



## Deutsche Bank 2008 Media and Telecom Conference

June 10, 2008

Good morning, ladies and gentlemen. I'm Marshall Morton, president and chief executive of Media General. We're pleased to be here to provide you with an update on the company. Presenting with me are Reid Ashe, executive vice president and chief operating officer, and John Schauss, vice president-finance and chief financial officer. Also with us is Lou Anne Nabhan, vice president of Corporate Communications. As a reminder, our presentation contains forward-looking statements, which are subject to various risks and uncertainties. They should be understood in the context of our SEC filings. Our future performance could differ materially from current expectations. 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. I'd like to first focus on the aggressive actions we've taken – and are taking – to align our expense structure with the current revenue opportunities in our markets.

Publishing Revenues	
Year to Date thru April	% Change
Florida	(28.8)
Total excluding Florida	(9.1)
Total with Florida	(16.0)
Virginia	(10.6)
North Carolina	(7.4)
South Carolina	(5.4)
Alabama	(4.1)

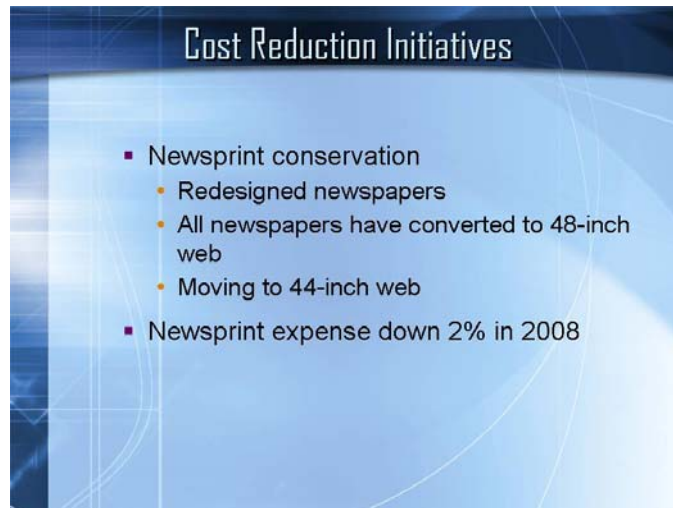
Let me begin with Tampa. The state of Florida has suffered real-estate driven downturns many times in the past, and it has always recovered. The fundamentals of good weather and the looming retirement of baby boomers should be powerful drivers of a return to growth in Florida. Our Publishing revenue results through April illustrate the impact of our Tampa operations. Excluding revenues in Florida, which declined 28.8%, Publishing Division total revenues were down 9.1%. This compares with a decrease of 16% including Florida. In contrast, revenues in Virginia, North Carolina, South Carolina and Alabama decreased 10.6%, 7.4%, 5.4% and 4.1%, respectively.



Consequently, we have taken – and are taking – prudent and necessary steps to improve performance in Tampa. Cost-cutting in a services business is tricky, because costs don't really vary with volume. Nonetheless, 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 workforce 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 FTEs there.



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. The reduction includes 745 positions in the Publishing Division, 45 in the Broadcast Division, and 20 across various corporate departments. The Interactive Media Division workforce will have increased by 60 FTEs, as a result of our focus on direct online sales initiatives and a Web-First/Continuous News approach.



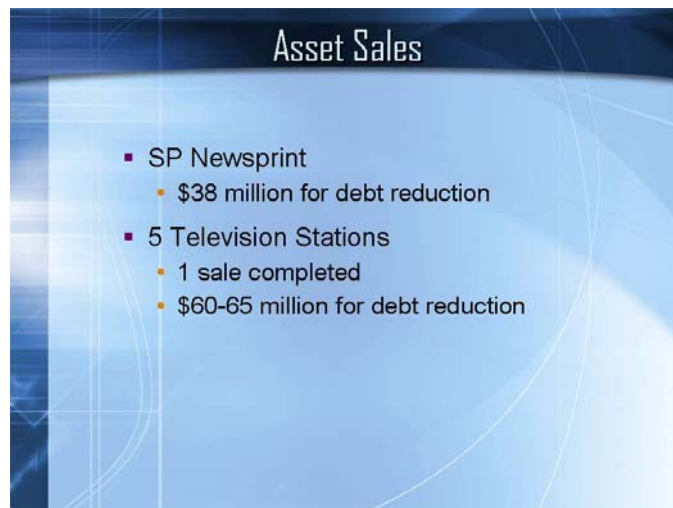
All of our newspapers continue to significantly reduce newsprint consumption. Many have re-designed or combined sections and better meet reader needs in the process. In 2007, all of our newspapers converted to a 48-inch web width. Several are moving to 44-inches. The initial conversions will occur this summer at our newspapers in Alabama, Southwest Virginia, and South Carolina. Our conservation efforts are expected to result in a 2% decrease in total newsprint expense this year, despite an anticipated 17% increase in prices.



