

Thank you, Stewart, and good morning everyone. Before I begin my report, I'd like to introduce our other corporate officers. First, our three division Presidents: Graham Woodlief, President of the Publishing Division. Jim Zimmerman, President of the Broadcast Division. Kirk Read, President of the Interactive Media Division. Graham, if you would remain standing, please. Graham will begin his long-planned retirement on July 1. He is a life-long employee of Media General. Graham joined the circulation department of Richmond Newspapers in 1962 (while he was still in high school!). After graduating from Virginia Commonwealth University, he served Richmond Newspapers in various financial capacities until 1984, when he was promoted to vice president and business manager. He became a vice president of Media General in 1989 and was named to his current position in 1998. Graham has contributed significantly to the growth and success of Media General in his 47 years with the company. He's also represented us well in the industry and in our community, including as board chairman of the United Way. Of particular note is his service since 2001 on the board of the Associated Press and his leadership as president of the Southern Newspaper Publishers Association. Graham, we thank you for all you have contributed over the years, and we're going to miss you. We wish you and Marilyn all the best in retirement. Marilyn is here today, too – Marilyn would you please stand. Marilyn has been a key supporter of Media General over the years, and has been a gracious presence at key company and industry events. Please join me in thanking both of them for many years of support for Media General. Next, I'd like to focus on our Finance group, led by John Schauss, Vice President-Finance and Chief Financial Officer. John's key staff includes: Jack Butler, who was promoted to Treasurer in September. Next Steve Dickinson, Controller, and Tim Mulvaney, Assistant Controller. Later today, we will ask the Board to elect Steve Vice President and Chief Accounting Officer of the company and to elect Tim to succeed Steve as Controller. These two promotions are part of Media General's transition to a market-focused organization structure on July 1, 2009; I will discuss that in more detail later in the presentation. For now, I'll note that as part of the new structure, all finance functions will be centralized under Steve's and Tim's leadership. This approach will increase the efficiency and overall effectiveness of all of our finance disciplines, from forecasting to financial reporting. Other corporate officers leading vital functions for the company are: Lou Anne Nabhan - Vice President, Corporate Communications, and Jim Woodward - Vice President, Human Resources, and George Mahoney, General Counsel and Corporate Secretary. Now, to my report. The media world today is as exciting a place to be as it has ever been. Technology-driven advances have opened the door to more opportunities for us than anyone could have imagined. As consumers of information, we should all be thrilled with the new power we have through the Internet and mobile devices. Not only can we receive the information we want anytime and anywhere, we can select the information we want down to a very narrowly defined search. We can contribute to conversations and connect with others like never before. Not only does this meet our individual needs, it's lots of fun. As owners of broadcast, print and online properties, we are particularly well positioned to operate in this new world. Media General's competitive advantage is that we produce valued local content that no one else does. People want our content as much as ever before, they just

want it packaged their way. Our strategy, therefore, is to make our content easily accessible on all the platforms people are using and to find new ways to monetize that content. We've made a lot of progress pushing into new digital platforms and creating new ways to serve consumers and advertisers. Well before the economy declined, for example, we had developed a dynamic Internet presence and had developed new online businesses that opened entirely new revenue streams. We had made strong inroads in developing new products and services that are targeted to specific communities of interest – topical, demographic and geographic. Unfortunately, many of our successes have been masked by the unprecedented economic downturn in which we've been operating. The severely weakened economy has undermined consumer confidence and created an adverse effect on advertiser spending levels, and that has been the main challenge to our financial performance. The revenue falloff has intensified over time in ways that we could not have predicted based on anything we've experienced before. As this downward spiral has continued, we have implemented a series of steps to bring our expense levels in line with available revenues. Each action took into account not only the short-term need to weather an extraordinary storm, but also contemplated what options would make us stronger and more effective in the long run. Our actions also acknowledged that our audience and advertisers are making increased use of the Internet and other platforms, and we are assuming that some of the revenue decline we have experienced is not cyclical but represents permanent change. We've deferred or temporarily suspended several compensation and benefit programs, including annual salary increases and the company match to our 401(k) plan. All employees are taking 10 unpaid furlough days this year. We suspended the dividend. We have not taken any of these actions lightly, but we did so because we knew them to be in our long-term best interest. As soon as company performance allows, we are committed to restoring our deferred and suspended compensation and benefits. We expect to revisit the dividend. Some of the cuts we've made are not temporary. One example is our defined benefit pension plan, which will be frozen as of May 31, 2009. We've also made deep staffing reductions. Since the beginning of 2007, which is when we first began to feel an economically driven business decline, we have reduced our workforce by nearly 1,500 or 21%. Today, we have approximately 5,300 employees.



