

Annual Meeting of Stockholders

April 24, 2008

Thank you, Stewart, and good morning everyone. Before I begin my report, I'd like to introduce the rest of our officers. First, our three *division presidents*: Kirk Read – Interactive Media Division, Graham Woodlief – Publishing Division, and Jim Zimmerman – Broadcast Division. Next, our *staff department leaders*: Steve Dickinson, our Controller and Chief Accounting Officer, Lou Anne Nabhan, Vice President of Corporate Communications, John Schauss, Vice President-Finance and Chief Financial Officer, and Jim Woodward Vice President of Human Resources. I'd also like to recognize Jack Butler, assistant Treasurer, and Tim Mulvaney, assistant Controller. As we all know, these are very challenging times in the media business. Our performance has been significantly impacted by the depth of Florida's housing-related recession, a situation that seriously hurt our Tampa operations starting early last year and worsened as the year unfolded. It's true that absent Florida our performance would be much better right now. Does that mean we should sell our Florida properties? It does not. Ours is a *market* approach. We can't be a leading provider without a *longer term view*. We are cutting costs aggressively at our Tampa operations, which will position us well when Florida's economy rebounds, and it *will* – it *always has*. Our performance has also been impacted by the sub-prime mortgage crisis that began in the middle of last year and continues to affect virtually *all* American businesses. These economic challenges – including the possibility that our country is in a recession – are overshadowing the *progress we are making* on multiple fronts. For instance, with our advanced *digital* strategy, we are aggressively driving the kind of change that is needed to complete our transformation into a *new media* company. We're also making very good progress addressing the impact of structural changes in industries that have been major purchasers of newspaper and television advertising, such as the retail and automotive businesses. We're accomplishing this by creating *new* products and services that attract new *audiences* and provide *new opportunities for advertisers* to reach specific targeted customer groups. I plan to focus my report today on these areas of progress.



At the core of our strategy is the recognition that *the customer is in charge*. That was not *always* the case in the media business. In the past, people met with us on *our* schedule, meaning they received their newspaper on their doorstep at a certain time, and they tuned into our newscasts at a certain time. For the most part, we decided *what* people needed to know. But, *all that* changed some time ago. What we do now, in this new world of *new media*, is use a full array of media platforms to deliver not only *what* people *want* but *how*, *when* and *where* they want it. People need and want reliable news and other information as much as ever. We specialize in *local* news and information. We have tremendous competitive advantages with our long-standing credibility and our trusted brands, built over more than 150 years in this business. We leverage those advantages as we deliver our content in new ways. We have a thorough *research-driven* understanding of our local markets. We connect advertisers to our audience, thereby monetizing our local relationships.



I want to elaborate on the kinds of *new* capabilities we have developed – and are developing – to operate in the world of new media. All of our newspapers and television stations have associated web sites. On those sites, we offer a wide array of products and services that visitors want. In turn, advertisers want to use our sites to reach their target customers. As our readers, viewers, and advertisers turn to the Internet, we're there, ready to serve them.



We've been very successful increasing our online audience and revenues because our online offerings are meeting customer needs. Since we launched our Interactive Media Division in 2001, the compound annual growth rate for page views and revenues has been 24% and 49%, respectively.



Last year, we took our approach to online news reporting to a new level when we adopted a "Web-First" approach in all of our newsrooms. We no longer hold news until the next issue of the paper or the next scheduled TV newscast. We provide the news as it happens on the *first available platform*, which is usually the web. We've found that in the process we also enhance the appetite of our audience for our traditional products. That is because of the way we cross-promote platforms, and because we are sure to provide people with information they don't already have. Our Web-First approach has resulted in radical changes in our newsrooms. We've reassigned responsibilities and expanded schedules and also done extensive re-training in producing content for the web. The results have been dramatic. In Tampa, for instance, page views for local news are running consistently more than 50% ahead of a year ago.



We're using more and more video online, which, of course, plays to our broadcast strengths very well. At the same time, our newspapers are on the path to becoming "virtual" broadcasters. Our print teams now go out with a toolbox that includes not only still cameras but also video cameras and cell phones. They can transmit material directly from the field, which greatly speeds our ability to provide real-time information online.