We continue to consolidate our newspaper printing sites, and have gone from 25 to 14. We're better utilizing our press capacity, with the addition of commercial customers, and through arrangements with other publishers, such as printing *USA Today* in Tampa. The Publishing Division has centralized advertising call centers, ad production, photo toning and other operations, and has outsourced customer service at all three of our metro newspapers, not just Tampa. The Broadcast Division recently centralized its graphics production, adding on to the approach we use for Central Traffic and Master Control for our CBS and NBC stations, and our remaining ABC affiliate. While these initiatives reduce expenses, they also help improve product quality.



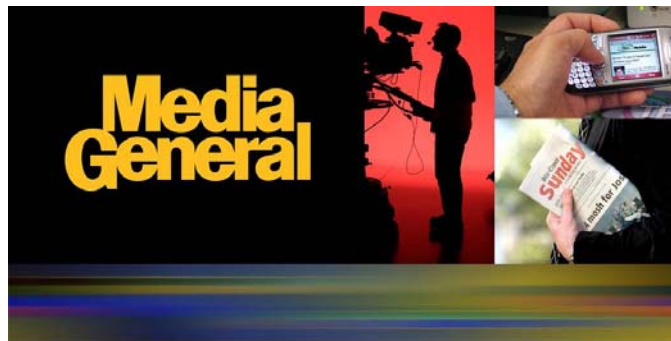
We've reduced our capital spending for 2008 from \$45 million to \$25 million and will defer much of it until later in the year. All of the foregoing is just a detailed way of saying that the revenue drivers of our business are dramatically changing, and we're revising our expense structure in recognition of these changes.



As part of our ongoing portfolio review, we're divesting certain assets and redeploying the proceeds for debt reduction. In March, we sold our interest in SP Newsprint, received proceeds of approximately \$58 million, and used the funds to reduce debt. After paying taxes later this year, the net reduction should be about \$38 million. Selling SP has eliminated the earnings volatility we experienced in recent years as a result of that investment. Moreover, the sale has enabled us to focus fully on our core business as a pure *media* company. We're also selling five television stations. One sale is complete and the closing of the sale of two more is expected soon. The sales are expected to yield \$60-65 million for debt reduction after paying taxes. All of the foregoing allows us to tighten our focus.



While we're spending smartly, we're also managing for growth. So, let's now turn to revenue drivers, and, specifically, how *changing* revenue drivers are affecting our strategic focus. With an eye on hyperlocal news and information, we're placing a great emphasis on new products. Underlying our new product development is the recognition that the customer is in charge. 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. I'd like now to ask Reid to report on the strategic and operational initiatives that we have under way, which are driving the kind of change that is needed to expedite our transformation into a new media company.



### Reid Ashe

Executive Vice President and Chief Operating Officer

Thank you, Marshall.



I want to begin with an overview of our digital strategy. Our focus is on accelerating audience and revenue growth. Since 2001, when we formally launched our Interactive Media Division, the compound annual growth rates for page views and revenues have been 24% and 49%, respectively.



We launched a Web-First/Continuous News initiative last year. It's driven increases in local page views as high as 50%, and average increases in the 30% range. We now provide our markets with news as *it happens*, on the first available platform, which most often is the Web. In our newsrooms, we've reassigned responsibilities, expanded schedules, and trained people to use new tools. Newsrooms that were created to publish a morning paper are now abuzz at five o'clock in the morning posting news and information to the Web site. This approach reinforces our position in every market as the best source of local information, at a time when people want and need it. 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.



We're using more and more video to illustrate our online news stories. This comes naturally to our television stations, but our newspapers, too, are producing video. A print journalist's toolkit now includes not only still cameras, but also video cameras and cell phones. We can transmit material directly from the field, speeding delivery of updated information online.



