



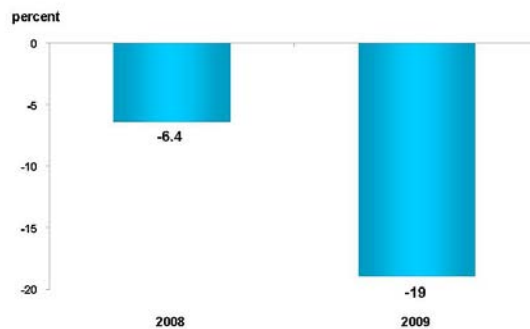
## 2010 Annual Meeting of Stockholders

April 22, 2010



Thank you, Stewart, and good morning everyone. Before I begin my report, I'd like to introduce our other corporate officers. Jack Butler, Treasurer, Steve Dickinson, Vice President and Chief Accounting Officer, Bob MacPherson, Vice President, Human Resources, Tim Mulvaney, Controller, Lou Anne Nabhan, Vice President, Corporate Communications, John Schauss, Vice President-Finance and Chief Financial Officer, and Jim Woodward, Group Vice President, Growth and Performance. I'd also like to introduce our Market Leaders: Jim Zimmerman, Virginia/Tennessee, John Schueler, Florida, John Cottingham, Mid-South, and Jim Conschafter, North Carolina. For Media General, 2009 was an extraordinarily difficult year. In fact, the past *three* years presented challenges that our company – and our industry - have never faced before. The severe economic downturn caused our revenues to drop substantially. At the same time, our customers' needs were changing rapidly, as technology continued to provide new ways of accessing information. We responded to these challenges on several fronts.

### Expense Reduction



We acted quickly to bring expenses in line with the revenue opportunities in our marketplaces during the economic downturn. Expense reduction always involves tough choices. The toughest was reducing our workforce by almost 2,000 employees, or nearly 30%, since the beginning of 2007. Combined with other cash-saving moves, for the years 2008 and 2009, we lowered our operating expenses by a total of nearly 25%.

## New Ways of Operating

- Centralized services
- Top talent
- Fewer staff at properties
- Technology
- Economies of scale
- Outside sales for some

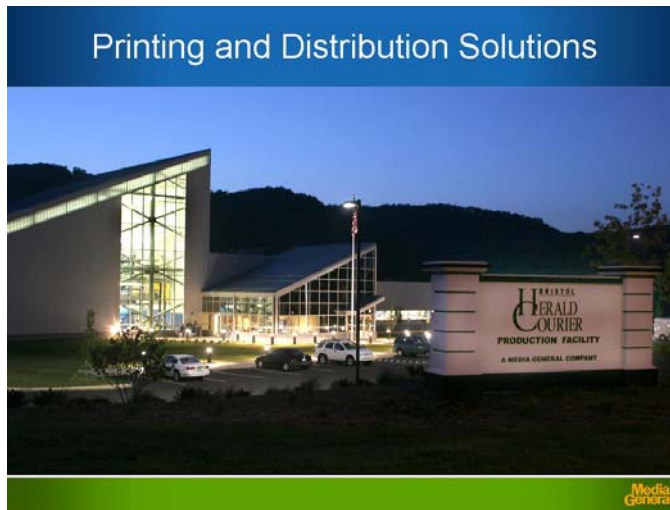
Media  
General

Reducing staff so dramatically required that we carefully examine how we were operating. In some cases, we just stopped doing things but, more typically, we found more efficient ways of operating. An effective solution for our company has been to centralize a number of key operating processes. These centralized functions are enabling us to increase efficiency *and* improve quality. These benefits occur as a result of the utilization of top talent – often at a level that no single property could afford by itself – and by requiring fewer people than would be needed if the functions were still housed within each property. We employ state-of-the-art systems in our centralized operations and take advantage of economies of scale. Automation of processes that, in many instances, were formerly handled manually improves product quality. Some of these operations provide services to third parties as well. Perhaps the greatest benefit of all is that our local properties are freed up to focus on what they do best: creating content, selling advertising, and developing new products and services to satisfy changing customer needs.

