

MEDIA GENERAL INC  
Form 11-K  
June 22, 2004  
Table of Contents

---

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

---

## FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS  
AND SIMILAR PLANS PURSUANT TO SECTION 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number V-1799

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Edgar Filing: MEDIA GENERAL INC - Form 11-K

**MG ADVANTAGE 401(k) PLAN**

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

**MEDIA GENERAL, INC.**

**333 East Franklin Street**

**Richmond, Virginia 23219**

---

**Table of Contents**

**Financial Statements  
And Supplemental Schedule**

**MG Advantage 401(k) Plan**

*Years ended December 31, 2003, and 2002,  
with Report of Independent Registered Public Accounting Firm*

**Table of Contents**

**MG Advantage 401(k) Plan**

**Financial Statements  
and Supplemental Schedule**

**Years ended December 31, 2003, and 2002**

**Table of Contents**

|  |                        |
|--|------------------------|
| <u>Report of Independent Registered Public Accounting Firm</u>         | 1                      |
| Financial Statements   |                        |
| <u>Statements of Net Assets Available for Plan Benefits</u>            | 2                      |
| <u>Statements of Changes in Net Assets Available for Plan Benefits</u> | 3                      |
| <u>Notes to Financial Statements</u>                                   | 4-7                    |
|  | <b><u>Schedule</u></b> |
| Supplemental Schedule  |                        |
| <u>Schedule of Assets (Held at End of Year), December 31, 2003</u>     | A                      |

**Table of Contents**

Report of Independent Registered Public Accounting Firm

Administrator

MG Advantage 401(k) Plan

We have audited the accompanying statements of net assets available for plan benefits of the MG Advantage 401(k) Plan (the Plan), as of December 31, 2003 and 2002, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan at December 31, 2003 and 2002, and the changes in its net assets available for plan benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST AND YOUNG LLP

June 7, 2004

Richmond, Virginia

**Table of Contents**

**MG Advantage 401(k) Plan**

**Statements of Net Assets Available for Plan Benefits**

|   | <b>December 31,</b>   |                       |
|---|-----------------------|-----------------------|
|   | <b>2003</b>           | <b>2002</b>           |
| <b>Assets</b>                                 |                       |                       |
| Cash  | \$ 4,991,302          | \$ 4,504,431          |
| Investments                                   | 234,557,823           | 194,033,544           |
| <b>Total Assets</b>                           | <b>239,549,125</b>    | <b>198,537,975</b>    |
| <b>Net assets available for plan benefits</b> | <b>\$ 239,549,125</b> | <b>\$ 198,537,975</b> |

*See accompanying notes.*

**Table of Contents****MG Advantage 401(k) Plan****Statements of Changes in Net Assets Available for Plan Benefits**

|  | <b>Years Ended December 31,</b> |                       |
|--|---------------------------------|-----------------------|
|  | <b>2003</b>                     | <b>2002</b>           |
| Investment income:   |                                 |                       |
| Dividends  | \$ 2,920,002                    | \$ 2,048,564          |
| Interest   | 663,270                         | 1,347,826             |
|  | <u>3,583,272</u>                | <u>3,396,390</u>      |
| Net realized and unrealized appreciation in fair value of assets | 28,891,548                      | 4,549,898             |
| Contributions:   |                                 |                       |
| Employer   | 7,491,790                       | 7,321,086             |
| Participants   | 13,150,122                      | 12,937,918            |
| Rollovers  | 663,036                         | 1,050,134             |
|  | <u>21,304,948</u>               | <u>21,309,138</u>     |
| Distributions to withdrawing participants                        | (12,768,618)                    | (17,868,187)          |
| Net increase in net assets available for plan benefits           | 41,011,150                      | 11,387,239            |
| Net assets available for plan benefits at beginning of year      | 198,537,975                     | 187,150,736           |
| Net assets available for plan benefits at end of year            | <u>\$ 239,549,125</u>           | <u>\$ 198,537,975</u> |

*See accompanying notes.*

**Table of Contents**

**MG Advantage 401(k) Plan**

**Notes to Financial Statements**

**December 31, 2003**

**1. General**

Fidelity Management Trust Company (Fidelity) is the trustee, recordkeeper, and investment manager of the MG Advantage 401(k) Plan (the Plan), pursuant to a trust agreement dated January 1, 2001. The investment fund options include twelve Fidelity funds, a Dreyfus Corporation fund, and the Media General Stock Fund.