Mobile is an emerging opportunity, as these devices grow more capable and we become more accustomed to using them in new ways. Our first initiative was to offer news alerts by e-mail or text messaging. We're now expanding our services to include a network of local Web sites designed for the mobile user. More than 30 of our Web sites offer this service, and they're adding an average of 1,000 new subscribers every month.



More recently, we've been selling novel advertising applications. If you're shopping for a home or a car, you might see a code to request more information by text messaging. The requester receives detailed, portable information, and the advertiser receives the prospect's phone number. We can provide links to mobile-formatted Web sites and even dispense unduplicated discount coupons.



User-generated content is increasingly important on our Web sites. It started with comments posted to news stories. We also facilitate event listings and community news items.

## User-Generated Content

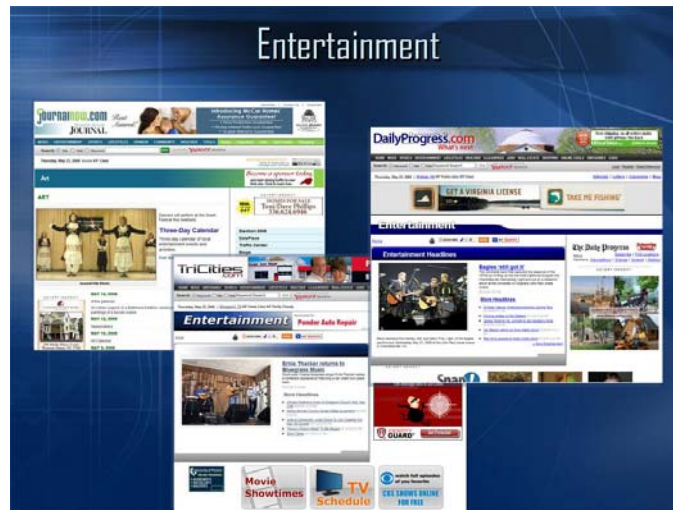


People send us lots of photos, and many other visitors love to look at them.

## Searchable Databases



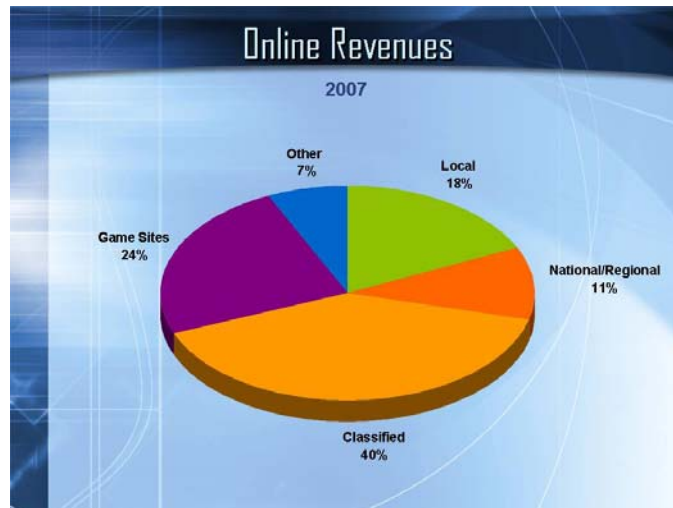
Searchable databases both enrich our reporting and boost Web site revenue. We provide local databases covering topics such as crime trends, baby names, home foreclosures, public-employee salaries, and recalled toys.



Among the most frequently searched databases is the calendar of local events. We're making it easy for users to evaluate entertainment offerings, share their comments, and plan their schedules online. We will be rolling out new *Things To Do* channels across our Web sites beginning in the third quarter. These additions reflect user requests for more content and quality and interest by National/Regional advertisers.



We're harnessing the Internet's potential as the most flexible, accountable advertising medium yet – for the benefit of both advertisers and users. For example, we're making advertising searchable. We're also targeting delivery, so that the right ad finds the right prospect. If an ad attracts your interest, you can explore as deeply as you want, on the spot. If you want to make comparisons, we can help you with searchable databases of products and vendors.



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. Our strategy is to “deliver abundance” and “charge for prominence.” We’re aggregating online listings from every local source, so there’s no reason for a buyer to search elsewhere. We have it all. Among that big volume of offerings, we sell a variety of ways for an advertiser’s listing to stand out. We do this now in most of our television markets, and we’re beginning to do so in selected newspaper markets.