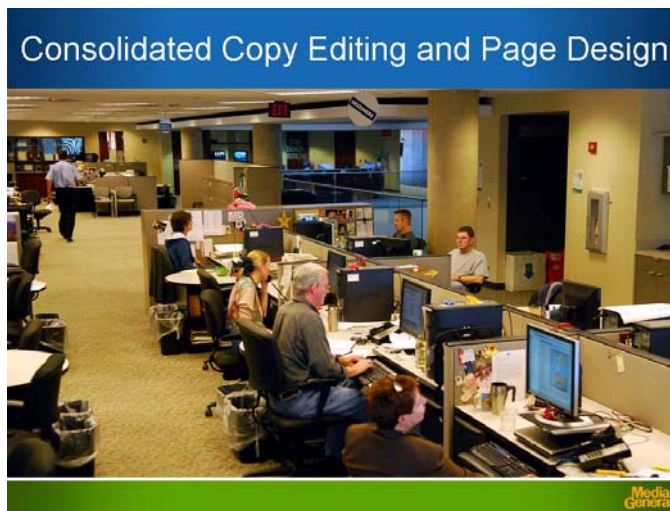
## Broadcast Centralized Services



For our television stations, we have centralized traffic, master control and graphics functions. Our central graphics group is one of those pursuing outside sales opportunities.



Our newspapers share various back office and support functions. We have, over several years, consolidated our printing operations from 25 sites to 10 sites, so that we could improve asset utilization by printing multiple newspapers in one plant. For example, here we print the *Richmond Times-Dispatch*, Charlottesville *Daily Progress*, the *News and Messenger* from Northern Virginia, and many outside commercial products. In recent years, we built new printing facilities in Bristol, Virginia; Auburn, Alabama; and Lynchburg, Virginia. As they came on stream, we needed to fully leverage their capacity. We also wanted to drive new production efficiencies across all of our printing operations. So, in February of 2009, we formed a central unit to run all of our printing facilities and increase sales of third-party business. The unit also runs our newspaper distribution operations. Last year, we added more than 20 outside newspapers to our print operations. We now distribute the Wall Street Journal in 8 cities, the Washington Post in 4, the New York Times in 2, and USA Today in 8. Printing and Distribution revenues will increase by more than 30% from the time we started this approach through the end of this year. Meanwhile, our newspapers can focus exclusively on content and sales.



We established our first consolidated copy editing and page design center last October, in Hickory, N.C., to serve all of our community newspapers in that state. Our second started up in Lynchburg, Virginia. The first phase of the Lynchburg operation took in two daily and several non-daily newspapers, and several more dailies are in the process of being added there. A few weeks ago, we announced our third consolidated editing and design operation, one that will serve our three metro newspapers - *The Tampa Tribune*, *Richmond Times-Dispatch* and *Winston-Salem Journal*. The operation will be led by a

managing editor based in Richmond, and we will have a second group in Tampa. These operations put our best copy editors and designers together so that their talents can serve many papers, not just one. Our newsrooms, in turn, can focus on content. We expect to have all newspapers in a consolidated operation by the end of the year. Once this occurs, we expect to realize annualized cost savings of more than \$1 million.



### New Finance Structure

- Amended and extended bank credit facility
- Issued bonds
- Paid down bank debt
- Extended maturities
- Amended covenants



Another major contributor to our position of strength is the new financing structure that we put in place in February of this year. It greatly enhances our financial flexibility for the coming years. While the new finance structure increases interest expense in the near term, we're pleased with its overall parameters. Our lower operating cost structure and increased financial flexibility together place us in a strong position to capitalize on an improving economy, while continuing to focus on the development of new products and new revenue streams.

### Our Strategy



Our greatest strength is that we've got the right content for our marketplaces. The challenge is that our customers increasingly have new ways of accessing that information, 24 hours a day, 7 days a week. Our focus, therefore, is on making our content available on all the platforms our customers prefer to use, while, at the same time, finding ways to monetize that content.

