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 x 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

x Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Media General, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

---

(2) Aggregate number of securities to which the transaction applies:

---

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of the transaction:

---

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

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

2
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

3
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

4
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

5
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)

6
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

7
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

8
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

9
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

10
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

11
Selling DealTaker
and Blockdot

High-margin businesses

Role of community
as a differentiator on the Web

12
Pay down debt
(underway long before we knew Harbinger)

SP Newsprint

5 television stations being sold

Announced cost reductions/performance
improvements

13
2006 NBC Acquisition

Stockholder letter discussion

Gabelli
conference

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

14
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.

15
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

16
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