

# WINNING THE BROADCAST WAR

## MEDIA GENERAL

### SITUATION: CONSOLIDATION CONSTERNATION

Over the past 20 years, the broadcast TV industry has gone through two major periods of consolidation. The first took place in the late 1990s and early 2000s. The second has occurred over the past few years in response to consolidation in other portions of the TV industry, including cable companies and multichannel video program distributors.

During this second period, Young Broadcasting (which owned or operated 12 stations in 10 markets) merged in 2013 with Media General (which owned or operated 18 stations).

The combined company kept the name of Media General and quickly followed up the Young transaction by merging with Lin Media in 2014, thereby creating one of the largest independent TV station groups in the United States.

As of early 2015, Media General had grown into a business that operated or serviced 71 television stations in 48 markets and reached 23 percent of U.S. television households and more than 50 percent of the U.S. Internet audience through a diverse portfolio of broadcast, digital and mobile products.

Many studies, however, indicate that mergers often do not reach their forecasted value when the merged companies are not integrated effectively and speedily. Consequently, Media General hired FTI Consulting to help integrate the merger of all three companies (Media General, Young Broadcasting and Lin Media) over a span of approximately 18 months.

“Working with FTI Consulting has been a real catalyst for our integration efforts with both Young and Lin Media. FTI Consulting has provided functional expertise, support and structure to the process during this transformative time for Media General. FTI Consulting’s approach is pragmatic and results oriented; the consultants really understand what’s important to the process and quickly become part of the team focused on our goals and objectives.”

**JAMES F. WOODWARD**  
CFO,  
Media General



## FTI CONSULTING'S ROLE: MANAGING INTEGRATION TO CAPTURE SYNERGIES AND MAXIMIZE VALUE CREATION

With the full support of the management teams at Media General and Young, FTI Consulting helped management design the newly combined company's organization, systems and processes. This work allowed Media General to quantify and capture the substantial synergies that both mergers were designed to achieve. FTI Consulting benchmarked costs and provided technical guidance to help the merged company avoid the sorts of information technology disconnects that can cause major integration delays, cost overruns and value leaks. FTI Consulting also worked closely with the integration team in every department affected by the merger to analyze business processes to ensure they were based on best practices rather than on legacy traditions.

Post-merger, FTI Consulting continues to lead the Integration Program Management Office, providing all parties with timely information on the progress of the integration and collaborating with the executive steering committee to make sure that all functional departments properly implement their detailed integration plans and that the organization retains its top talent.

## OUTCOME: A SUCCESSFUL MERGER PROCESS ACHIEVES SUSTAINABLE SAVINGS

Leveraging the deep broadcast industry experience and merger integration expertise of the consultants in its Media & Entertainment practice, FTI Consulting has helped ensure that both the Media General-Young Broadcasting merger and the subsequent Media General-Lin Media merger continue to capture the best of the three companies and realize the intended synergies and cost savings as quickly as possible.

As a result, the combined companies have identified approximately \$100 million in annual cost savings and revenue improvements and are well on their way to capturing the projected synergies while also creating a strong organization built on best practices and filled with high-performing employees.

By completing its mergers in a timely and orderly fashion while optimizing sizable integration synergies, Media General has cemented its position as a leader in the broadcast television industry. Given the pace of change in the media and entertainment industry, companies like Media General must complete complicated merger integrations as swiftly and efficiently as possible so that they can remain competitive. FTI Consulting continues to help Media General evaluate options and opportunities in its marketplace.



### ABOUT FTI CONSULTING

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. More information can be found at [www.fticonsulting.com](http://www.fticonsulting.com).

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