## New Market Structure



Last year, we determined that in order to fully and more rapidly realize the potential of all of our platforms – and in particular to accelerate our digital strategy - we needed to change our operating approach to one of true multimedia across the company. We had been operating as three divisions, based on our legacy platforms: Publishing, Broadcast and Interactive Media. In our markets, that meant, for example, that a newspaper reported to one division and its associated web site reported to another. The same was true on the television side. While there was good collaboration across the divisions in each market, that structure often created a platform-bias for its managers. What we need is for all of our properties to focus on their customers as an end goal and not just as users of a particular type of platform. In that way, we believe we can do a better job understanding customer needs and creating new products and services to meet those needs without the constraints of platform bias. In addition, we want our local leaders to have the flexibility that comes with control over all the available resources, so they can deploy them as needed across all platforms. Our new structure, implemented last July 1, accomplishes all of these goals. Now, all platforms in a market report to a single leader. Those local leaders report to the Market Leaders that I introduced at the beginning of my report. It's been gratifying and encouraging to see how employees have embraced our new market structure and quickly implemented a wealth of new revenue ideas. Our profit and revenue performance in the fourth quarter of 2009 showed much improvement from the year before and also, sequentially, from the third quarter of 2009. We attribute this success to the early positive returns of our reorganized, market-based customer focus and our employees' strong efforts. The momentum continued in the first quarter, which is typically the weakest of the calendar year for media companies. In addition to the strong contributions of our employees, we had the Winter Olympics on 8 NBC stations, the Super Bowl on our 8 CBS stations in February, and March Madness on CBS as well. Political spending is ramping up and will provide a strong lift for us this year. Let's be clear, we're not content simply to sit back and enjoy the lift of special events like these, or that of a strengthening economy. For the long run, it will be the strength of our new market focus and the flexibility and drive of our work force that will sustain us.

## Digital Media

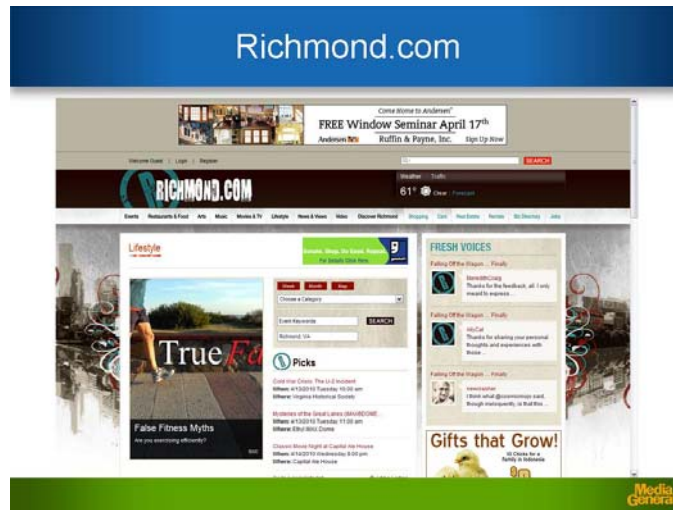


Let me transition now to our key initiatives for generating audience and revenue growth. It is increasingly clear that the future of our business is digital. More than ever, our business model draws on the strengths of our legacy products and deploys them in new ways. For example, our local Web sites now play a dominant role in our delivery of news and information. We report news to mobile devices and online first and update it throughout the day. Our customers can participate in the conversation by sharing and commenting on stories. We often receive valuable tips that help move a story forward. We're adopting a new content management system for our Web sites that will enhance functionality for our users. An updated search engine will help people find information more easily. Other benefits include faster loading of pages, easier interface with social media like Facebook and Twitter, and more sophisticated interactive functionality. These improvements should lead to increased traffic and longer user sessions.

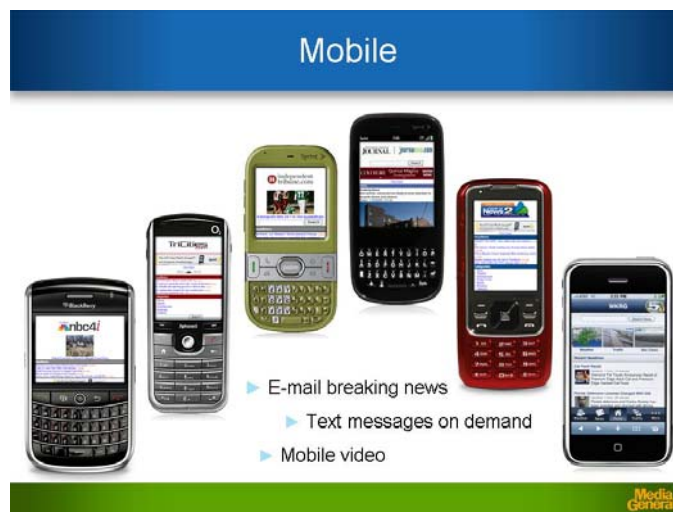
## TimesDispatch.com



Here in Richmond, TimesDispatch.com is the home for the newspaper's proprietary content, breaking news and newspaper customer service. It's the leading Web site in this market.



