

## DESCRIPTION OF TRANSACTION

This application is one of a number of concurrently filed applications that seek the Commission's consent to a transaction (the "Transaction") that will combine the television broadcast operations of Media General, Inc. ("Existing Media General") with those of LIN Media LLC ("LIN Media"). Specifically, the applications seek:

- consent to a long-form transfer of control of the license subsidiaries of LIN Media, by making LIN Media's wholly owned subsidiary LIN Television Corporation ("LIN") a wholly owned subsidiary of a new holding company, Mercury New Holdco, Inc. (which will be renamed Media General, Inc. at closing) ("Post-Merger Media General"); and
- consent to a *pro forma* restructuring of Existing Media General to insert Post-Merger Media General and its newly-acquired subsidiary, LIN, above Existing Media General in the corporate structure (see post-merger Structure Chart at Attachment A).

At the conclusion of the Transaction, the shares of Post-Merger Media General will be held approximately 64% by current shareholders of Existing Media General and 36% by current shareholders of LIN Media. As the Existing Media General shareholders will control Post-Merger Media General, the *pro forma* transfer of control applications for the Existing Media General licensee companies are required solely because of the insertion of LIN as the new parent company of Existing Media General, and Post-Merger Media General as the corporate parent of LIN.

At the conclusion of the Transaction, the shares of Post-Merger Media General will be held approximately 64% by current shareholders of Existing Media General and 36% by current shareholders of LIN Media LLC. As the Existing Media General shareholders will control Post-Merger Media General, the *pro forma* transfer of control applications for the Existing Media General licensee companies are required solely because of the insertion of LIN as the new parent company of Existing Media General, and Post-Merger Media General as the corporate parent of LIN.

In contrast, because current LIN Media shareholders will hold approximately 36% of the voting shares of Post-Merger Media General, the portion of the Transaction in which LIN becomes a wholly owned subsidiary of Post-Merger Media General requires long-form transfer of control applications for the LIN license subsidiaries.<sup>1</sup>

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<sup>1</sup> The license subsidiaries of Existing Media General and LIN are also filing contemporaneously herewith separate applications in the appropriate bureaus requesting Commission consent for the transfer of control of earth station, microwave and land mobile facilities. It is intended that the applications filed in connection with the Transaction include all of the licenses and other authorizations held by the respective licensees. Nevertheless, subsidiaries of Existing Media General and LIN may now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities that may be

The applicants will effectuate the Transaction through a series of mergers involving newly-created subsidiaries that will be completed contemporaneously at a single closing. In the first merger, Existing Media General will merge into Mercury Merger Sub 1, Inc., a newly created, wholly-owned subsidiary of Post-Merger Media General, with Existing Media General being the surviving entity. In the second merger, LIN Media LLC will merge into Mercury Merger Sub 2, LLC, also a newly created, wholly-owned subsidiary of Post-Merger Media General, with LIN Media LLC being the surviving entity. Next, Existing Media General will move from being a wholly-owned subsidiary of Post-Merger Media General to being a wholly-owned subsidiary of LIN. LIN Media LLC will then be absorbed into Post-Merger Media General, making LIN Media LLC's wholly-owned subsidiary, LIN, a wholly-owned subsidiary of Post-Merger Media General. The before and after corporate structures are illustrated in Attachment A. Note that the consummation of the Transaction will not alter the current ownership structure of the subsidiaries of LIN or of Existing Media General, including the license subsidiaries.

