

MEDIA GENERAL INC  
Form DEFA14A  
April 08, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Media General, Inc.**

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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RiskMetrics  
Group  
ISS Governance Services  
April 8, 2008  
Rockville, Maryland





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Company Overview

Headquartered in Richmond, Virginia

2007 Revenues  
just over \$930 million

About 7,000 employees

Operations

25 daily newspapers

23 television stations

75+ portals, websites, Internet platforms





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Mid-90s

changed and sharpened our  
operating and geographic focus

An information company: platform is secondary

Southeast focus

Mission Statement:

Our mission is to be the leading provider of high-quality news, information and entertainment in the Southeast by continually building on our position of strength in strategically located markets.

Evolution to:

a content company

focused on each particular market we serve

Our franchise is local content





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An industry in transition:

Change often enabled by new technology

cable television

the Internet

Retaining fragmenting audiences requires that we  
become increasingly platform indifferent

Lesson: the customer is in charge





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Business plan elements

Quality local information

Audience aggregators  
(but also audience segmenters  
because of the  
Internet)

Barriers to entry virtually eliminated  
(but ease of entry also allows us to enter new  
markets with niche products, all with Internet  
components, so that we can begin aggregating  
desirable audience segments)

Retaining Internet audiences requires development of  
a sense of community

User input on legacy sites

Blockdot; Boxerjam

DealTaker

(A lifelong bond with consumers)





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Harbinger

July, 2007, 13G

9.1%

(passive investor)

Immediately thereafter

swaps, making total economic

interest 21.4%

(swaps undisclosed until December, 2007)

No contact from Harbinger

no calls before investment

repeated refusals to return calls after investment

Indefensible





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Gabelli conference  
April 1, 2008

We heard, for the first time, Harbinger's prescription  
for Media General:

Do better  
(clothed in B-school jargon)  
but, a few specifics:

pursue duopolies

pursue retransmission consent fees

consider selling our Florida properties

sell DealTaker, Blockdot  
(and another small stake  
in an Internet company); and

pay down debt

also criticized our 2006 acquisition of four NBC  
stations





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Duopolies

FCC requirements

Allowed if:

8 full-power stations remain after the merger

Only one of the stations is in the Top 4 in the market

Mostly a large-market strategy

some MEG markets are too small to allow duopolies

depends on what stations/station groups become available

MEG s

Spartanburg tri-opoly

Alexandria (La.) virtual duopoly

use of digital bandwidth





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Retransmission consent fees  
(fees cable systems pay local television stations for  
carrying their content)

Cable carriage is contract based (contracts generally  
are 3-5 years)

Effect of increasing satellite and telephone  
penetration (competitors to Cable)

Sinclair watershed

Actually, being actively pursued by MEG

All television owners know this

Hardly a new prescription





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Selling our Florida properties

Gabelli

conference audience reaction

Harbinger retrenchment to maybe just sell The  
Tampa Tribune

Worst possible time to sell a large-market newspaper

Low basis/tax leakage

Cannot be on-again/off-again presence in market





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Selling DealTaker  
and Blockdot

High-margin businesses

Role of community  
as a differentiator on the Web





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Pay down debt  
(underway long before we knew Harbinger)

SP Newsprint

5 television stations being sold

Announced cost reductions/performance  
improvements





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2006 NBC Acquisition

Stockholder letter discussion

Gabelli  
conference

Political revenue/broadcast margins in 2006 and,  
now, 2008





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What does this prescription  
show about  
Harbinger?

Short-term focus

Completely failed to understand MEG strategies

importance of serving good local markets

leading provider

requires long-term focus

Ideas do lead

But, there isn't a single good new idea in

Harbinger's prescription

Harbinger's frustration over its own poor market timing

does not translate to a claim that the MEG Board is

ineffective.





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Harbinger s nominees  
Sullivan

skeptical of \$1 billion  
claim

character counts  
Davis

13 public company boards already

RiskMetrics/ISS policy  
Liebau

no relevant operating experience

no public company experience





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Media General's nominees

Charles A. Davis

Rodney A. Smolla

Walter E. Williams  
Media General's Board

varied relevant backgrounds

varied perspectives and ideas

varied lengths of service