We provide our web-based information through e-mail and cell phone text messages. More than 30 of our Web sites offer this service, and they're adding an average of 800 new subscribers every month.



We make it easy for visitors to make their own information submissions online, a growing desire of the web audience. User-contributed content got its start as reader comments posted to news stories and has blossomed into a creative source of local news and information.



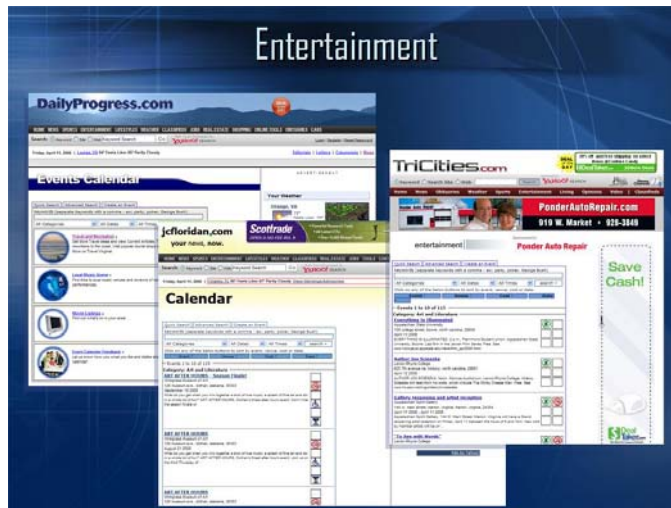
One of the fastest growing categories of user-submitted content is photos. On most of our web sites, we provide a place where visitors can create their own profile and upload their favorite photos and comments for other users to see. More than a dozen of our sites also feature user-submitted video, and the list will grow this year.

Searchable Databases



Another useful feature we provide is searchable databases that can access many different sources of information on a particular topic.

Entertainment



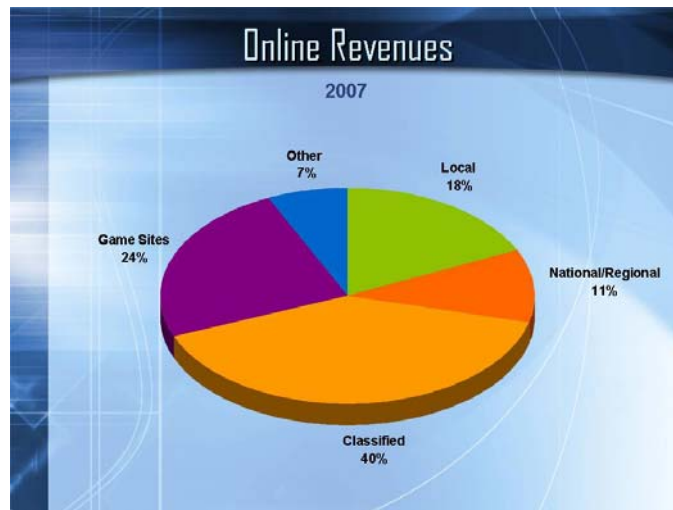
Visitors come to our web sites for information about local entertainment opportunities. We offer Entertainment Calendars that enable visitors to search for events, map their location, and email the details to friends. The calendar becomes even more useful when visitors create and add entries about their own events.



Drilling as deeply as we can with our local online content is our goal in every market. We are developing a thoroughly hyperlocal approach in Raleigh, where we have a web site that delivers content according to the various individual counties that make up the Raleigh market.



Our web sites are becoming a more and more attractive medium for local, regional and national advertisers. Advertisers can use a multitude of features online to showcase their products in ways that they cannot on other platforms. For example, we can make ads searchable, provide links to the advertiser's own web site, create supporting resources like maps and directions, and we can provide searchable data to assist the users with buying decisions.



Here you can see today's online revenue distribution. Classified currently holds the largest share. Many auto dealers put all of their inventory online in our automotive marketplace called CarSeeker, along with photos and other information. Real estate brokers and agents display homes for sale in our HomeSeeker marketplace, where you can even take a virtual tour of a house you are interested in. And we provide a valuable service to businesses that are looking for employees through our job classifieds, which we now offer in conjunction with Yahoo! HotJobs.



