

MEDIA GENERAL DEALS WITH LOSS OF OVER \$3 MILLION IN FOURTH QUARTER OF 2011



During the fourth quarter, Media General Incorporated dealt with a loss of approximately \$3.3 million because of low revenue during broadcasts and print divisions. The company, which is also the owner of the Winston-Salem Journals, had received a net income of nearly \$9 million in the previous year. Media General has lost earnings of about 15 cents per share when in the previous year; they had earnings of just about 39 cents a share. Investors sent the share to a price that would be down by 50 cents. Something else that effected the earnings were the expenses made after a number of staff members were cut off from the company within the print division, which is located in Tampa, Florida. The company says, "Similar to many other e-commerce businesses, DealTaker.com has suffered the adverse effects of a significant change in the way Internet search results are delivered by Google." Without the severance payments, Media General claims to have earned a net amount of \$4.5 million. At the same period of time in the previous year, the company had a net income of nearly \$9.3 million dollars. The North Carolina market had earned a profit of nearly \$4 million at the end of the fourth quarter, which was actually up by 35 percent from the previous year. During the entire year of 2011, Media General dealt with a loss of nearly \$75 million, which is equivalent to \$3.31 per share. During the year of 2010, the company only dealt with a loss of \$22.6 million, which was equivalent to \$1.01 per share. The entire year of 2011 reflects the decision the company made to take on a charge for goodwill impairment of \$26.6 million. The amount of revenue had also declined by 12 percent within the fourth quarter to about \$167.7 million. Revenue from print had also decreased by 7 percent and went down to \$80.8 million. Revenue from broadcast continued to fall by a significant amount of 16 percent. The president of the company, Marshall Morton, said that even with some of the discouraging reports, there were some positive revenue trends as well. The automotive broadcast advertising went up by about 14 percent. Morton said, "The decline in print revenues moderated to 6.6 percent compared with a 9.1 percent decrease in the third quarter." He also says, "Fourth-quarter print revenues included strong preprint advertising volume in several markets and solid retail advertising related to the holidays." Morton also said that the revenue the company received from websites was extremely high, one of the highest that the company has ever seen. He says, "With the acceleration of smartphone penetration, our mobile revenues were up more than threefold in the quarter and are the fastest-growing advertising category."

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