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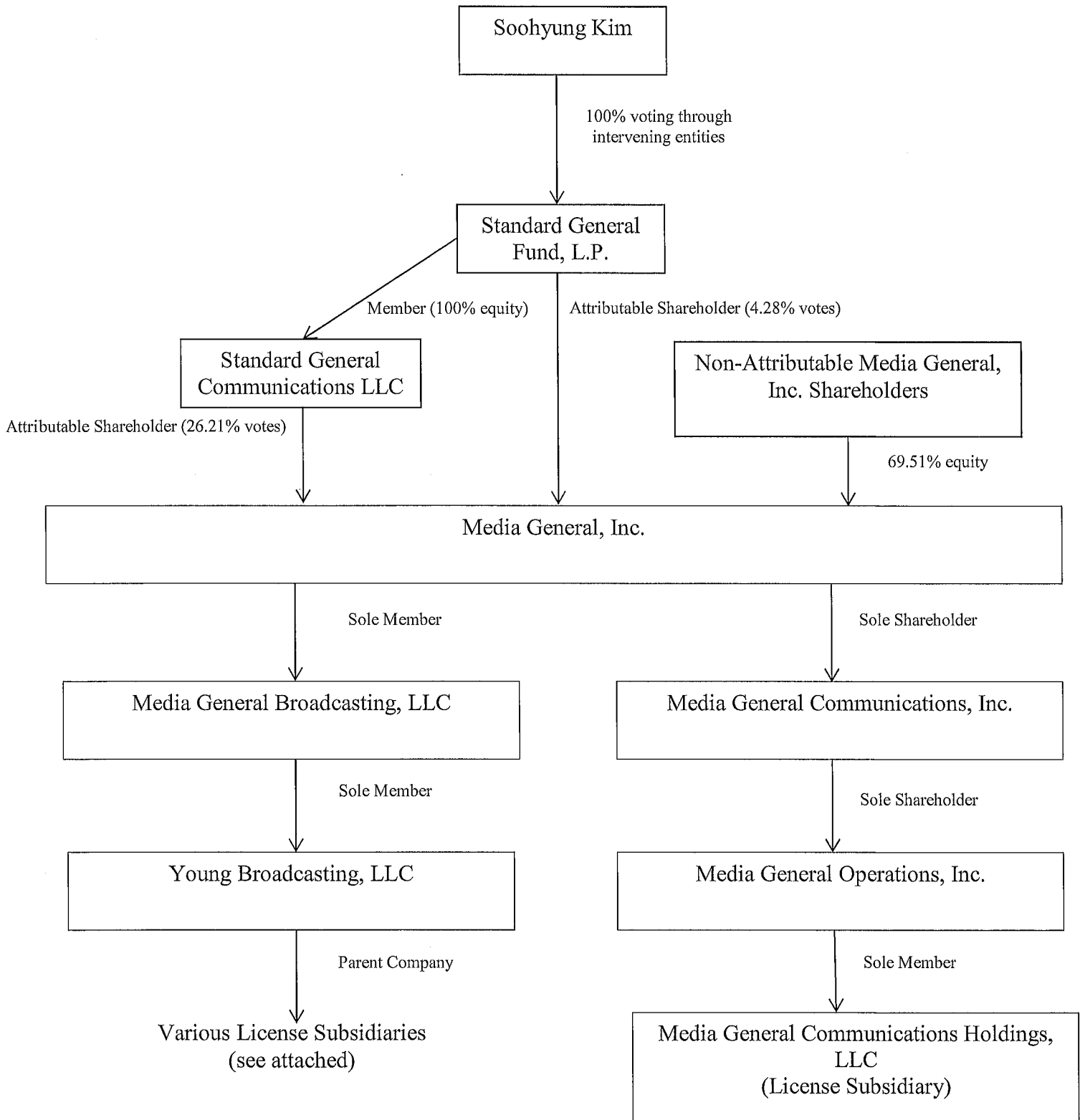
granted before the Commission takes action on the transfer applications. Accordingly, Existing Media General and LIN request that any Commission approval of the applications relating to the Transaction include authority for Post-Merger Media General to acquire control of: (1) any authorization issued to Existing Media General or LIN subsidiaries while the Transaction is pending before the Commission and during the period required for consummation of the Transaction; (2) any construction permits of Existing Media General or LIN subsidiaries that mature into licenses after closing; and (3) any applications filed by subsidiaries of Existing Media General or LIN that are pending at the time of consummation. Such action would be consistent with prior decisions of the Commission. *See, e.g., Applications of AT&T Inc. and Cellco Partnership d/b/a Verizon Wireless*, Memorandum Opinion and Order, 25 FCC Rcd 8704, 8716, ¶ 165 (2010); *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18392, ¶ 212 (2005); *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 19 FCC Rcd 21522, 21626 (2004). Moreover, because Post-Merger Media General is acquiring control of LIN and all of its Commission authorizations, the parties request that Commission approval include any authorizations that may have been inadvertently omitted.

Similarly, pursuant to Sections 1.927(h), 1.929(a)(2), and 1.933(b) of the Commission's Rules, to the extent necessary, the applicants request a blanket exemption from any applicable cut-off rules in cases where the licensees in this Transaction file amendments to pending applications in order to reflect consummation of the proposed Transaction so that such amendments are not treated as disqualifying amendments. The nature of the proposed Transaction demonstrates that the ownership changes would not be made for the purpose of acquiring any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of this request would be consistent with prior Commission decisions that routinely have granted a blanket exemption in cases involving multiple-license transactions. *See, e.g., Applications of PacifiCorp Holdings, Inc., and Century Telephone Enterprises, Inc. for Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8891, ¶ 47 (1997); *Applications of NYNEX Corp. and Bell Atlantic Corp.*, Memorandum Opinion and Order, 12 FCC Rcd 19985, ¶ 234 (1997).

