



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
IRC sections 302(a), 351(a), 351(b), 357(a), 358(a), 358(b)

18 Can any resulting loss be recognized? ▶ No loss may be recognized as a result of the Merger Transaction except for possible loss recognized from the receipt of cash in lieu of a fractional share of New Media General stock.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The stock basis adjustments are taken into account in the tax year of the shareholder during which the Merger Transaction occurred (e.g., 2014 for calendar year taxpayers).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ *James F. Woodward* Date ▶ 1/13/2015

Print your name ▶ James F. Woodward Title ▶ Senior Vice President & CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Raffi Baroutjian	<i>Raffi Baroutjian</i>	1/13/2015		P01383238
	Firm's name ▶ Deloitte Tax LLP	Firm's EIN ▶ 86-1065722		Phone no. 212-492-4000	
	Firm's address ▶ 30 Rockefeller Plaza, New York, NY 10012				

**Media General, Inc.**  
**EIN: 46-5188184**  
**Attachment to Form 9937—Part II**

**Box 14**

On December 19, 2014, Mercury Merger Sub 1, Inc., a wholly owned subsidiary of Mercury New Holdco, Inc. (“Mercury New Holdco”), merged with and into Media General, Inc. (“Old Media General”) with Old Media General surviving (the “Media General Merger”). Immediately after the Media General Merger, Mercury Merger Sub 2, LLC, a wholly owned subsidiary of Mercury New Holdco, merged with and into LIN Media LLC (“LIN Media”) with LIN Media surviving (the “LIN Media Merger” and, together with the Media General Merger, the “Merger Transaction”). Following the Merger Transaction, Mercury New Holdco changed its name to Media General (“New Media General”).

In the Media General Merger, each share of Old Media General voting and non-voting common stock was exchanged for one share of New Media General voting and non-voting common stock, respectively. In the LIN Media Merger, each LIN Media Class A common share, Class B common share, and Class C common share was exchanged for: (a) 1.4714 shares of New Media General voting common stock (the “Share Election” and “No Election”); or (b) 0.5468 shares of New Media General voting common stock and \$16.32 in cash (the “Cash Election”). Each holder of LIN Media common shares that otherwise would have been issued a fractional share of New Media General voting common stock in the LIN Media Merger was paid the cash value of such fractional share based on a share price of \$16.32 (based on the average daily volume weighted average price of New Media General voting common stock over the five trading days ending on December 18, 2014).

**Box 15**

In connection with the closing of the Merger Transaction, outside counsel opined that the Media General Merger and the LIN Media Merger, taken together, will qualify as a transaction described in Section 351 of the Internal Revenue Code of 1986, as amended (“IRC”). Accordingly, the aggregate basis of the New Media General common stock received by a holder of Old Media General common stock in the Media General Merger generally will be the same as the aggregate basis of the shares of Old Media General common stock for which it is exchanged.

The aggregate basis of the New Media General common stock received in the LIN Media Merger (including fractional shares settled in cash) by a holder of LIN Media common shares pursuant to the Share Election or No Election generally will be the same as the aggregate basis of the LIN Media common shares for which it is exchanged.

The aggregate basis of the New Media General common stock received in the LIN Media Merger (including fractional shares settled in cash) by a holder of LIN Media common shares pursuant to the Cash Election generally will be the same as the aggregate basis of the LIN Media common shares for which it is exchanged, (a) decreased by the amount of cash received by the holder (and liabilities, if any, of the holder that are assumed or treated as assumed by New Media

General) in the LIN Media Merger (other than any cash received instead of fractional shares), and (b) increased by the amount of gain, if any, recognized on the exchange (excluding any gain or loss recognized with respect to fractional shares). For these purposes, a holder of LIN Media common shares who received New Media General common stock plus cash pursuant to the Cash Election generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the New Media General common stock and the amount of cash received by the holder in exchange for its LIN Media common shares exceeds such holder's adjusted basis in its LIN Media common shares, and (2) the amount of cash received by such holder of LIN Media common shares (excluding any cash received in lieu of a fractional share). If a holder of LIN Media common shares acquired different blocks of LIN Media common shares at different times or at different prices, any gain or loss will be determined separately with respect to each block of LIN Media common shares.

New Media General has reasonably assumed that the aggregate amount of partnership liabilities, if any, allocable to the LIN Media common shares exchanged by each holder did not exceed the aggregate tax basis of such holder's LIN Media common shares and therefore it is not expected that any holder of LIN Media common shares will recognize gain under IRC Section 357(c) as a result of the LIN Media Merger.

A holder of LIN Media common shares who received cash instead of a fractional share of New Media General common stock will generally be treated as having received the fractional share pursuant to the LIN Media Merger and then as having sold that fractional share of New Media General common stock for cash. As a result, such holder will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional share of New Media General common stock.

Further discussion of the material U.S. federal income tax consequences of the Merger Transaction can be found under the heading "Material U.S. Federal Income Tax Consequences of the Mergers" in the definitive joint proxy statement/prospectus filed with the Securities and Exchange Commission on July 24, 2014, (available at the following internet address: [http://www.sec.gov/Archives/edgar/data/216539/000143774914013268/meg20140724\\_defm14a.htm](http://www.sec.gov/Archives/edgar/data/216539/000143774914013268/meg20140724_defm14a.htm)), which definitive joint proxy statement/prospectus was supplemented on September 15, 2014.

#### **Box 16**

Under applicable federal income tax rules, the fair market value of each share of New Media General common stock received in the Merger Transaction is generally the average of the highest and lowest quoted selling prices (\$17.40 and \$15.97, respectively) of the Old Media General stock on December 19, 2014, or \$16.69. Shareholders should consult their own tax advisors regarding their specific tax treatment of the Merger Transaction (including but not limited to the computation of gain and tax basis).

The basis in each share of New Media General common stock received by a holder of Old Media General common stock or LIN Media common shares in the Merger Transaction will reflect a blended, pro rata portion of the aggregate basis determined pursuant to the rules described in Box 15.