Local advertising revenue growth is being driven by new forms of online messaging, including performance-based, branded entertainment, video, rich media, e-mail direct and self-service.



National online revenues are growing strongly, thanks to the development of major accounts, agency relationships and multimedia and multi-market sales.



Another way we are progressing online is through partnerships with national Internet players like Yahoo! Yahoo! has no real way to reach local audiences or advertisers. We have somewhat limited opportunities to interact with national visitors and advertisers. So we – and 28 other media companies – have joined forces with Yahoo! to develop audience and revenue growth better and faster than any of us could on our own.



We've seen solid successes from our employment sites being co-branded with Yahoo! HotJobs. In the first quarter, we sold \$1.6 million in advertising through HotJobs. Job searches on our sites have increased dramatically. More advertisers are buying 30-day rather than 7-day listings.



Yahoo!'s powerful *search technology* is featured on all of our websites. Users can search the *entirety* of the Internet from our websites. Yahoo!'s sponsored search listings are appearing on our pages, offering new revenue opportunities.



Another component of the partnership features our news content on Yahoo! pages. Yahoo! recognizes where people live and delivers our local headlines to its visitors. These headlines link directly to *our* local sites, elevating the use of our platforms and brands.



Our Yahoo! partnership provides our advertisers with sophisticated targeting. Its advanced ad-serving technology selectively exposes users to ads for the specific categories that interest them most.



We recently joined quadrantONE, another industry initiative that makes it easier for advertisers to place their buys on a multitude of local web sites.



Mobile delivery abounds with advertising opportunities. One of our first forays here is to enable home seekers and car buyers to use their cell phones to find out more information about a property or vehicle that interests them. The advertiser provides a code that people can text on their cell phone and instantly receive back all kinds of information about whatever they are looking at.



In addition to our web sites, Media General provides a number of interactive advertising services. For example, we create branded entertainment in the form of computer games for advertisers. Name-brand consumer products companies use these games on their web sites to brand and promote their products. In addition, we provide the opportunity to play a variety of online games on two web sites that we operate, kewlbox.com and Boxerjam.com. About 1.5 million unique visitors use these sites each month.



We're also pleased to offer our visitors an online coupon and shopping opportunity. We just purchased DealTaker.com, which provides thousands of name-brand coupons, rebates and bargains, many of them exclusive to the site, from more than 1,500 established retailers. Users can also engage with like-minded shoppers in comparing notes about products and experiences. We look for DealTaker.com to be a significant cash-flow contributor. This business brings to Media General an entirely new revenue stream – commissions from sales rather than advertising dollars. From Day 1, we have heavily promoted it on all of our web sites and in our newspapers, and we're very pleased with the initial response.



In addition to our focus on building robust local web sites, we have created new print, broadcast and associated online products to reach previously untapped audiences. In 2007, the Publishing Division generated \$40 million from new product initiatives, and the Broadcast Division realized \$22 million from similar efforts.



Our television stations are taking advantage of the many new things we can do as a result of the conversion to digital broadcasting. Five of our stations have introduced high-definition local newscasts.



Digital broadcasting allows us to multicast. We've launched 16 secondary channels, including 24/7 weather platforms as well as channels with network affiliations, such as CW, MyTV and CBS.



We're producing more *non-news* local programming, such as a daily morning variety show, called *Daytime*, in Tampa. *Daytime* delivers nearly twice the audience of its competing shows. Several other Media General television stations carry a syndicated version of *Daytime*. WFLA also produces and syndicates a fishing show called *Reel Animals*.



WSPA in Greenville/Spartanburg last October launched a live morning talk show similar to Daytime called *Your Carolina*. The program is number one in its time slot and advertiser interest has exceeded our expectations, a reminder of the strength and high-interest value of local programming.



We're finding a lot of success with magazine products that are targeted to demographic groups such as women, Spanish speaking people and the affluent. In some markets we distribute these magazines within other products that we produce and in some cases the magazines have a separate distribution. We've also found that it's relatively simple to introduce a targeted magazine in nearby markets where we don't necessarily have a primary product. These magazine products are successful because they deliver to advertisers the specific target audience they are seeking. Often we are attracting *new* advertisers to these products.



