

## Media General and Young Broadcasting Announce Merger Agreement

Written by Media General  
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- The combined company will own or operate 30 network-affiliated TV stations across 27 markets reaching 14% of U.S. TV households
  - Media General's dual-class stock structure will be unwound as part of the transaction
  - The transaction will be immediately accretive on a free cash flow per share basis
  - New Media General intends to refinance its combined debt at a substantially lower cost of capital

Richmond, VA – Media General, Inc. (NYSE: MEG) and privately held Young Broadcasting Holding Co., Inc., both local broadcast television and digital media companies, today announced a definitive agreement to combine the two companies in an all-stock merger transaction. The new company will retain the Media General name and will remain headquartered in Richmond, VA.

Young Broadcasting owns KWQC-TV6 in the Quad Cities.

Media General owns 18 network-affiliated stations, and Young owns or operates 12 network-affiliated stations. The combination will create a company with 30 stations operating in 27 markets, reaching 16.5 million, or 14%, of U.S. TV households. On a pro forma basis, 2012 revenues were \$605 million, including approximately \$115 million of political revenues.

The new company will have a strong balance sheet, including significant tax carryover net operating losses that will survive the merger, and an enhanced credit profile, creating opportunities to refinance existing debt at a significantly lower cost of capital. The merger will

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be accretive to free cash flow in the first full year. The companies have identified \$25-30 million of operating and financing synergies.

The balance of network affiliations will include CBS (11), NBC (9), ABC (7) Fox (1), CW (1) and MNT (1). Sixteen of the 30 stations are located in the Top 75 DMAs. The new company will be more geographically diverse and will have a presence in more markets that generate strong political revenues. Its increased size will enhance its ability to participate in retransmission revenue growth, share growth of national and digital advertising, and syndicated programming purchasing.

J. Stewart Bryan III, chairman of Media General, said, "The business combination of Media General and Young is a transformational event that will benefit shareholders, employees and the communities we serve. The combination provides immediate accretion to free cash flow, a strong balance sheet, the opportunity to refinance debt at a much lower cost and attractive synergies. Young's management and its owners share Media General's commitment to quality local journalism and to operating top-rated TV stations, making this merger a unique and compelling combination with significant growth potential. I have agreed to vote all of my shares to unwind Media General's dual-class stock structure and to approve the transaction. I look forward to benefiting as a continuing long-term shareholder in the new Media General."