At our newspapers, we have accomplished staffing reductions, in part, by outsourcing functions like customer service and telemarketing. The close proximity of properties provided by our regional focus enabled us to centralize advertising and production operations. We've made huge strides optimizing our printing operations, reducing the number of facilities from 25 to 10. Nine of these consolidations occurred in the last three years, in part as a result of maximizing our investment in new print sites. Here at this plant, we are now printing not only the Richmond Times-Dispatch, but also the Charlottesville Daily Progress and our Northern Virginia daily newspaper, among others. We're able to do this with no disruption of delivery and customer service. In some cases, these consolidations created the opportunity to monetize valuable real estate assets. Earlier this year, we separated the printing and distribution functions from our newspapers and created an entity charged with maximizing these operations. This



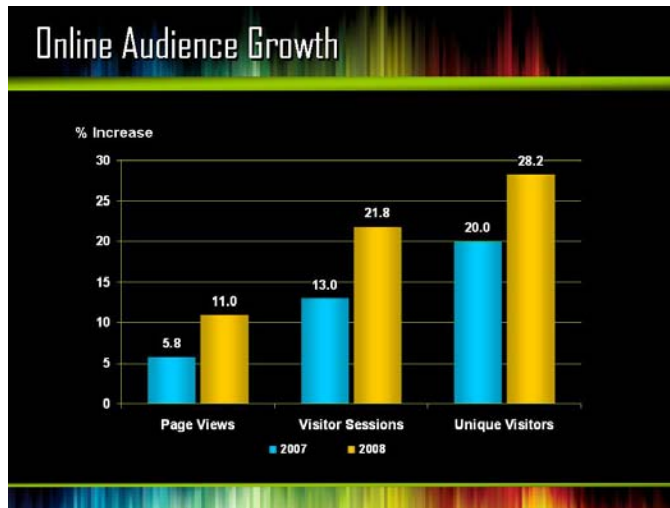
the environment. We have developed an internal process for innovation that any employee can participate in, and that process is driving additional new product ideas throughout the company.



At our television stations, we have significantly reduced operating expense by centralizing Traffic, Master Control and Graphics Operations. These initiatives have enabled us to produce 4 – 5 hours more content daily at each station with less staff. At the same time, our product quality has improved as a result of the consistency provided by specialization and automation. We've also reduced staff on the broadcast side by carefully researching what viewers want and determining the most cost effective way to deliver that content.



Even as we manage our way through the recession, we have remained intently focused on innovating and pushing into new digital platforms. In fact, the economic downturn in many ways has inspired us to accelerate our change.



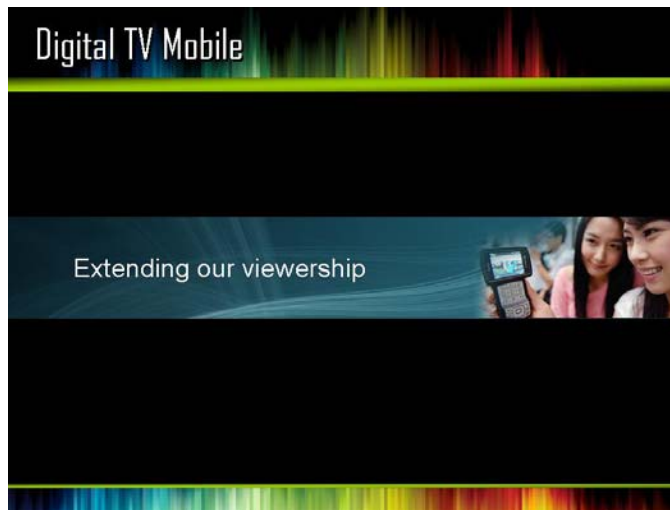
Our online audience growth continues to be very strong. Last year, page views increased 11%, visitor sessions grew 22%, and unique visitors rose 28%. Our average monthly unique visitors are approaching 10 million. Every day, our shopping site DealTaker.com averages more than 50,000 unique visitors. And we reach an estimated 28,500 daily users on their mobile devices. We're pursuing a number of different ways to continuing to grow – and monetize – our online audience.