Meanwhile, Richmond.com focuses on “things to do.” It targets a different demographic than the newspaper site, expanding our total reach in the market. A year ago, Richmond.com relaunched the site, with a fresh look designed to appeal to the target younger demographic. The articles are written more casually, and people can have all kinds of interactions on the site. Since the re-launch, page views have doubled, revenues have increased more than 10%, and the number of friends and fans in social media are fast growing.



Increasingly, we’re providing our content and advertising on mobile devices. Virtually all of our Web sites have a mobile version, which is easier to load on hand-held devices. Our mobile Web sites draw about 2.5 million page views a month from more than 340,000 unique visitors using mobile devices. We also push text messages for news, weather and sports to mobile devices on demand.

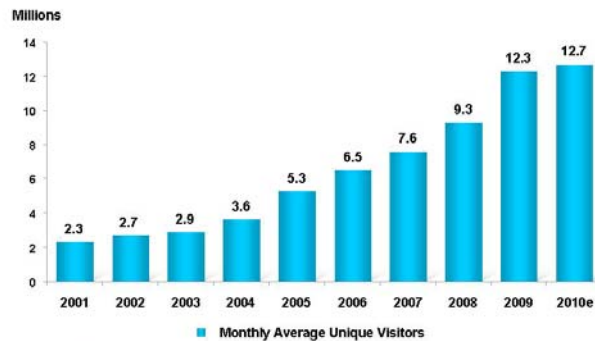


In 2008, we purchased a company called NetInformer, a provider of mobile marketing and advertising services. With NetInformer’s technology and other capabilities, we can offer advertisers the opportunity to do mobile couponing and reach a desirable demographic mix. NetInformer also sells its services to outside customers.



Let me stop for a moment to do an informal poll: I think I can see a show of hands in this light level . . . how many of you have a Facebook page? A lot – just as I would have thought. Did you know it took radio 38 years to reach 50 million users? It took TV 13 years and the Internet only took four years. Facebook reached 100 million users in less than nine months! All of our properties are using not only Facebook but also Twitter, YouTube and other social media sites to take our news and information to where the users are, and on their terms. We engage them in conversation with our anchors, editors, reporters and columnists, and thereby increase our audience. In 2009, we received almost 4 million referrals to our Web sites from 7 social networks. Facebook alone generated 1.6 million. We expect to easily double that amount this year because we already had more than 920,000 referrals from Facebook in the first quarter. Let’s take a look now at how some of our properties are using and promoting social media:

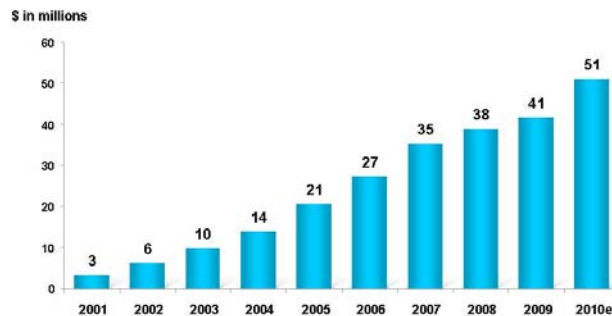
## Digital Audience Growth



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Our various approaches to attracting consumers to our web sites, from mobile devices and from social media, are enabling us to generate fast growth. In the first quarter of this year, we attracted an average of 13 million unique visitors per month. We expect to attract more than 12.7 million unique visitors per month this year, a 3.3% increase over last year.