**2. Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Plan are prepared on the accrual basis of accounting.

**Valuation of Investments**

All investments, other than guaranteed investment contracts (GICs) and loans to participants, are carried at market value. Deposits under GICs were carried at contract value which approximated fair value. The Plan no longer carries GICs as of December 31, 2003. Loans to participants are carried at the original amount of the loan less repayments received. Investments in securities traded on national securities exchanges are valued at the last reported sales price or at the last reported bid quotation if not traded on that day. Investments in commingled equity and balanced funds are valued at their redemption value. Dividends are recorded on the ex-dividend date and interest is accrued as earned.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from these estimates.

**3. Contributions**



## Edgar Filing: MEDIA GENERAL INC - Form 11-K

The Plan allows pretax contributions by means of regular payroll deductions up to 20% of a participant's total compensation subject to limitations prescribed by the Internal Revenue Code. After-tax contributions are not allowed. The Company matches 100% of contributions up to a total of 4% of a participant's total pay. Participants may rollover account balances from a prior employer's qualified retirement plan or conduit IRA that holds only prior qualified plan balances. Participant contributions are invested in accordance with Plan terms directed by participants in the fourteen fund options mentioned in **NOTE 1**. Company matching contributions are invested in Company stock, subject

**Table of Contents**

**MG Advantage 401(k) Plan**

**Notes to Financial Statements (continued)**

**3. Contributions (continued)**

to transfer provisions discussed in the following paragraph. The Plan also includes, among other things, a loan feature (see **NOTE 7**). Under specified guidelines, a participant may request the trustee to transfer a portion of the participant's balance in other funds into a loan account for disbursement as a loan to the participant. Repayment of principal and interest is generally made by payroll deduction and the loans are fully secured by the participant's account balance.

Participants may change their investment elections directly with Fidelity at any time. Participants over age 55 may also transfer 100% of the market value of their account among all fund options. Participants under age 55 may transfer 100% of the market value of their account among all fund options, except from the Media General Common Stock Fund, at any time. These participant transfers from the Media General Common Stock Fund are limited to 25% of the participant's fund balance once a quarter to any of the other funds.

**4. Eligibility, Vesting, Withdrawals, and Terminations**

Any employee who has completed 45 days of service and is at least 18 years old shall be eligible to participate in the Plan as of the first day of the month following their meeting these eligibility requirements. In the event of termination of employment or withdrawal from the Plan, participants receive the total value of their account either directly or by rollover to another qualified account. The vesting provisions of the Plan provide for immediate 100% vesting of the value of Company pretax matching contributions.

The Company has established the Plan with the intention that it will continue. The Company has the right at any time to terminate the Plan. The value of the participants' accounts would be distributed to the participants in a manner consistent with the Summary Plan Document.

The above descriptions are provided for informational purposes. Readers should refer to the most recently updated Summary Plan Document for more complete information on Plan provisions both before and after the noted Plan changes.

**5. Income Taxes**

The Internal Revenue Service ruled on February 27, 2003 that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) as of January 1, 2002, and, therefore, the related trust is not subject to tax under present income tax law. Employee contributions qualify as cash or deferred contributions under Section 401(k) of the IRC. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Company believes the Plan continues to qualify under the IRC and the related trust is tax exempt.



**Table of Contents****MG Advantage 401(k) Plan****Notes to Financial Statements (continued)****6. Investments**

Investments representing five percent or more of the Plan's net assets at December 31, 2003 and 2002 consisted of the following:

| <u>Name and Title</u>                  | <u>2003</u>   |                     | <u>2002</u>   |                     |
|--|---------------|---------------------|---------------|---------------------|
|  | <u>Cost</u>   | <u>Market Value</u> | <u>Cost</u>   | <u>Market Value</u> |
| Media General, Inc. Common Stock Fund  | \$ 67,329,962 | \$ 115,651,826      | \$ 63,379,898 | \$ 106,644,245      |
| Fidelity Managed Income Portfolio Fund | 19,958,751    | 19,958,751          |               |                     |
| Fidelity Managed Income Fund           |               |                     | 18,762,776    | 18,762,776          |
| Fidelity Fund                          | 34,738,733    | 32,135,202          | 36,520,608    | 26,381,885          |
| Fidelity Freedom 2010                  | 13,324,568    | 13,457,171          | 12,195,766    | 10,709,827          |

The balance of the Fidelity Managed Income Fund was transferred to the Fidelity Managed Income Portfolio Fund during 2003.