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.



We're a founding member of the Yahoo! newspaper consortium. This is an important strategic partnership that's also 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. More advertisers are buying 30-day rather than 7-day listings. Job searches on our sites have increased dramatically. We're now focused on the next wave of application, which will package recruitment media solutions well beyond a simple online ad.



The Yahoo! partnership also affords us a world-class tool for behavioral targeting. With it, we can selectively expose users to the ads most likely to interest them. Advertisers don't have to pay for wasted exposure, users aren't bothered with irrelevant advertising, and we can optimize the use of our ad inventory. We think this can drive significant revenue growth in the near future.



Another component of the partnership features our news content on Yahoo! pages through key points of entry such as mobile, messenger and mail. Yahoo! recognizes where people live and delivers our local headlines to its visitors. These headlines link directly to *our* sites, where readers see our advertising and online offerings.



In March, we joined a subset of the Yahoo! consortium in a separate partnership with Zillow, the second most visited real estate Web site. Similar in structure to the Hot Jobs partnership, this links us with a network of real estate ads, provides us advanced technical features, and gives us new services to sell. Our three metro papers will launch Zillow Phase 1 this summer.





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. Users can compare notes with like-minded shoppers and help each other find the best deals. This business brings to Media General an entirely new revenue stream – commissions from sales rather than advertising dollars. It's already a significant contributor to divisional cash flow.



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



Digital broadcasting allows us to multicast. We've launched 16 secondary channels, including 24/7 weather platforms as well as network-affiliated channels.



We're producing more *non-news* local programming, such as daily morning variety shows in Tampa and other markets.



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



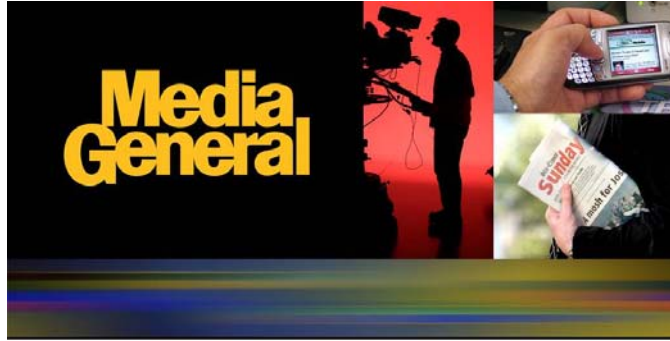
In several newspaper markets, we've introduced hyperlocal weekly newspapers, along with companion Web sites that serve suburban neighborhoods. By reaching deeper into communities of interest, we're once again able to expand our advertiser base. In Tampa, we've relaunched our weekly newspapers, folding content from *The Tampa Tribune's* zoned sections into them, added sections of people news, and built out interactive functions.



Our television station in Raleigh, North Carolina is pioneering a thoroughly hyperlocal approach with a Web site called MyNC.com, which will deliver content from the various communities that make up the market.



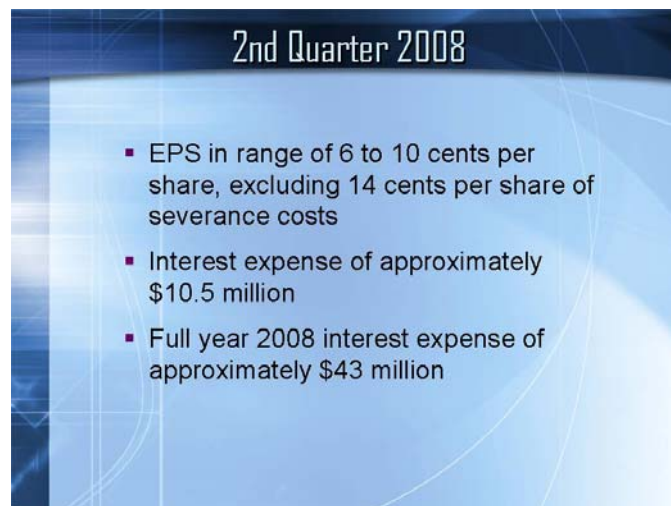
We continue to make progress with our converged operations in the markets where we own a newspaper and television station and operate an associated Web site. In Tampa, we're using the unique advantages of media convergence both to cut costs and sharpen our effectiveness. Throughout this decade, we've exploited our combination to share content, cooperate in projects, and sell across multiple media. Our original intention was not to cut costs, though. It was to enlarge our audience and revenues. On that score we've succeeded. Our Tampa Bay media reach nearly 84% of the adults in the market every week, and we claim the largest share of the market's local advertising revenue. Now, we're transforming our Tampa operations into a single media company, while allowing for independent, platform-specific news judgment. We have single executives overseeing sales, content, marketing, operations, and administration in all media. Below them, we're eliminating redundancies and coordinating operations more deeply than ever. In other convergence markets, our television stations have gained share with help from a partner newspaper. For example, our stations in Johnson City, Tennessee, and Roanoke, Virginia, have both improved household share by nearly 1.5 points since their converged approach began. And, now, I will turn it over to John.