## Digital Revenues



Media  
General

Once we attract the audience, our next challenge is to monetize it. You can see here that we've been pretty successful at doing that. In 2009, our digital revenues were \$41 million, a 7% increase from 2008, a year that otherwise saw significant advertising reductions. In all, digital revenues accounted for 6% of our total revenues, up from nearly 5% in 2008. Our goal for digital revenues this year is to exceed \$50 million, up 21% from last year and an amount that would account for more than 7% of total revenue. Perhaps the greatest conundrum right now for our industry is that the revenue model in the digital world is not what it has been in the traditional media world. Nevertheless, we've seen steady revenue growth over the past 10 years. Online, we can deliver the narrowly targeted niches that many advertisers seek. As we help our advertisers better understand the benefits of online marketing, we believe we'll close that revenue gap. We're also pursuing a number of ways to increase our digital revenues.

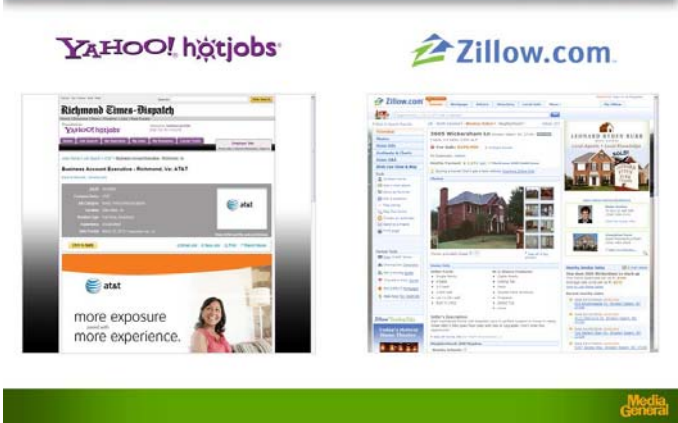


The most significant contributor to our success in driving new revenues is the transformation of our sales culture, a transformation that we instituted along with our new market approach. Today, all of our sellers are required to be proficient at selling *all* of our products and services to *all* of our customers, with a specific emphasis on digital products. This is a huge and significant change for us. We've trained our sales teams on multimedia selling, and their job is to educate customers about how various solutions can work together to meet their business needs. A shift to multimedia selling was just the first step. Other changes include a revised compensation plan and a higher level of accountability. We've increased administrative support so our sellers are more free from paperwork and able to devote their full attention to selling. And, we've increased our investment in digital sales training and development.



The fruits of these efforts are evident in the increased Digital Media revenues we are generating. In particular, local sales of digital products are fast growing. In the fourth quarter, these sales increased nearly 30% and the momentum continues.

# Internet Partnerships



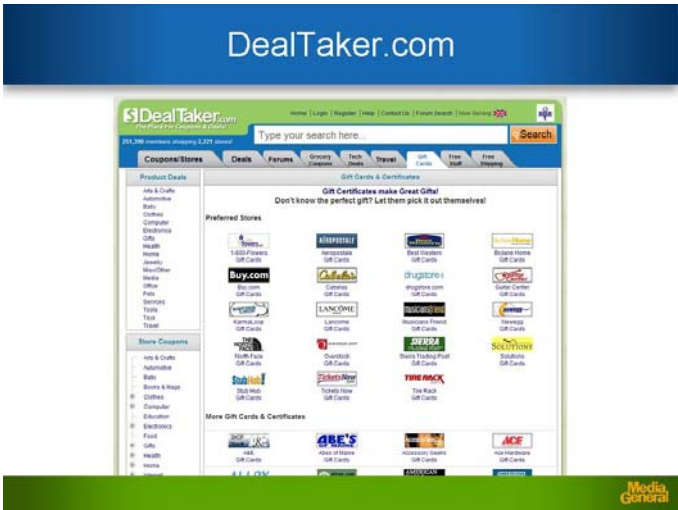
We're also in partnerships with leading Internet companies, such as Yahoo! and Zillow, the most visited real estate site on the Internet. Through these arrangements, our customers can place their ads on the pages of national sites that are accessed by local consumers who are likely to become their patrons. This is a wonderful service for our local customers, and we have a revenue share arrangement with our partners. Our partnerships also provide us with constantly updated technology. We use Yahoo! technology to power our online employment classifieds and Zillow's for our real estate classifieds. Both offer sophisticated functionality for our users.