The Plan's investments appreciated (depreciated) in fair value during 2003 and 2002 as follows:

| <u>Name and Title</u>                 | <u>2003</u>          | <u>2002</u>         |
|---------------------------------------|----------------------|---------------------|
| Media General, Inc. Common Stock Fund | \$ 9,739,954         | \$ 19,963,368       |
| Fidelity Fund                         | 6,797,753            | (8,026,144)         |
| Fidelity Growth Company               | 3,023,693            | (2,305,961)         |
| Fidelity OTC Portfolio                | 1,033,197            | (580,615)           |
| Fidelity Diversified International    | 924,341              | (173,473)           |
| Fidelity Freedom Income               | 94,754               | (55,610)            |
| Fidelity Freedom 2000                 | 62,136               | (37,263)            |
| Fidelity Freedom 2010                 | 1,547,701            | (1,037,302)         |
| Fidelity Freedom 2020                 | 1,172,821            | (592,835)           |
| Fidelity Freedom 2030                 | 1,040,879            | (548,883)           |
| Fidelity Freedom 2040                 | 391,471              | (224,395)           |
| Fidelity International Bond           | (5,766)              |                     |
| Dreyfus Small Company Value           | 3,068,614            | (1,830,989)         |
|                                       | <u>\$ 28,891,548</u> | <u>\$ 4,549,898</u> |

**7. Loans to Participants**

The Plan has a loan feature available to all Plan participants. Loans are made from the participant's account, reducing the investment balance and creating a receivable in the Loan Fund. Loans are secured by the participant's vested account balance. Loans to terminated participants and loans in default are treated as distributions to the participant. Loans are generally repaid through payroll deduction including principal and interest. The principal portion reduces the receivable from participants and both principal and interest are transferred to the participant's investment account as repayments are received.

**Table of Contents**

**MG Advantage 401(k) Plan**

**Notes to Financial Statements (continued)**

**7. Loans to Participants (continued)**

Participants may obtain loans based on the vested value of their accounts. New loans cannot exceed 50% of the participant's account value or a maximum of \$50,000 in accordance with the Department of Labor's regulations on loans to participants. Loans are limited to one loan per participant per twelve-month period with a maximum of two loans outstanding at any one time. Loans shall bear a reasonable rate of interest and must be repaid over a period not to exceed 5 years unless used to purchase the participant's primary residence, in which case the loan must be repaid over a period not to exceed 10 years.

**8. Related Party Transactions**

Recurring administrative expenses of the Plan, which include trustee fees, are paid by Media General, Inc. Administrative expenses for the years ended December 31, 2003 and 2002 were approximately \$266,000 and \$275,000, respectively.

**Table of Contents**

**Supplemental Schedule**

**Table of Contents**

Schedule A

**MG Advantage 401(k) Plan**

EIN: 54-0850433 Plan: 001

Schedule H, Line 4 (i)

**Schedule of Assets (Held at End of Year) \*\***

December 31, 2003

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of<br>Investment including<br>Maturity date, rate<br>of interest, par or<br>maturity value | Current or<br>Market Value |
|---|--|----------------------------|
| Interest-bearing Cash                                 | 4,991,302 units  | \$ 4,991,302               |
| Fidelity* Managed Income Portfolio                    | 19,958,751 shares  | 19,958,751                 |
| Fidelity* Fund  | 1,144,416 shares   | 32,135,202                 |
| Fidelity* Growth Company                              | 235,257 shares   | 11,779,337                 |
| Fidelity* International Bond                          | 46,105 shares  | 491,481                    |
| Fidelity* OTC Portfolio                               | 126,501 shares   | 4,107,502                  |
| Fidelity* Diversified International                   | 152,173 shares   | 3,670,412                  |
| Fidelity* Freedom Income                              | 229,218 shares   | 2,542,031                  |
| Fidelity* Freedom 2000                                | 88,757 shares  | 1,045,562                  |
| Fidelity* Freedom 2010                                | 1,033,577 shares   | 13,457,171                 |
| Fidelity* Freedom 2020                                | 561,573 shares   | 7,311,687                  |
| Fidelity* Freedom 2030                                | 428,342 shares   | 5,547,023                  |
| Fidelity* Freedom 2040                                | 259,188 shares   | 1,959,459                  |
| Dreyfus Small Company Value                           | 318,879 shares   | 7,270,451                  |
| Media General, Inc.* Common Stock Fund                | 1,776,304 shares   | 115,651,826                |
| Loans to participants*                                | 6% 10%   | 7,629,928                  |
| <b>Total</b>  |  | <b>\$ 239,549,125</b>      |

\* Party in interest to the Plan

\*\* Historical cost is not required as all investments are participant directed.



**Table of Contents**

**EXHIBIT INDEX**

TO

FORM 11-K FOR

MG ADVANTAGE 401(k) PLAN

**Exhibit Number**

**Description of Exhibit**

23

Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, dated June 22, 2004

**Table of Contents**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDIA GENERAL, INC.  
(Registrant)

By: /s/ J. Stewart Bryan III  
J. Stewart Bryan III  
Chairman, President and Chief  
Executive Officer

By: /s/ Marshall N. Morton  
Marshall N. Morton  
Vice Chairman, Chief  
Financial Officer and Director

Date: June 22, 2004