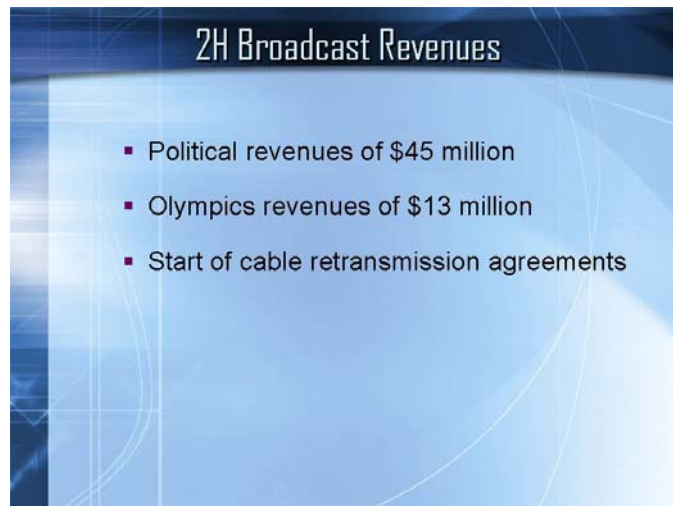
## John Schauss

Vice President – Finance and Chief Financial Officer

Thank you, Reid. I will provide insight on our expected results for the second quarter and, to the best of our ability, for the full year. Revenue trends remain soft in our traditional categories of business, especially Classified advertising and National advertising. Earnings, therefore, will remain under pressure in the near term. As Marshall reported, we have taken a number of operational and financial steps aimed at positioning the company for improved performance, and we expect to benefit from those initiatives in the second half of this year and in 2009.



For the second quarter, we expect 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.



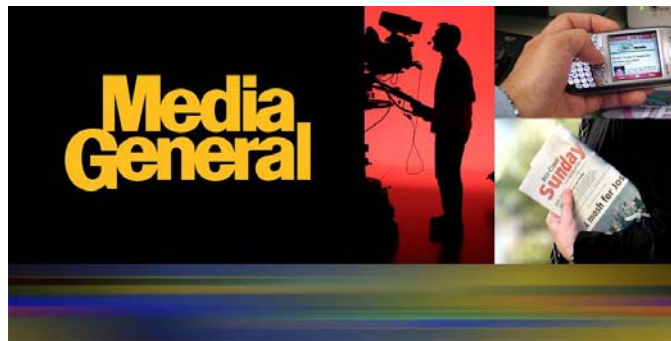
Looking to the second half of the year, the Broadcast Division expects significant improvement in revenues. We expect to generate approximately \$45 million in Political revenues in 2008. Ohio, Florida and Virginia are expected to be particularly strong states for Presidential campaign spending. Summer 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.



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. Our Tax rate should be approximately 40.4%, excluding disposition activity. For the full year, we anticipate earnings from continuing operations of \$1.35 to \$1.45 per share, not including the 14 cents of severance costs I mentioned a moment ago. And, of course, we are assuming no **further** deterioration in the U.S. economy or Florida. Debt at the end of 2008 is expected to be approximately \$765-\$770 million, compared with \$898 million at the end of 2007. And, now, I will turn it back to Marshall.



**Marshall Morton**

President and Chief Executive Officer

Thank you, John. The messages we would like for you to take away today are that Media General is aggressively transforming our business to the new consumer reality, AND that we're 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 make 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. And, now, I'll be pleased to answer questions.