We've significantly ramped up our efforts to provide proprietary local news online in ways that meet the needs of our audience for real-time information. We've long abandoned the notion of saving our best scoops for the morning paper or 6 p.m. news. We report the news as it happens online. In many ways, this approach has given our newspapers the opportunity to get back into the breaking news business. Traffic to our local online news pages increased by 25% last year. These pages appeal to local advertisers. So, at the same time we're creating more local traffic, we're creating more pages to monetize.



The delivery of news and information from our Web sites to mobile devices has come on fast and furiously, especially in the past year. We're providing text messaging of news, weather and sports as well as mobile delivery of new advertising and marketing services to more and more people. Our mobile Web sites currently draw about 1 million page views a month from mobile devices.



Media General is a member of the Open Mobile Video Coalition, an industry initiative to provide Mobile Digital Television. The current focus is on transmission standards and procedures, and we eagerly anticipate a late-2009 or early-2010 launch. This exciting new service will provide us with new revenue, extend our viewership, and attract a younger demographic. We expect the revenue opportunity will be from both advertising and subscriptions.



The iPhone and iPod Touch are increasingly becoming the preferred hand-held device for many consumers. We're serving this audience by optimizing our Web sites for these devices. We provide a template that includes touch screen scrolling and the ability to save an icon as a favorite. We're also able to serve targeted advertising.



Social media sites such as Facebook, Twitter, LinkedIn and MySpace have grown dramatically as places to connect to other people. The social media phenomenon opens endless opportunities for us to deliver our content on new platforms, to reach new audiences, and to extend our brands.



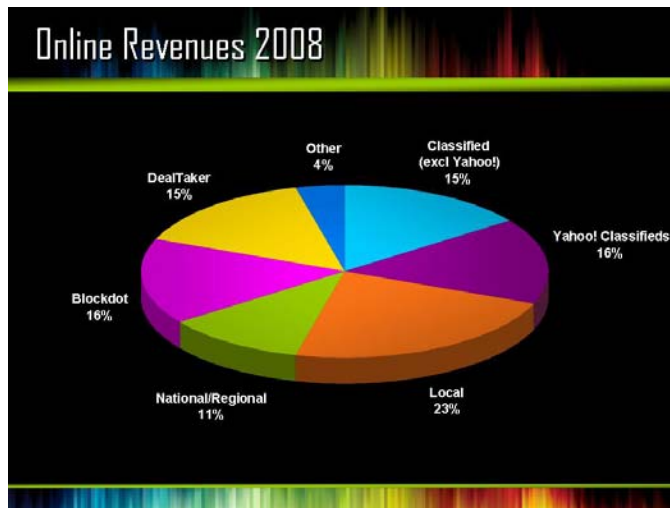
Facebook pages for our properties allow users to become “fans”. The real power for us is building as large a fan base as possible. That way, when our content is pushed to our fans’ Facebook pages, it will also be seen by all their friends. If one of our fans comments on one of our stories, that comment will appear on that person’s friends’ pages as well.



Some of our television journalists interact live on air with their audiences using social media, reacting to viewers comments and questions. I’m sure many of you have seen this technique used on some of the national news programs. As I said earlier, people want to be part of the conversation, and this is a great way to satisfy that need and engage our audience.



For example, our television station in Columbus, Ohio, launched a newscast in mid-February that revolves around social networks called @5:30 on 4. The anchors deliver the news and interact with viewers via laptop computers from the newsroom. They offer segments on what local bloggers are saying about the breaking stories of the day, and also report live Twitter and Facebook feedback from viewers. The show also provides a daily look at the most-viewed videos. The newscast has been well received because it covers what’s relevant to the community and is increasing audience share on a nightly basis.



So, how are we monetizing the audience that we are attracting and building online? Last year, our online revenues were nearly \$39 million, and they increased 8% over the prior year. That growth rate, while positive during a down economy, was far less than the robust double digit rates we had been generating. In 2007, for example, our online revenue growth was 33%. Clearly, even Internet advertising is not recession proof. That fact has not deterred us, however, from aggressively pursuing growth from multiple online revenue streams. Currently, the fastest growing categories are Local online revenues and what we call “interactive advertising services.” Last year, local online revenues grew 37%, and in the first quarter of this year we maintained our momentum. We have focused our sales staffs on aggressively pursuing this business. We’ve armed them with the training and information they need to help educate advertisers about the potential of online advertising, and we’ve found that our customers are increasingly interested in the opportunities we provide.



