



**FOR IMMEDIATE RELEASE**  
**Tuesday, December 5, 2006**

**Media General Presents at Credit Suisse Media and Telecom Week Conference**

**RICHMOND, Va.** — Media General, Inc. (NYSE: MEG) today updated investors on the company's growth strategy and its outlook for 2006 and 2007 at the Credit Suisse Media and Telecom Week Conference in New York.

Marshall N. Morton, president and chief executive officer, said, "Media General is long past being just a newspaper or broadcast television company. Today, approximately 10 percent of our revenues are generated from a variety of sources other than our traditional products.

"Media General operates in strong, growing markets and is a leading provider of local news and information. Our newspapers are focused on new ways to retain existing readers and attract new ones, and several are generating circulation growth. Most of our television stations are ranked number one or two in their respective markets. Our Web sites have generated significant audience and revenue growth over the last several years.

"In addition, a key priority for us is new products and services that are targeted to a specific need or community of interest. We plan to exceed our 2006 goal of deriving 5 percent of total revenues, profitably, from new products and services," he said.

Mr. Morton said Media General had substantially strengthened its Broadcast Division in 2006 with the purchase of four NBC television stations located in Raleigh-Durham, N.C., Birmingham, Ala., Columbus, Ohio, and Providence, R.I., all strong markets. Media General also divested four CBS stations, including one in Kansas and one in Iowa, shedding non-core assets and redeploying the sale proceeds toward the acquisition. "The new stations will significantly improve our Broadcast cash flow margin (BCF)," he said. "In the fourth quarter of 2006, we expect BCF margin to be nearly 40 percent, driven by the quarter's record Political revenues of \$34 million." For the full-year 2006, Media General expects BCF margin to be approximately 33.5 percent, reflecting the fact that the new stations were owned for only part of the year as well as the facts that Political revenues were less than anticipated at some existing stations and that local and national transactional revenues were soft in 2006. Strong BCF from the new stations will enable the company to quickly reduce the debt incurred to finance the acquisition. Media General expects total debt to be approximately \$920 million at the end of 2006, or just under 4-times cash flow and expects to reduce that to \$745 million or 2.75-times by the end of 2008. It expects BCF margin in 2008 to be approximately 36 percent.

Mr. Morton said, "The year 2007 will present the normal challenges of a non-election/non-Olympics year for our Broadcast Division, and we look to 2008 as a banner year. By then, we will have had the new stations under our ownership for one full year. We expect to realize at least \$3 million annually in operating synergies, from revenues and cost reductions. In addition, 2008 will be a Presidential election year, and we will see the return of the Summer Olympics to NBC," he said.

Reid Ashe, executive vice president and chief operating officer, discussed the performance of the company's three divisions. He reported on a number of examples in the company's Tampa market that showcase how the company is executing successfully on its growth strategy. "Tampa is the 12<sup>th</sup> largest media market in the country. Its population is expected to double in the next 20 years, and we intend to be a major player in that marketplace," said Mr. Ashe.

In Tampa, Media General operates The Tampa Tribune, WFLA-TV, TBO.com, 22 associated daily and weekly newspapers, and a host of new products. "Our Tampa platforms have an unduplicated reach of 76 percent of all homes in the Tampa/St. Petersburg DMA, which includes 9 counties. That amount represents 2.4 million people or more than twice that of our nearest competition." He said TBO.com, which has been profitable since 2004, is enhancing its online presence through many content initiatives, including local news, weather, sports, traffic, entertainment, interaction with visitors and user-generated content.

Mr. Ashe said Media General has experienced strong online audience growth. He reported that Media General's newspapers and television Web sites have expanded local content initiatives, including the extensive use of video. "Page views have grown from nearly 200 million a year in 2001 to more than 750 million this year. We expect page views to exceed 1 billion next year." Content on its Web sites is contributing to Media General's industry leading revenue growth. "In 2006, we expect online revenues of just under \$30 million. In 2007, we expect to exceed \$40 million, and by 2008, we expect to be above \$50 million." He said that, up to now, online revenue growth has been driven by Classified advertising and that other categories, such as Local and National/Regional advertising, are also producing strong growth.

John Schauss, vice president-finance and chief financial officer, provided the following outlook for the fourth quarter of 2006, full-year 2006 and full-year 2007:

#### **Fourth-Quarter 2006 Outlook**

For the fourth quarter 2006, the Publishing Division expects revenue growth of 3 to 4 percent, including this year's 53<sup>rd</sup> week, which occurs the last week of the month. Excluding the extra week, Publishing revenues will decline from last year. The Broadcast Division expects a 71 to 73 percent increase in gross time sales, attributable to the addition of the four NBC stations and heavy Political spending in the fourth quarter, and excluding from both years the revenues of stations that were sold. The Interactive Media Division expects to report revenue growth of 30 to 32 percent. "At this time, we expect earnings per share from continuing operations in the fourth quarter to be in the range of \$1.30 to \$1.33 per share, compared with \$1.00 per share from continuing operations in the fourth quarter of 2005."

