic and financial forces that are beyond the control of the Debtors and management. The Debtors operate in the newspaper market in the Minneapolis-St. Paul area. Economic growth or slowdowns on a global or regional basis may impact Star Tribune's revenues, as well as changes in the newspaper industry may impact performance.

Methodology

The Projections were prepared based on several key assumptions, as discussed below.

Revenues and Operating Expenses

Advertising Revenue. The Projections assume advertising revenue declines by 27.0% in 2009 and 3.7% in 2010, and grows by 6.8% in 2011 and 4.6% in 2012. The advertising revenue forecast was constructed on a bottoms-up basis in 2009 and from quarterly growth rates by subcategory for subsequent years.

Circulation Revenue. Circulation revenue is forecast to decline by 3.0% in 2009, 2.0% in 2010, 1.5% in 2011 and 1.5% in 2012, reflecting circulation volume declines offset by price increases.

Other Revenue. Other revenue, including commercial printing, is forecast to decline by 23.4% in 2009 and 10.5% in 2010, and to be flat in subsequent years.

Compensation. The compensation forecast reflects a bottoms-up analysis of compensation expense in 2009, rolled forward in subsequent years subject to certain inflation rates. The Projections incorporate approximately $20 million of union-related savings that have been realized or are estimated during the bankruptcy process.

Newsprint. The newsprint forecast reflects the decline in circulation volume, rising trends in newsprint pricing and changes in advertising and news pages.

Other Cash Expenses. Other cash expenses reflect a variety of costs forecasted on a departmental level for 2009 and subject to inflation rates in subsequent years.

Depreciation & Amortization. Depreciation and amortization are projected based on estimated fresh start adjustments to current book values of PP&E and intangibles, and on depreciable life assumptions for existing PP&E and intangibles and PP&E generated through new capital spending.

Interest Expense

The Projections reflect interest expense incurred related to borrowings under the Tranche A and Tranche B of the New Secured Term Notes. Tranche A is projected to possess the following terms: a principal balance of $60 million, a maturity of 5 years and an interest rate of LIBOR + 3.0%, subject to a LIBOR floor of 5.0%. Tranche B is projected to possess the following terms: a principal balance of $40 million, a maturity of 5 years and an interest rate of (i) LIBOR + 3.0%, subject to a LIBOR floor of 5.0% if paid in cash, or (ii) 11.0% all-in if paid-in-kind ("**PIK**"), at Star Tribune's option. The Projections assume Star Tribune elects the PIK option for the entirety of the forecast period.

Income Taxes

The Projections calculate income tax expense at the Star Tribune's average tax rate of 40.5%, applied to pre-tax income. Cash taxes are calculated by adjusting pre-tax income to reflect the difference between book depreciation and amortization and tax depreciation and are assumed to be paid currently.

The Projections assume all deferred taxes related to net operating losses ("**NOLs**") are eliminated due to the size of cancellation of indebtedness income ("**CODI**"). It is therefore assumed the Star Tribune will begin to pay taxes on pre-tax income in its 2010 tax year.

Cancellation of Indebtedness Income

The Projections assume CODI eliminates all previously accrued NOLs.

Capital Expenditures

Capital expenditures for the 2009-2012 period are based on Star Tribune's capital spending budget and primarily comprise maintenance capital expenditures.

Capital Structure

The Debtors' emergence capital structure is assumed as follows:

(a) Tranche A of the New Secured Term Notes: On or after the Effective Date, the Reorganized Debtors will be indebted under Tranche A of the New Secured Term Notes, which is projected to possess the following terms: a principal balance of $60 million, a maturity of 5 years and an interest rate of LIBOR + 3.0%, subject to a LIBOR floor of 5.0%. Tranche A will be allocated pro rata among first-lien lenders under the Plan and will represent restated debt involving no new-money funding.

(b) Tranche B of the New Secured Term Notes: On or after the Effective Date, the Reorganized Debtors will be indebted under Tranche B of the New Secured Term Notes, which is projected to possess the following terms: a principal balance of $40 million, a maturity of 5 years and an interest rate of (i) LIBOR + 3.0%, subject to a LIBOR floor of 5.0% if paid in cash, or (ii) 11.0% all-in if PIK, at Star Tribune's option. Tranche B will be allocated pro rata among first-lien lenders under the Plan and will represent restated debt involving no new-money funding.

(c) New Common Stock: For purposes of the Projections, value has been ascribed to the New Common Stock, commensurate with the equity value as further described in Appendix B.

Working Capital

Accounts receivable, inventories, accounts payable, deferred compensation, and unearned revenue are projected according to historical relationships with respect to purchase and sales volumes.

Fresh-Start Reporting

As a result of the consummation of the Plan and the transactions contemplated thereby, the Reorganized Debtors will be subject to the fresh-start accounting rules in accordance with the American Institute of Certified Public Accountants Statement of Position 90-7 Financial Reporting by Entities in Reorganization under the Bankruptcy Code. Estimated adjustments have been made to the opening balance sheet in the Projections to approximate fresh-start accounting.