



FOR IMMEDIATE RELEASE
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Media General Presents at Mid-Year Media Review

RICHMOND, Va. — Media General, Inc. (NYSE: MEG) today updated investors on the company's growth strategies, performance and its outlook for 2006 at the Mid-Year Media Review in New York.

In opening remarks, Marshall N. Morton, president and chief executive officer, said, "Media General is generating meaningful audience and revenue growth for several reasons: our Southeast Focus, the strength of the markets in which we operate, and our internal initiatives. These include establishing a dynamic Internet presence, introducing new products and services, and strengthening our traditional products. Strategic acquisitions are also a key part of our growth strategy."

Mr. Morton said, "Media General's newspapers and television stations and their associated Web sites are preferred providers of local news and information in their markets, and they are preferred vehicles for advertising messages. We have an aggressive plan to continue our growth."

Discussing the company's online business, he said Media General implemented an Internet strategy in the early 1990's, and created a separate segment in 2001, the Interactive Media Division. "Since that time, our online audience has grown significantly, and strong double-digit growth rates continue." In 2006, the company expects online revenues of approximately \$30 million. Revenues are forecast to grow to \$40 million in 2007 and \$50 million in 2008, he said. "Our Interactive Media Division is expected to become cash flow positive by the end of 2006, and that is on a fully costed basis. We expect the division in the aggregate to become profitable in 2007," Mr. Morton said. Media General is a significant multimedia provider in all of its markets and every newspaper and television station has an associated Web site.

Media General's Web sites provide many important services to its users such as streaming video, video news updates, reader reaction sections and the ability to receive regular news, weather and sports alerts via e-mail. "Recently, in Tampa, we began serving the mobile audience with SMS text messaging, a service that has advertising sponsorship," Mr. Morton said. This service will be added to other Web sites over the next several months, including TimesDispatch.com. "We're testing podcasts at our Augusta, Georgia, television station. This service is another for which we solicit and receive advertising sponsorship." Media General also offers online advertisers the ability to deliver targeted messages triggered by content or key words selected by visitors. "Increasingly, online advertisers are placing video ads," he said.

He reviewed Media General's focus on new products and the company's goal to derive 5 percent of total revenues each year, profitably, from new sources. "We believe that a focus on new products and services is the best way to evolve with changing customers and technology." Media General also is gaining new readers, viewers and users, and increasing its business with advertisers that need to reach a particular community of interest, he said.

"Over the past several years, we have outpaced industry revenue growth in all three divisions," Mr. Morton said. "We believe revenue growth is a superior metric to net-paid circulation in assessing the strength of the newspaper business," he said. "While circulation is important, it does not capture many smaller daily and weekly newspapers or niche products, all of which make significant contributions to audience and advertising growth."

O. Reid Ashe, Jr., chief operating officer, provided an overview of the company's three operating divisions. "We are very pleased that the Publishing Division continues to produce well above average revenue growth. Through May, total revenues were up 3.3 percent and advertising revenues increased 4.8 percent." The division's best month in 2006 was in May when newspaper ad revenues increased 9.3 percent, he said.

"Classified advertising has been Publishing's strongest growth category this year, up 10.2 percent," Mr. Ashe said. Real estate advertising is the key driver and has been strong all year in most markets, particularly at The Tampa

Tribune, and help-wanted advertising remains solid. "Retail advertising revenues were up 2.3 percent year-to-date, bolstered by new revenue initiatives," he said. "We have been especially successful gaining new customers among small and mid-size merchants." National advertising declined 8.4%, due mostly to weakness in the telecommunications and automotive categories.

Mr. Ashe said, "Media General's net-paid circulation results, while down nominally in the aggregate, have been much better than the industry." A number of Media General newspapers have increased their circulation since many are published in mostly small and midsize markets, where they are deeply ingrained into the fabric of their communities, he said.

Reflecting on the U.S. newspaper industry, he said the reach of newspapers remains huge and the industry is selling 55 million papers a day. "Newspapers remain relevant, valued communications vehicles for vital local news and information." According to the NAA, newspaper circulation fell more before the Internet came about than it has after.

Broadcast Division total revenues increased 2.4 percent year-to-date and gross time sales increased 4.6 percent. "Time sales for the year included a strong lift from the Winter Olympics on our five NBC affiliates, from Super Bowl advertising on our three ABC affiliates, and from the NCAA basketball tournament on our 16 CBS affiliates," Mr. Ashe said. Local time sales, excluding Political, are up 3.6 percent, and National time sales, excluding Political, rose 2.9 percent. "This year, we expect to generate Political revenues of approximately \$36 million, including all the stations we currently own and the four NBC stations we are buying," he said. In the last non-Presidential election year in 2002, Media General sold \$32 million in Political advertising.