In several newspaper markets, including Tampa and Richmond, we've introduced hyperlocal weekly newspapers, along with companion web sites, that serve suburban neighborhoods. Like our targeted magazines, these expand our total audience and extend our reach for advertisers.



In the Richmond market, for example, of course we publish our daily newspaper, the *Richmond Times-Dispatch*, and we have our web site called inRich.com. By the way, these two platforms have a combined reach of nearly 70%. Of the top 200 newspaper/web site combinations in the country, this is the third best ranking. To further increase market share, we also publish four weekly newspapers in key suburban markets that surround Richmond – Goochland, Midlothian, Powhatan and Mechanicsville. Each newspaper also has an associated web site. We produce a Spanish language newspaper here, called Centro; a magazine geared to women's interests, called Skirt!; and an entertainment publication called Brick.



We continue to make progress with our converged operations in the six markets where we own a newspaper and television station and operate a companion Web site. In these markets, we combine the strengths of all three platforms to provide the highest quality news and information available. Convergence allows us to produce better content, draw more audience, and improve our market position better than we otherwise could. We do this by collaborating behind the scenes. Each partner makes its story plans available to the other partners. Reporters and editors share information and sources across platforms. We can direct significant resources to breaking stories. We excel at investigative stories that require planning and sophisticated reporting because of the greater resources available. Each platform benefits from the other's franchises such as weather and consumer news on television, and sports, business and entertainment news in newspapers. Convergence creates opportunities for cross-promotion, driving audience growth for all platforms. Attracting the largest local audience becomes a significant revenue growth driver for all three platforms.



In Tampa, our convergence partnership has garnered an unduplicated reach of 80% of all homes in the market – a figure unmatched by any competitor. In other convergence markets, our television stations have gained share after they became converged with our daily newspaper. For example, our stations in Johnson City, Tennessee, and Roanoke, Virginia have both realized improved share of nearly 1.5 household share points since their converged approach began earlier in this decade. Last year, we won an important victory on the regulatory front when the FCC recognized the strides that Media General has made by giving us permanent grandfathering in our convergence markets. It means they've decided that

we are meeting their standard of producing better news, information and entertainment in our marketplaces, which, for us, translates into higher market share for both audience and revenues.



I think you will agree that Media General is progressing on multiple fronts as we continue to transform our company into a *new media* enterprise. In addition to these *longer-term* initiatives, we have a number of opportunities in 2008 to *further boost* our bottom line. This fall we expect significant Political advertising revenues, and we expect to generate approximately \$40 million for the year as a whole. Ohio, Florida and Virginia are expected to be particularly strong states for Presidential campaign spending. We look forward to the return of the Summer Olympics on our NBC stations and expect related advertising revenues to be \$13-14 million. We signed new cable retransmission agreements in the first quarter that provide compensation for our stations. In past negotiations, we were successful in obtaining full carriage of our secondary channels as well as some lucrative promotional trades. Many of our cable contracts expire on December 31st of this year and others expire in 2009, while a few run into 2011. We will begin negotiations with some of these systems later this year. We're implementing a number of actions that are designed to reduce expenses across the company by \$25-28 million. In addition to redeploying approximately \$100 million in proceeds from asset sales, we are using operating cash to repay debt and using less for capital spending this year, compared to the past few years. Debt at the end of 2008 is expected to be approximately \$770 million, compared with \$898 million at the end of 2007. Beyond all this, a *modest* improvement in Florida and *any* rebound in the U.S. economy would be significant. I hope most of you will leave today understanding that Media General is acting aggressively to transform our business to the new consumer reality as quickly as humanly possible. Being an industry in transition mostly sounds like a negative. However, it can be very energizing. It causes us to question all of those things we thought we understood. It generates all sorts of new ideas. I couldn't be more proud of the nearly 7,000 employees who work for Media General, who come in each day full of enthusiasm and optimism for the future, and who are working very hard to innovate and lead change. Yes, the current economic headwinds are slowing our progress to a certain extent. Yes, we will be challenged by those who may not seek to act in the long-term best interest of Media General. But we are going to *continue* to make progress, and we are going to *continue to be the leading* provider of news, information and entertainment in our markets using *whatever* platforms our audience and advertisers want. And, now, I'll be pleased to answer questions.