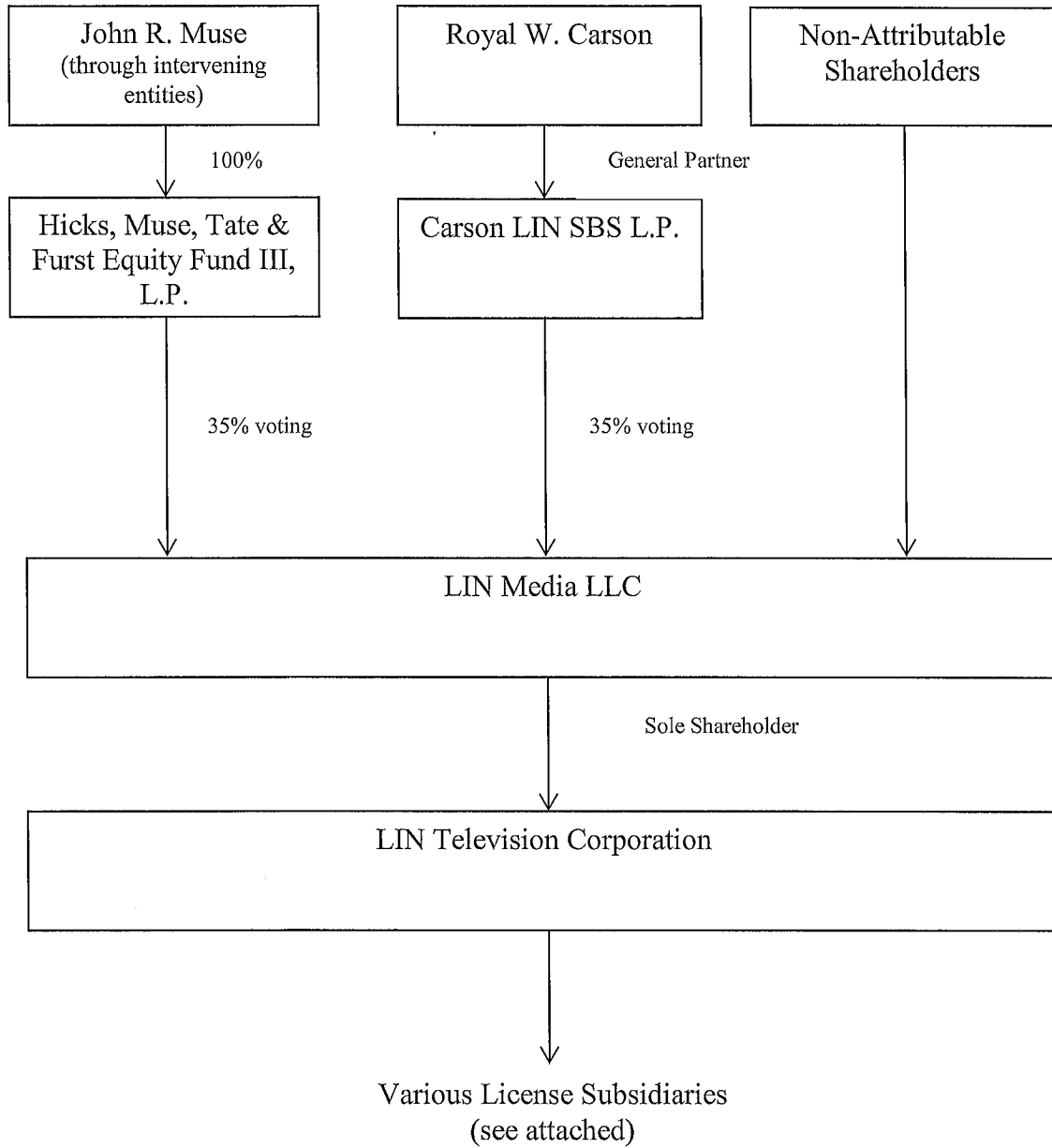
As part of the merger process, the present shareholders of Existing Media General and of LIN Media LLC will surrender their shares in those companies in exchange for stock of Post-Merger Media General, with the LIN Media LLC shareholders having the opportunity to elect cash consideration up to a stated level. As noted above, at the conclusion of the Transaction, approximately 64% of the shares of Post-Merger Media General will be held by the former shareholders of Existing Media General, and approximately 36% will be held by former shareholders of LIN Media LLC.