# Internet Partnerships



Yahoo! technology also provides the opportunity for advertisers to have their messages targeted to those consumers who are most likely to have an interest in the product or service being advertised. The match of ad to user is based on that user's online consumption habits, which are monitored and tracked with the Yahoo! technology. Another benefit of the Yahoo! partnership is that our local news headlines are displayed on the Yahoo! pages that are accessed by users coming in from our localities. When these users open a link to one of our stories, they come onto our sites. That's good for our advertisers, who value these additional page views, and it's good exposure for our Web sites. In 2009, our Web sites garnered more than 13 million visitors in this fashion, which was up from 5 million in 2008. Initially, our Yahoo! partnership benefited only our newspapers. However, as a result of our success with selling Yahoo! products, we've been given the exclusive opportunity to pilot the program in selected television

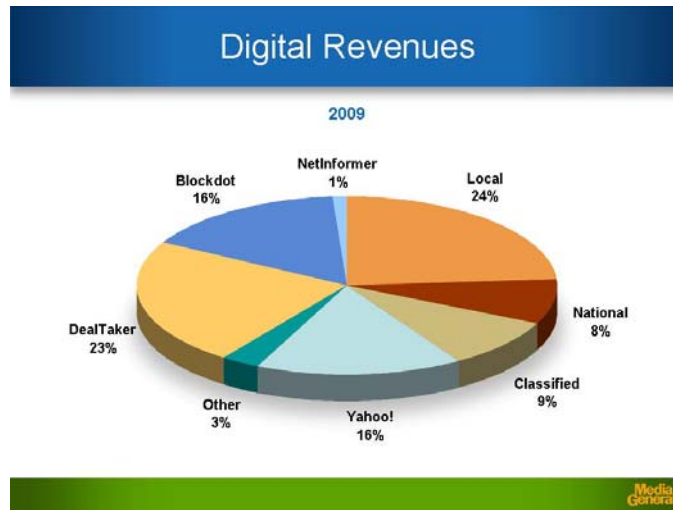
markets this year. Based on the early returns – almost \$1 million in revenues - we expect to expand our Yahoo! partnership to virtually all of our television markets later this year.



We've created entire new revenue streams from business units that are positioned to serve customers no matter the geography. One example is our coupon and shopping Web site DealTaker.com. This service is an extension of our mission to connect buyers and sellers, and it takes the process one more step in that it facilitates a *transaction*. In return for driving online shoppers to merchant sites, DealTaker receives a sales-based commission. DealTaker.com partners with over 2,000 retailers and features discounts on 15 million products and services. DealTaker.com is a fast growing business, and it's also high-margin. In the first quarter, DealTaker's revenues increased 26% from last year, and its profit increased 43%.



Another example is Blockdot, our company that specializes in branded entertainment and advergaming technologies. When we purchased Blockdot in 2005, it was focused on the advergaming business. Now, it's become more of a branding business that uses the Web, mobile and social media to build valuable goodwill for national brands through games.



Here you can see the contribution to total digital revenues made by the various revenue streams I've just discussed. In 2009, Local revenues had the largest share, at 24%. DealTaker.com was a close second at 23%, and Blockdot and Yahoo! tied at 16%. Not that long ago, online Classifieds dominated the digital category, mostly in the form of "upsells" to our Web sites from newspaper classified buys. The Classified category was by far the most challenged during the past few years, impacted by the recession's effect on jobs, housing and car sales, and also by the advent of new online approaches to classified advertising.



Recognizing that this is a changed market and that we have new tools to use on this fight, we're currently implementing a new strategy called "Classified Next." This initiative aims to recapture our market share in Classifieds. We're changing our focus from particular platforms to categories of business. Our focus on category growth is driven by the expectation that, in the coming years, spending will increase in the employment and real estate categories. In addition, spending growth for all classified categories, including automotive, will be higher on digital platforms than it will be for traditional media. We're going to lead with digital while offering new approaches in print. We'll offer mobile solutions and deeper integration with social media. We'll also provide more centralized outbound selling and self service on the Web. Classified Next is another example of a centralized initiative that will utilize top talent for the benefit of all properties.

