

CONSOLIDATED STATEMENTS OF OPERATIONS

	Thirteen Weeks Ending		Thirty-Nine Weeks Ending	
	Sept. 28, 2008	Sept. 30, 2007	Sept. 28, 2008	Sept. 30, 2007
<i>(Unaudited, in thousands except per share amounts)</i>				
Revenues	\$ 193,705	\$ 217,307	\$ 593,049	\$ 663,786
Operating costs:				
Production	90,637	98,929	285,306	306,909
Selling, general and administrative	68,806	77,385	233,112	247,232
Depreciation and amortization	16,849	17,825	54,206	56,056
Goodwill and other asset impairment	---	---	778,318	---
Gain on insurance recovery	(500)	---	(3,250)	---
Total operating costs	175,792	194,139	1,347,692	610,197
Operating income (loss)	17,913	23,168	(754,643)	53,589
Other income (expense):				
Interest expense	(9,962)	(14,942)	(32,799)	(45,102)
Impairment of and net gain (loss) on investments	1,375	(4,936)	(4,586)	(9,542)
Other, net	248	(2,052)	761	(1,281)
Total other expense	(8,339)	(21,930)	(36,624)	(55,925)
Income (loss) from continuing operations before income taxes	9,574	1,238	(791,267)	(2,336)
Income taxes	3,800	(389)	(253,772)	(1,722)
Income (loss) from continuing operations	5,774	1,627	(537,495)	(614)
Discontinued operations:				
Income from discontinued operations (net of tax)	373	855	2,475	1,712
Loss related to divestiture of operations (net of tax)	---	---	(11,300)	---
Net income (loss)	\$ 6,147	\$ 2,482	\$ (546,320)	\$ 1,098
Net income (loss) per common share:				
Income (loss) from continuing operations	\$ 0.26	\$ 0.07	\$ (24.33)	\$ (0.03)
Discontinued operations	0.02	0.04	(0.40)	0.08
Net income (loss)	\$ 0.28	\$ 0.11	\$ (24.73)	\$ 0.05
Net income (loss) per common share - assuming dilution:				
Income (loss) from continuing operations	\$ 0.26	\$ 0.07	\$ (24.33)	\$ (0.03)
Discontinued operations	0.02	0.04	(0.40)	0.08
Net income (loss)	\$ 0.28	\$ 0.11	\$ (24.73)	\$ 0.05
Weighted-average common shares outstanding:				
Basic	22,101	22,165	22,096	22,819
Diluted	22,182	22,300	22,096	23,004

BUSINESS SEGMENTS

<i>(Unaudited, in thousands)</i>	Publishing	Broadcast	Interactive Media	Eliminations	Total
Quarter Ended September 28, 2008					
Consolidated revenues	\$ 104,896	\$ 80,065	\$ 10,367	\$ (1,623)	\$ 193,705
Segment operating cash flow	\$ 16,886	\$ 23,872	\$ 111		\$ 40,869
Depreciation and amortization	(6,550)	(6,194)	(447)		(13,191)
Segment profit (loss)	<u>\$ 10,336</u>	<u>\$ 17,678</u>	<u>\$ (336)</u>		<u>27,678</u>
Unallocated amounts:					
Interest expense					(9,962)
Impairment of and net gain (loss) on investments					1,375
Acquisition intangibles amortization					(2,986)
Corporate expense					(8,652)
Gain on insurance recovery					500
Other					1,621
Consolidated income from continuing operations before income taxes					<u>\$ 9,574</u>
Quarter Ended September 30, 2007					
Consolidated revenues	\$ 128,287	\$ 81,323	\$ 9,512	\$ (1,815)	\$ 217,307
Segment operating cash flow	\$ 28,164	\$ 20,019	\$ (527)		\$ 47,656
Write down of investment			(2,264)		(2,264)
Depreciation and amortization	(6,162)	(5,823)	(469)		(12,454)
Segment profit	<u>\$ 22,002</u>	<u>\$ 14,196</u>	<u>\$ (3,260)</u>		<u>32,938</u>
Unallocated amounts:					
Interest expense					(14,942)
Equity in net loss of unconsolidated affiliates					(4,936)
Acquisition intangibles amortization					(4,166)
Corporate expense					(9,044)
Other					1,388
Consolidated income from continuing operations before income taxes					<u>\$ 1,238</u>
Nine Months Ended September 28, 2008					
Consolidated revenues	\$ 332,142	\$ 237,207	\$ 28,599	\$ (4,899)	\$ 593,049
Segment operating cash flow	\$ 46,109	\$ 59,357	\$ (2,349)		\$ 103,117
Recovery on investment			10		10
Depreciation and amortization	(20,746)	(19,196)	(1,399)		(41,341)
Segment profit (loss)	<u>\$ 25,363</u>	<u>\$ 40,161</u>	<u>\$ (3,738)</u>		<u>61,786</u>
Unallocated amounts:					
Interest expense					(32,799)
Impairment of and net gain (loss) on investments					(4,586)
Acquisition intangibles amortization					(10,768)
Corporate expense					(29,487)
Gain on insurance recovery					3,250
Goodwill and other asset impairment					(778,318)
Other					(345)
Consolidated loss from continuing operations before income taxes					<u>\$ (791,267)</u>
Nine Months Ended September 30, 2007					
Consolidated revenues	\$ 397,843	\$ 244,330	\$ 26,730	\$ (5,117)	\$ 663,786
Segment operating cash flow	\$ 82,483	\$ 58,791	\$ (127)		\$ 141,147
Net write down of investment			(2,076)		(2,076)
Depreciation and amortization	(19,051)	(19,009)	(1,328)		(39,388)
Segment profit (loss)	<u>\$ 63,432</u>	<u>\$ 39,782</u>	<u>\$ (3,531)</u>		<u>99,683</u>
Unallocated amounts:					
Interest expense					(45,102)
Equity in net loss of unconsolidated affiliates					(9,542)
Acquisition intangibles amortization					(12,989)
Corporate expense					(29,319)
Other					(5,067)
Consolidated loss from continuing operations before income taxes					<u>\$ (2,336)</u>

