

MEDIA GENERAL INC
Form 10-Q
November 04, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC. 20549

Form 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 25, 2011

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 1-6383

MEDIA GENERAL, INC.

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(Exact name of registrant as specified in its charter)

Commonwealth of Virginia
(State or other jurisdiction of
incorporation or organization)

54-0850433
(I.R.S. Employer
Identification No.)

333 E. Franklin St., Richmond, VA
(Address of principal executive offices)

23219
(Zip Code)

(804) 649-6000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Larger accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of October 30, 2011.

Class A Common shares:	22,596,392
Class B Common shares:	548,564

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MEDIA GENERAL, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

(000 s except shares)

	September 25, 2011	December 26, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,099	\$ 31,860
Accounts receivable - net	83,321	102,314
Inventories	7,289	7,053
Other	25,983	29,745
Total current assets	126,692	170,972
Other assets	36,557	40,629
Property, plant and equipment - net	380,985	398,939
FCC licenses and other intangibles - net	209,914	214,416
Excess of cost over fair value of net identifiable assets of acquired businesses	328,400	355,017
	\$ 1,082,548	\$ 1,179,973

See accompanying notes.

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MEDIA GENERAL, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

(000 s except shares and per share data)

	September 25, 2011	December 26, 2010
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 23,847	\$ 30,030
Accrued expenses and other liabilities	68,178	89,784
Total current liabilities	92,025	119,814
Long-term debt	665,455	663,341
Retirement, post-retirement and post-employment plans	162,362	170,670
Deferred income taxes	40,518	34,729
Other liabilities and deferred credits	24,884	27,497
Stockholders' equity:		
Preferred stock (\$5 cumulative convertible), par value \$5 per share, authorized 5,000,000 shares; none outstanding		
Common stock, par value \$5 per share:		
Class A, authorized 75,000,000 shares; issued 22,596,392 and 22,493,878 shares	112,982	112,469
Class B, authorized 600,000 shares; issued 548,564 shares	2,743	2,743
Additional paid-in-capital	27,985	26,381
Accumulated other comprehensive loss	(124,571)	(126,799)
Retained earnings	78,165	149,128
Total stockholders' equity	97,304	163,922
	\$ 1,082,548	\$ 1,179,973

See accompanying notes.

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MEDIA GENERAL, INC.

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

(000 s except for per share data)

	Three Months Ended		Nine Months Ended	
	September 25, 2011	September 26, 2010	September 25, 2011	September 26, 2010
Revenues				
Broadcast television	\$ 65,126	\$ 75,009	\$ 200,811	\$ 214,603
Digital media and other	9,013	10,517	28,877	31,746
Print	70,605	77,687	218,785	241,890
Total revenues	144,744	163,213	448,473	488,239
Operating costs:				
Employee compensation	66,048	74,494	215,147	222,531
Production	34,544	37,765	106,710	110,129
Selling, general and administrative	25,515	26,288	79,389	78,521
Depreciation and amortization	12,935	13,204	38,995	40,602
Goodwill impairment	26,617		26,617	
Total operating costs	165,659	151,751	466,858	451,783
Operating income (loss)	(20,915)	11,462	(18,385)	36,456
Other income (expense):				
Interest expense	(16,035)	(17,015)	(49,791)	(53,927)
Other, net	245	184	762	725
Total other expense	(15,790)	(16,831)	(49,029)	(53,202)
Loss before income taxes	(36,705)	(5,369)	(67,414)	(16,746)
Income tax (benefit) expense	(6,873)	5,288	3,604	14,940
Net loss	\$ (29,832)	\$ (10,657)	\$ (71,018)	\$ (31,686)
Net loss per common share - basic and assuming dilution	\$ (1.32)	\$ (0.48)	\$ (3.16)	\$ (1.42)

See accompanying notes.

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MEDIA GENERAL, INC.

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

(000 s)

	Nine Months Ended	
	September 25, 2011	September 26, 2010
Operating activities:		
Net loss	\$ (71,018)	\$ (31,686)
Adjustments to reconcile net loss:		
Depreciation and amortization	38,995	40,602
Deferred income taxes	8,267	22,519
Intraperiod tax allocation	(4,663)	(3,852)
Goodwill impairment	26,617	
Write-off of previously deferred debt issuance costs		1,772
Change in assets and liabilities:		
Accounts receivable and inventories	18,757	13,572
Accounts payable, accrued expenses, and other liabilities	(17,875)	9,266
Company owned life insurance (cash surrender value less policy loans including repayments)	1,565	(519)
Income taxes refundable	423	24,636
Retirement plan contributions	(8,675)	(20,000)
Other, net	(46)	(1,431)
Net cash (used) provided by operating activities	(7,653)	54,879
Investing activities:		
Capital expenditures	(15,681)	(15,604)
Other, net	408	599
Net cash used by investing activities	(15,273)	(15,005)
Financing activities:		
Proceeds from issuance of senior notes		293,070
Increase in bank debt	88,500	134,156
Repayment of bank debt	(87,286)	(466,646)
Debt issuance costs		(12,078)
Other, net	(49)	249
Net cash provided (used) by financing activities	1,165	(51,249)
Net decrease in cash and cash equivalents	(21,761)	(11,375)
Cash and cash equivalents at beginning of period		