## Maintain Strong Legacy Platforms



Even as the world becomes more and more digital, there is still a strong and stable customer base for traditional printed newspapers and scheduled broadcast television programs. Our legacy products continue to be our underpinning. They help us develop the content that our customers want. The legacy products also have helped us develop a position in our marketplaces. Our TV stations are typically number one or two in their markets. Our newspapers are, generally speaking, the prime mass media communications device in their markets. Our customers need these resources, but they're using them in new packages and in new ways. We're able to capitalize on these trusted brands as a means of maintaining and growing our audience in the online and mobile worlds.

## Digital Forms of Printed Newspaper



We believe that newspapers have a strong future because many people want the breadth and depth of information that newspapers provide. We also recognize that newspapers increasingly will be viewed on digital platforms. All of our newspapers have associated web sites. In addition, nine offer electronic editions, which are exact replicas of the printed paper posted online, for a relatively small subscription fee. While the appearance of the product is traditional, they are also Web enabled in many ways. For example, readers can search for topics by key words or e-mail stories to others. Hybrid subscriptions, which deliver weekday editions digitally and print on the weekend, are proving popular. A couple of our

newspapers are available on Amazon's Kindle, including the *Richmond Times Dispatch* and the Charlottesville *Daily Progress*. We believe that traditional home-delivered newspapers have a strong future also. In 2009, circulation revenue grew 9%. In the fourth quarter of last year, we reintroduced subscription marketing initiatives, and the early results have been positive. These efforts include promoting the value proposition of our newspapers. Let's look at some TV spots:



We were all thrilled that the *Bristol Herald Courier* won the Pulitzer Prize in the Public Service category, the most prestigious of the 21 award categories. We're delighted that Daniel, Todd and Carl could join us today so that you could meet them. It's fair to say that it's not typical for a paper of Bristol's size to be selected for this award. The recognition underscores the important role of "old media" values in serving today's marketplace. It's why we're here. Daniel grappled with a complicated topic in such a way that he clarified it for our readers and stimulated legislative reaction. His effort, along with the solid support of his editors, produced outstanding results and is a great source of pride all around.



In our television markets, we focus intensely, of course, on our top-rated newscasts. Currently, we're expanding from five to nine markets our offering of local news in high definition. The four new projects

have strong ROI's, based on plans to strengthen audiences and enhance ratings. In addition, increasingly, we are providing proprietary local programming with localized information and Entertainment that our viewers can't get anywhere else. Eight of our 18 stations produce a total of 13 original shows. All have strong audience followings and they open up a vast array of new advertising opportunities. Let's take a look at what some of our stations are doing and how they communicate their value proposition to their audience:



Last week, Media General and 11 other broadcast companies announced that we're forming a joint venture for a national mobile television service. This is the advent of truly untethered over the air mobile HD broadcasting. The service will allow member companies to provide content to mobile devices, including live and on-demand video, local and national news from print and electronic sources, as well as sports and entertainment programming to your cell phone or other mobile device. Our first markets to offer this service will be Tampa, Columbus, Ohio, Raleigh and Birmingham. We're very excited about this whole new opportunity for our television viewers and advertisers.

The logo for Media General, with "Media" in a smaller font above "General" in a larger, bold font, both in yellow on a blue background.

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Let me conclude my report today by saying that our market focus, the transformation of our sales approach, and our emphasis on new products and services are yielding successes on all fronts for Media General. These strategies are laying the groundwork for us to better control our destiny and realize the full potential of the digital age. Our lower cost base increases our flexibility to do new things. In the digital world, new things often don't cost a lot on an incremental basis. With all the opportunities available for growth via digital and electronic means, we don't expect to make significant acquisitions in order to realize meaningful growth over the long term. Our customer- and market-focused company is ahead of the game in transforming itself in a rapidly changing industry. We're generating strong cash flow. Our priorities for cash are debt reduction and prudent, high-return capital investments. We believe our financial results will become even stronger over time, based on the clear and consistent initiatives we're executing and on the fundamental strengths of our assets and our region. Media General is well-positioned to capitalize on an improving economy and build shareholder value over the long-term. And now I'll turn it back to Stewart.