CONSOLIDATED BALANCE SHEETS

<i>(Unaudited, in thousands)</i>	Sept. 28, 2008	Dec. 30, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,100	\$ 14,214
Accounts receivable-net	100,876	133,863
Inventories	10,582	6,676
Other	52,193	52,083
Assets of discontinued operations	14,877	106,958
Total current assets	<u>192,628</u>	<u>313,794</u>
Investments in unconsolidated affiliates	-	52,360
Other assets	41,248	65,686
Property, plant and equipment - net	453,719	475,028
Excess of cost over fair value of net identifiable assets of acquired businesses	421,471	917,521
FCC licenses and other intangibles - net	<u>376,352</u>	<u>646,677</u>
Total assets	<u>\$ 1,485,418</u>	<u>\$ 2,471,066</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 31,370	\$ 32,676
Accrued expenses and other liabilities	100,582	101,817
Liabilities of discontinued operations	3,596	5,521
Total current liabilities	<u>135,548</u>	<u>140,014</u>
Long-term debt	750,055	897,572
Deferred income taxes	42,406	311,588
Other liabilities and deferred credits	205,069	208,885
Stockholders' equity	<u>352,340</u>	<u>913,007</u>
Total liabilities and stockholders' equity	<u>\$ 1,485,418</u>	<u>\$ 2,471,066</u>

Media General, Inc.

EBITDA, After-tax Cash Flow, and Free Cash Flow

	<u>Thirteen Weeks Ending</u>		<u>Thirty-Nine Weeks Ending</u>	
	<u>Sept. 28,</u> <u>2008</u>	<u>Sept. 30,</u> <u>2007</u>	<u>Sept. 28,</u> <u>2008</u>	<u>Sept. 30,</u> <u>2007</u>
<i>(Unaudited, in thousands)</i>				
Income (loss) from continuing operations	\$ 5,774	\$ 1,627	\$ (537,495)	\$ (614)
Interest	9,962	14,942	32,799	45,102
Taxes	3,800	(389)	(253,772)	(1,722)
Depreciation and amortization	16,849	17,825	54,206	56,056
EBITDA from continuing operations	\$ 36,385	\$ 34,005	\$ (704,262)	\$ 98,822
Income (loss) from continuing operations	\$ 5,774	\$ 1,627	\$ (537,495)	\$ (614)
Non-cash impairment charge	-	-	532,084	-
Depreciation and amortization	16,849	17,825	54,206	56,056
After-tax cash flow excluding non-cash impairment charge	\$ 22,623	\$ 19,452	\$ 48,795	\$ 55,442
After-tax cash flow	\$ 22,623	\$ 19,452	\$ 48,795	\$ 55,442
Capital expenditures	6,797	17,337	19,243	55,128
Free cash flow excluding non-cash impairment charge	\$ 15,826	\$ 2,115	\$ 29,552	\$ 314