Our newest interactive advertising service is DealTaker.com, which is an online social shopping and coupon site. DealTaker specializes in driving online shoppers to merchant sites in exchange for a sales-based commission. We've owned it for just over a year. In that time, its traffic and revenues have doubled. In 2008, DealTaker generated \$5.7 million of revenues and \$3.9 million in operating profits. In the first quarter of this year, DealTaker's profit contribution was \$1.5 million. DealTaker is one of the top ten sites of its kind.



Another interactive advertising service is Blockdot, which specializes in interactive entertainment and advergaming technologies. Blockdot has built hundreds of online promotions for some of the world's most recognizable brands. They create company-sponsored advergaming and games for play on its own site, called kewlbox.com. Blockdot's Chicktionary game was one of the most popular on the Internet when it released the game on iPhone last December. It has since received the Best iPhone Word Game award — beating out the word giant, Scrabble.



A transforming development occurring in the world of online advertising right now is the deployment of Yahoo!'s targeted advertising technology on our Web sites. This capability opens significant opportunity for our markets and advertisers. Our relationship with Yahoo! allows us to tap into their national audience and advertisers, and it allows them to tap into our local audience and advertisers, which extends our market penetration exponentially. Essentially, the Yahoo! technology delivers "smart ads" to users based on their online behavior. Our pilot site launched in Charlottesville in March. We've signed new business in the auto, retail, service and real estate categories as a result. Advertisers are keenly interested in being able to target their message so precisely to consumers who are most likely to buy their product or service. All of our sites will be using this leading-edge technology by the end of the third quarter. We use their HotJobs platform to enhance our employment classifieds. As a result, in many markets, we have become the local leader in job listings and traffic. We further monetize our local news pages by feeding our headlines to various Yahoo! pages. Their visitors in turn come to our local site when they click on one of our news stories. They sent people to our sites in this fashion more than 5 million times last year. We also monetize their search capability on our sites. When our visitors use Yahoo! Search, as they did 13 million times last year, we share in the revenue when those searches result in Yahoo delivering targeted advertising.

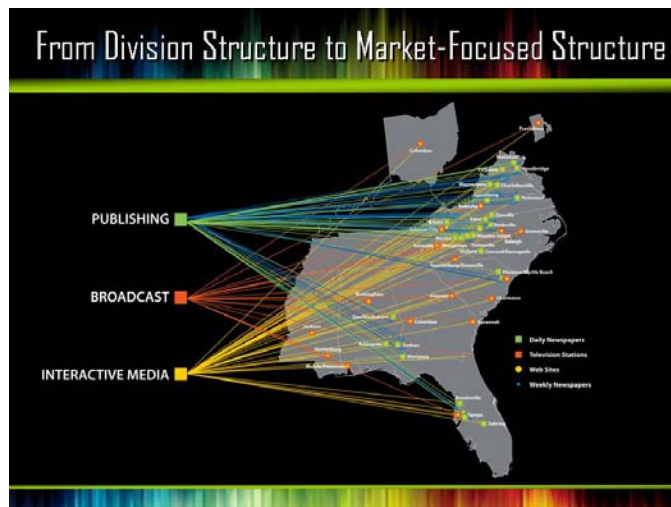


We're also partnering with the premier online real estate advertising company, Zillow. Our three metro papers are among the first in the country this year to offer co-branded real estate sites with Zillow. *The Tampa Tribune's* Web site launched in early April and the *Richmond Times-Dispatch* and *Winston-Salem Journal* will launch sites in the coming months. With Zillow's functionality, users can enter any home

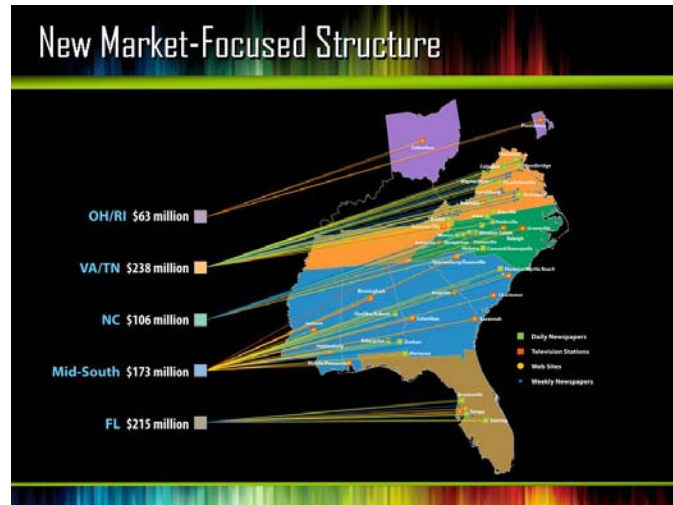
address, neighborhood or locality and find estimated home values, recently sold homes, homes for sale, open house listings and local market data. Visitors can also access mortgage rates and other information.