John A. Schauss, vice president-finance and chief financial officer, updated investors on the company's outlook and financial position for 2006. "Our current plan is for a 14-to-16 percent increase in total Media General revenues, including our new NBC stations," he said. "Publishing segment revenues are expected to increase 6-to-7 percent and Broadcast revenues are expected to increase 28-to-30 percent, again including the new stations." Media General's year has 53 weeks, with the extra week being the last week of December.

"On the expense side, we are taking steps to control all costs, especially the two items that have been the significant drivers of expense growth the past few years, newsprint and employee benefits," Mr. Schauss said. Media General is making changes to its retirement plans that will reduce volatility of pension expense. "Equity income from our one-third ownership of SP Newsprint is expected to be approximately \$13.5 million compared with just over \$1 million last year," he said. "SP has harnessed its energy costs and also realized improvements for fiber and chemical costs."

He said interest expense is expected to increase significantly due to the new debt associated with the company's acquisitions. Corporate expense will rise about 10 percent and the expensing of stock options will add about \$6 million to the company's Other expense for 2006, and the tax rate is expected to be slightly lower than 2005.

"Operating profit for the year is expected to show a healthy increase over 2005, while our net income will reflect the absence of last year's gain on the sale our interest in the Denver Post," Mr. Schauss said. Operating cash flow should be just about even with last year. Free cash flow is expected to be just above breakeven.

He said the company's acquisition of the four NBC Universal stations is scheduled to close June 26, and all are located in large, growing markets. "This is compelling from both an operational and financial perspective." In April, the company announced plans to purchase the NBC stations in Raleigh-Durham, N.C., Birmingham, Ala., Columbus, Ohio and Providence, R.I. "All four produce very attractive margins and adding the stations will balance the profit contribution of our Publishing and Broadcast segments from approximately 60%/Publishing and 40%/Broadcast currently to about 50-50."

Mr. Schauss said, "We have conservatively estimated operating synergies of \$3 million annually by 2008. These will come from enhanced revenues, which we expect to result from the implementation of our sales training and systems and our inventory management and pricing processes at these stations." Cost reductions also will result from the company bringing the stations into its Central Traffic Operation and centralized Master Control for all its NBC stations. He said, "The acquisition will immediately and significantly improve our Broadcast Division operating margin and drive meaningful growth in its revenues and segment cash flow."

The company plans to de-lever quickly, using the substantial free cash flow that will be generated by the four new stations. "At the end of 2006, we expect our leverage multiple to be 4.0x, and we expect it to be 2.5x by the end of

2008. Investors can be confident of our ability to execute as planned. We've successfully integrated numerous acquisitions. The synergies we expected were met or exceeded. And, our de-leveraging goals were met in the expected time frames," Mr. Schauss said.

Media General's capital spending for 2006 is projected to be about \$100 million. Publishing and Broadcast plan to spend \$54 million and \$41 million, respectively, while the Interactive Media Division is expected to spend approximately \$2 million. Corporate capital spending is estimated at about \$3 million. The company forecasts capital spending of about \$75 million in 2007 and expects to return to normal levels in 2008 of \$40 million-to-\$45 million annually.

Mr. Morton concluded the presentation. "We are an excellent provider of local news and information in the growing Southeast. We provide our content over multimedia platforms, including the Internet. We have a proven track record of innovation, both online and in the development of other new products and services. We expect our industry-leading revenue growth record to be sustainable. Our acquisition of 4 NBC stations will provide immediate and significant cash-flow accretion."

He said, "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 is what we plan to do.

"Finally, a change in the FCC's newspaper/broadcast cross-ownership rule would be a strong positive for our company. We believe such a change could happen sooner rather than later. Kevin Martin leads a majority of commissioners who appear to agree that the rule is outdated. The Third Circuit in Philadelphia already has said that it agrees. We are very encouraged to see that the Commission will re-visit the rule starting at its meeting tomorrow."

Mr. Morton said, "Media General is committed to building shareholder value over the long term."

The presentation will be available at approximately 1 p.m. today on the home page of Media General's Web site, www.mediageneral.com. An audio replay also will be available today at 1 p.m. and will remain available for 60 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 multimedia 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 26 network-affiliated television stations that reach 30 percent of the television households in the Southeast and nearly 8 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.

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