



FOR IMMEDIATE RELEASE
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Media General Presents at Deutsche Bank Media & Telecom Conference

RICHMOND, Va. — Media General, Inc. (NYSE: MEG) today updated investors on the company's performance, business strategy and outlook at the Deutsche Bank 2008 Media & Telecom Conference in New York.

Company speakers were Marshall N. Morton, president and chief executive officer; Reid Ashe, executive vice president and chief operating officer; and John A. Schauss, vice president-finance and chief financial officer.

In opening remarks, Mr. Morton said, "Media General continues to aggressively implement its multimedia strategy for transforming our business in the digital age. At the same time, we're diligently managing costs during exceptionally challenging economic times. We're pressing forward on two principal tracks: responding to the weakness we're encountering in Florida, and strengthening our position as the primary information resource in each of our markets.

"We have taken, and are taking, prudent and necessary steps to improve performance in Tampa. Last year, we cut more than \$8 million in costs in Tampa, on an ongoing basis, and eliminated approximately 200 positions, mostly at *The Tampa Tribune*. Among other steps, we outsourced much of circulation, as well as customer service and telemarketing, and eliminated distribution to certain outlying markets. We made changes to the width and content of the paper to reduce newsprint consumption. We've closed three distribution centers this year. Unfortunately, the reductions of last year in Tampa were not enough, as we've seen additional deterioration in the market. So, we're in the process of further reducing the workforce there," said Mr. Morton.

"Our workforce reductions cross all divisions. Compared to the beginning of 2007, when we began these reductions, by early in the third quarter of this year, we will have reduced our workforce by 750 FTEs out of a total of 6,900. This equates to annualized cost savings of \$40 million, the full amount of which will be realized in 2009. We expect severance expense of approximately \$5 million in the second quarter of 2008. We should recover this amount in salary savings by the end of third quarter," Mr. Morton said.

Mr. Morton provided an overview of other Media General cost reduction initiatives, which include:

- Conservation efforts at all newspapers, which will result in a 2% decrease in total newsprint expense in 2008, despite an anticipated 17% increase in prices.
- Consolidation of newspaper printing sites and centralizing advertising call centers, ad production, photo toning and other operations and outsourcing customer service at all three metros.
- Centralized graphics production in the Broadcast Division, adding to the approach the company uses for Central Traffic and Master Control for its CBS and NBC stations, and its remaining ABC affiliate.
- Reducing capital spending for 2008 from \$45 million to \$25 million, deferring much of it until later in the year.

Mr. Morton said the company is divesting certain assets and redeploying the proceeds for debt reduction. The company sold its interest in SP Newsprint in March and is divesting five television stations.

"While we're spending smartly, we're also managing for growth. We're creating products that deliver on our legacy of quality and credibility, while giving the customer the opportunity to use the information his or her way – whether that means a time shift or a different medium. Our areas of focus are: online – using a Web-First approach; digital television, and targeted print products," Mr. Morton said.

Reid Ashe, executive vice president and chief operating officer, reviewed the company's operating strategies, including its focus on accelerating audience and revenue growth.

Mr. Ashe said, "We launched a Web-First/Continuous News initiative last year. It has driven increases in local page views as high as 50%, and average increases in the 30% range. We've shown that when we break news online, we

don't degrade our traditional audience for newspapers or television. In fact, the opposite is often true. When we cover a breaking story online, people can see that we're pursuing it aggressively, and they turn to our newspapers and broadcasts to learn more."

He said the company has increased the use of video online, expanded its mobile delivery strategy with new advertising applications, and engaged users with increased applications such as searchable databases for content and advertising. "A key trend in online revenue distribution is that Classified has become less dominant, as other revenue streams have grown. Our vision for Classified in the Internet era is Web First, with print playing a supporting role.

"Local advertising is our fastest-growing online revenue growth category, driven by new forms of targeting and rich media. Through April, Local spending was up 32% from last year. National advertising is the second-fastest growth category and increased 18% through April. We're cultivating relationships with major accounts and agencies, and successfully pursuing multimedia and multi-market sales," he said.

"We're a founding member of the Yahoo! newspaper consortium. This is an important strategic partnership that's helping to build our online business. Our local recruitment ads are now co-branded with Yahoo! HotJobs. In the first quarter, we sold \$1.6 million in advertising through HotJobs and we expect to achieve more than \$7 million for the year." Mr. Ashe said the company is also in partnerships with Zillow, the second most visited real estate Web site, and quadrantONE, an alliance for national agencies to advertise on local Web sites.