The proposed Transaction will increase the merged company's operational efficiencies and capabilities in serving the public, ensure continuance of existing service to the public, and maintain current levels of competition and diversity in local markets while creating potential opportunities for new entrants in seven television markets. For those reasons, the Transaction also strongly serves the public interest, and therefore the applicants urge the Commission to promptly process and grant its associated applications.

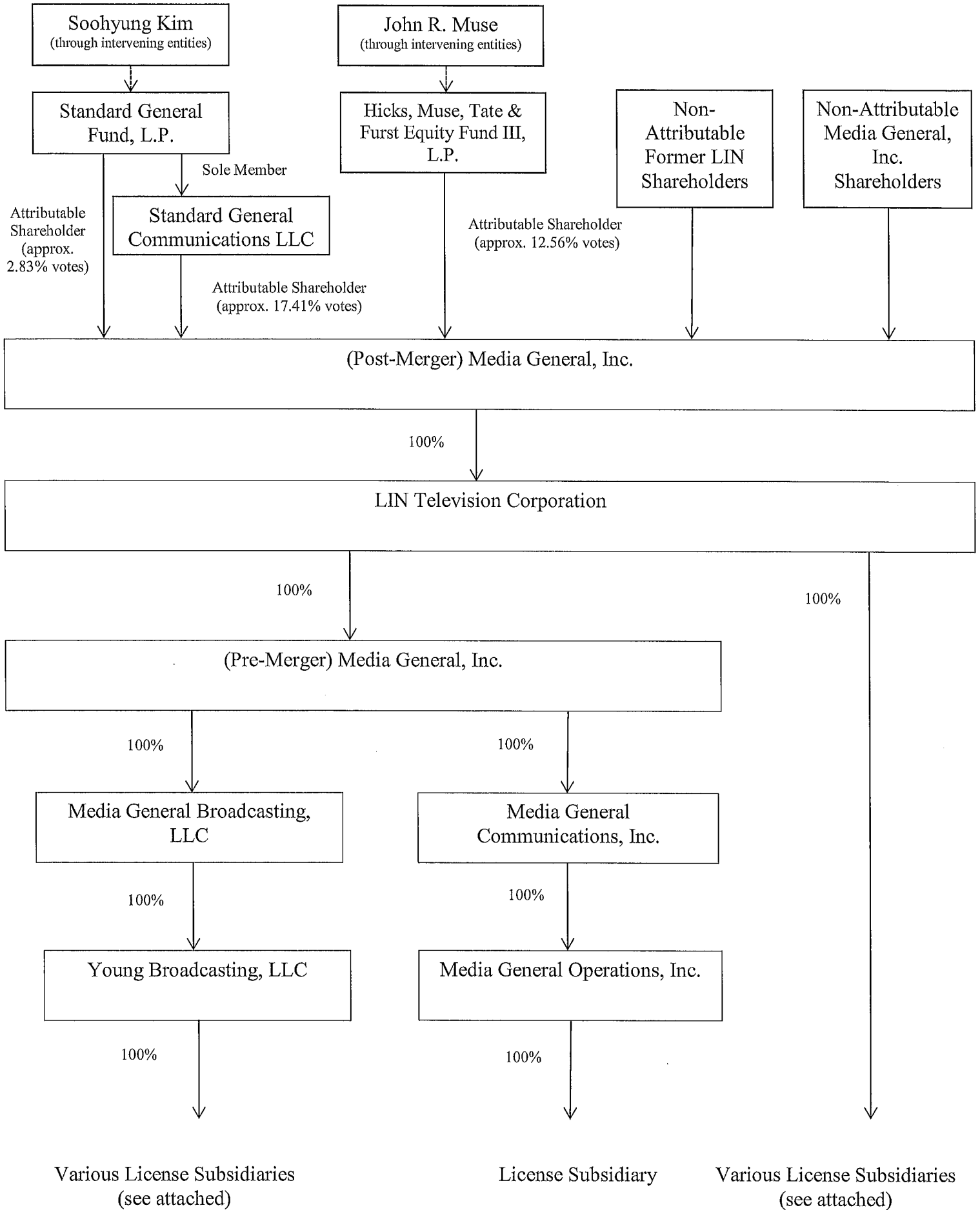
# (Pre-Merger) Media General, Inc. Ownership Structure



# (Pre-Merger) LIN Media LLC Ownership Structure



# (Post-Merger) Media General, Inc. Ownership Structure





LIN Media License Subsidiaries Structure Chart