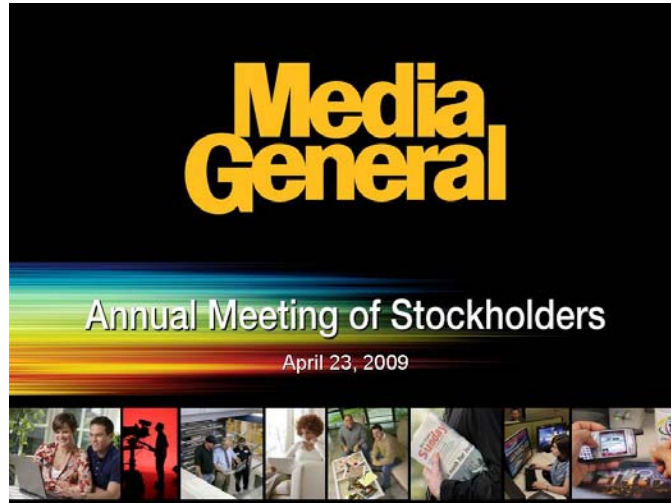
Here in Richmond, we are providing a new type of Web site. It is a city portal, called *richmond.com*, that is designed to be *the* go-to source for what's happening, what to do, and what people are talking about in the community. It's built on aggregation and social interaction. It not only invites listings from users, but also actively scours the Web to compile the most comprehensive listings of events, Things to Do, and things to buy and sell in the market. It presents news from eclectic sources and captures the most popular local blogs. It's a place for users to create profiles, comment, upload photos and interact with other social networking sites. It's a distinctly different concept from a traditional local media Web site, targeting different needs and, in many ways, a different audience. Meanwhile, here in Richmond, *TimesDispatch.com* remains the home for proprietary content, breaking news and newspaper customer service.



The next giant step we're taking to address a changed media landscape and a "new customer" is the market-based organization structure that we are shifting to on July 1. The divisional structure, under which we have operated during our whole corporate life, served us well for a different era. Today, however, we need to provide our content entirely on the customers' terms.



Under our new market structure, all platforms will report to one leader in each market. This will align our organization with our multimedia strategy. In our current division structure, we rarely understand the customers in all their facets. The new structure puts customers in a position to tell us what they want and we can respond without bias to any particular platform. It will allow us to connect more closely with “non-customers” as we seek the new audiences that advertisers want to reach. Another key advantage of this structure will be to better deploy all of our resources for the benefit of our digital strategy. By reducing layers of management, we will speed decision making across the enterprise. We will have five markets. The leaders for these groups were selected on the basis of their track records of success over many years, for their breadth and depth of experience operating in competitive markets, for their understanding of the value of research and marketing for media operations, and for their commitment to innovation. They are (please stand): **Virginia/Tennessee** – Jim Zimmerman **Florida** – John Schueler **Mid-South** (SC/Ga./Ala./Miss.) – John Cottingham **North Carolina** – Jim Conschaffer **Ohio/Rhode Island** – Rick Rogala. We will have a sixth group that will include our interactive advertising services, which are national in scope, and this group will be led by Kirk Read, president of Digital Media. (please stand) Kirk will also continue to lead our digital technology and interactive sales strategies groups. Kirk will be part of a new group headed by Jim Woodward called Growth and Performance. This group will focus on new interactive media opportunities and operational excellence initiatives. Bob MacPherson, currently head of our Community Newspapers Group, will succeed Jim as head of Corporate Human Resources.



To conclude my report, as I said at the beginning, the media world today is as exciting a place to be as it has ever been. We have more opportunities to serve more people with more content and to connect advertisers to the consumers they want to reach. We will continue to pursue those opportunities while, in the short term continuing to manage our way through the recession. Recently, there have been some encouraging signs of improvement in various parts of the economy. We hope to see more signs of improvement, and it's within our power to produce some of those signs by accelerating the types of initiatives I've just described. I'm proud of how well our employees have embraced change. I'm excited about our future, and I believe in our prospects for growth and success. We operate in growth markets, with strong assets and brands. Media General is in a good position to rebound as the economy improves, and I'm confident we will emerge from the recession as a stronger company. And, now, I'll turn it back to Stewart.