"In addition to our Web sites, Media General provides a number of interactive advertising services. We create branded entertainment in the form of computer games for advertisers. We're also pleased to offer our visitors an online coupon and shopping opportunity with DealTaker.com. This site provides thousands of name-brand coupons, rebates and bargains, from more than 1,500 established retailers. This business brings to Media General an entirely new revenue stream – commissions from sales rather than advertising dollars," Mr. Ashe said.

John Schauss, vice president-finance and chief financial officer, provided the company's outlook for the second quarter of 2008 and full-year 2008.

Mr. Schauss said that for the second quarter of 2008, the company expects to report earnings from continuing operations of 6-to-10 cents per share, not including severance costs of approximately 14 cents per share. "Our performance for the quarter is primarily attributable to lower Publishing profits. Partially mitigating these lower profits, compared to last year, will be the absence of SP Newsprint's loss and lower interest expense."

Interest expense in the second quarter is expected to be approximately \$10.5 million, resulting from lower debt outstanding and lower interest rates. "We expect interest expense for the full year to be approximately \$43 million, compared with \$60 million in 2007, as a result of our delevering plan and lower interest rates," Mr. Schauss said.

"Looking to the second half of the year," he said, "the Broadcast Division expects significant improvement in revenues. We expect to generate approximately \$45 million in Political revenues in 2008. Ohio, Florida and Virginia are expected to be particularly strong states for Presidential campaign spending. Summer Olympics advertising on our NBC stations is expected to generate revenues of approximately \$13 million. We've signed cable retransmission agreements this year that provided compensation for two of our stations. Many of our cable contracts expire on December 31st of this year, others expire in 2009, and a few run into 2011. We will begin negotiations with some of these systems this summer. In the last round of negotiations, we were successful in obtaining full carriage for our secondary channels as well as some lucrative promotional trades."

Mr. Schauss said that for the full year, the company anticipates earnings from continuing operations of \$1.35 to \$1.45 per share, not including the 14 cents of severance expense. "And, of course, we are assuming no further deterioration in the U.S. economy or Florida."

For the full year 2008, total newspaper revenues are expected to decline 8-to-10% compared with 2007. Total Publishing expenses are expected to decrease 3-to-5%. Total broadcast revenues are expected to increase 6-to-8%, primarily due to Political and Olympics advertising. Broadcast expenses are expected to decrease about 1%.

Interactive Media Division revenues are projected to increase approximately 40%, due mainly to advertising services revenue and Local advertising growth. The division expects to swing from a \$3 million loss in 2007 (excluding passive investment) to a profit of \$3 million.

Corporate expense is expected to be just under \$40 million and the company's tax rate should be approximately 40.4%, excluding disposition activity. Debt at the end of 2008 is expected to be approximately \$765-\$770 million, compared with \$898 million at the end of 2007.

Mr. Morton concluded, "Media General is aggressively transforming our business to the new consumer reality, while effectively navigating the current economic headwinds. Moreover, the need for trusted information is greater than ever. With our focus on markets and the communities in which we operate, we're deeply steeped in local knowledge and understanding local context. No one can serve our markets better than we can, and we're leveraging our strengths to our best advantage.

"Being an industry in transition mostly sounds like a negative. However, it can be very energizing. It causes us to challenge all of those things we thought we understood and generates all sorts of new ideas. At times like this, it's easy to get caught up in the uncertainties. Our job is to look further than tomorrow and recognize that meeting the challenges we face really makes us better. We're confident that our financial results will improve over time, based on the steps we've been taking, and on the fundamental strength of our publishing, broadcasting and Internet assets, and of our region," Mr. Morton said.

Following today's presentation, full text and slides from the presentation will be available on Media General's Web site, www.mediageneral.com. An audio replay will be available on the Web site 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 leading provider of local news, information and entertainment over multiple media platforms. The company serves markets primarily in the Southeastern United States. Media General publishes 25 daily newspapers, including The Tampa Tribune, Richmond Times-Dispatch, and Winston-Salem Journal; and community newspapers in Virginia, North Carolina, Florida, Alabama and South Carolina; plus approximately 275 weekly newspapers and other targeted publications. The company owns and operates 22 network-affiliated television stations that reach more than 30 percent of the television households in the Southeast and 9 percent of those in the United States. The company's interactive media operations include Web sites and portals that are associated with each of its newspapers and television stations as well as with many specialty publications, and two growing interactive advertising services companies, Blockdot, Inc. and DealTaker.com.

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