#### **Full-Year 2006 Outlook**

For the full-year 2006, after adjusting for non-recurring items in both 2005 (accounting change, gain on the sale of the company's investment in Denver and operations of divested stations) and 2006 (operations of divested stations and the gain on the sale of the divested stations), Media General expects 2006 adjusted income from continuing operations to increase 5 to 6 percent over 2005. Earnings per share from continuing operations in 2006 are projected to be \$2.70 to \$2.73 per share, compared with \$2.58 per share in 2005. Stock option expense of \$6 million will be recorded for the first time in 2006. Excluding this non-cash expense, adjusted income from continuing operations would be up 11 to 12 percent. "This performance will be driven by strong Broadcast Division growth and improvement in the Interactive Media Division's operating performance, which will more than offset a decline in Publishing Division profits," said Mr. Schauss. The company's consolidated cash flow margin from continuing operations in 2006 is expected to be just above last year. Cash flow margin should be 22 to 24 percent, up from last year's 21 percent, aided principally by the Broadcast Division's profit growth.

#### **2007 Outlook**

Mr. Schauss said that in 2007, the Publishing Division expects modest growth in advertising revenues. This growth will be driven principally by the Retail category, and mostly by new products. He said the Publishing Division also expects some growth in Classified advertising, including continued increases in the real estate category, and a rebound in the employment and automotive categories later in the year. Excluding this year's extra week, Publishing Division expenses in 2007 are expected to increase 4 percent, mostly reflecting increases for salaries, employee benefits and depreciation. Media General does not anticipate any newsprint price increases in 2007, and consumption will decline as the result of web-width reductions and the use of lighter basis weight paper. The Publishing Division is forecasting a profit increase for the year.

The Broadcast Division projects an increase in revenues next year, reflecting the new NBC stations, partially offset by the absence of Political revenues. "The division will implement a number of revenue-growth initiatives to replace the lost Political revenues. Broadcast expenses will increase about 6 percent on a same-store basis, reflecting salary increases, higher costs for employee benefits, increased depreciation, and investments in revenue growth initiatives. The Broadcast Division has forecast a profit decrease compared to 2006, a year heavily impacted by its record \$52 million of Political revenues."

The Interactive Media Division expects revenue growth of 40 to 45 percent in 2007, and expects to post a modest profit for the year.

Equity income from SP Newsprint is projected to be approximately \$3 million, significantly lower than this year's estimated \$11.5 million. This decline will result from lower newsprint prices and decreased sales volume that will reflect the newspaper industry's overall reduction in usage.

"For the full year 2007, while net income will be lower than 2006, operating cash flow should be even with this year. We expect to generate about \$50 million of free cash flow for debt repayment," Mr. Schauss said.

Capital spending in 2007 is projected to be \$75 million to \$85 million, including projects that will carry forward from 2006. This compares to an estimated \$106 million in 2006. The Publishing Division plans to spend approximately \$45 million, mostly for a press project for The (Lynchburg) News & Advance and new production and facility renovation projects in Winston-Salem and Tampa. The Broadcast Division plans to spend \$30 million, including investments for improved news gathering and production capabilities and the completion of a new facility for its Myrtle Beach station. The Interactive Media Division will spend about \$1 million for upgrading its content delivery system, and corporate expenditures are budgeted at about \$5 million.

Mr. Morton concluded, "We have a proven track record of innovation. Our growth will include new products and services that will engage new audiences and attract new advertisers. Our four new NBC television stations will provide significant cash flow accretion. We are focused on appropriate expense management, even as we invest prudently in new opportunities for growth. Our job is not only to hold on to the strong margins in the media business, but to improve them, and that's what we plan to do. A review of the newspaper-broadcast cross-ownership rule is under way at the FCC, and we firmly believe that it will change, possibly sometime in 2007. For all these reasons, Media General is well positioned to build shareholder value by generating peer-leading audience and revenue growth to increase profitability over the long term."

Following today's presentation, a full text and slides from the presentation will be available on the homepage of Media General's Web site, [www.mediageneral.com](http://www.mediageneral.com). An audio replay will be available on Wednesday, December 6, 2006, at approximately 10 a.m. ET and will remain available for 90 days. Click on the link on the Media General Home Page.

### **Forward-Looking Statements**

This news release contains forward-looking statements that are subject to various risks and uncertainties and should be understood in the context of the company's publicly available reports filed with the Securities and Exchange Commission. Media General's future performance could differ materially from its current expectations.

### **About Media General**

Media General is a diversified communications company operating leading newspapers, television stations and online enterprises, primarily in the Southeastern United States. The company's publishing assets include three metropolitan newspapers, The Tampa Tribune, Richmond Times-Dispatch, and Winston-Salem Journal; 22 daily community newspapers in Virginia, North Carolina, Florida, Alabama and South Carolina; and more than 100 weekly newspapers and other publications. The company's broadcasting assets include 23 network-affiliated television stations that reach more than 32 percent of the television households in the Southeast and nearly 9.5 percent of those in the United States. The company's interactive media assets include more than 75 online enterprises that are associated with its newspapers and television stations. Media General also owns a 33 percent interest in SP Newsprint Company, a manufacturer of recycled newsprint.

#### **Investor Contact:**

Lou Anne Nabhan  
(804) 649-6103

#### **Media Contact:**

Ray Kozakewicz  
(804) 649-6748