

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC. 20549
Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2014
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 333-195850

MERCURY NEW HOLDCO, INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

46-5188184
(I.R.S. Employer
Identification No.)

333 E. Franklin St., Richmond, VA
(Address of principal executive offices)

23219
(Zip Code)

(804) 887-5000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year,
if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Larger accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of October 31, 2014.

Common stock (no par value): 100

MERCURY NEW HOLDCO, INC.
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Mercury New Holdco, Inc.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited, In thousands, except shares)

ASSETS

	September 30, 2014	March 19, 2014
Current assets:		
Total current assets	\$ -	\$ -
Total assets	\$ -	\$ -

See accompanying notes.

Mercury New Holdco, Inc.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited, In thousands, except shares)

LIABILITIES AND STOCKHOLDERS' EQUITY

	September 30, 2014	March 19, 2014
Current liabilities:		
Total current liabilities	\$ -	\$ -
Total liabilities		
	-	-
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par value), 1,000 shares authorized, 100 shares issued and outstanding	0.1	0.1
Subscriptions receivable	(0.1)	(0.1)
Retained earnings	-	-
Total stockholders' equity	-	-
Total liabilities and stockholders' equity	\$ -	\$ -

See accompanying notes.

Mercury New Holdco, Inc.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, In thousands, except per share amounts)

	Three Months Ended September 30, 2014	Period from March 19 (Date of incorporation) to September 30, 2014
Net operating revenue	\$ -	\$ -
Operating costs:		
Total operating costs	-	-
Operating income	-	-
Other expense:		
Total other expense	-	-
Income before income taxes	-	-
Income tax expense	-	-
Net income	-	-
Other comprehensive income	-	-
Total comprehensive income	\$ -	\$ -
Earnings per common share (basic and diluted):		
Net earnings per common share (basic)	\$ -	\$ -
Net earnings per common share (assuming dilution)	\$ -	\$ -
Weighted-average common shares outstanding:		
Basic	0.1	0.1
Diluted	0.1	0.1

See accompanying notes.

Mercury New Holdco, Inc.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited, In thousands)

	Period from March 19 (Date of incorporation) to September 30, 2014
Cash flows from operating activities:	
Net income	\$ -
Adjustments to reconcile net income:	
Change in assets and liabilities:	
Net cash provided by operating activities	-
Cash flows from investing activities:	
Net cash provided by investing activities	-
Cash flows from financing activities:	
Net cash provided by financing activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	\$ -

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Organization and Basis of Presentation

Organization

Mercury New Holdco, Inc.

Mercury New Holdco, Inc. (“New Holdco”), is a Virginia corporation and a direct, wholly owned subsidiary of Media General, Inc. (“Media General”). New Holdco was formed on March 19, 2014, solely to effect the combination of Media General and LIN Media LLC (“LIN”) by merging Mercury Merger Sub 1, Inc., its direct, wholly owned subsidiary, with and into Media General, and merging Mercury Merger Sub 2, LLC, its direct, wholly owned subsidiary, with and into LIN, in each case, as provided for in their merger agreement dated as of March 21, 2014, as amended on August 20, 2014. New Holdco has not commenced operations, has no significant assets or liabilities and has not conducted any material activities other than those incidental to its formation and matters contemplated by the merger agreement, as amended, from its March 19, 2014 date of incorporation through September 30, 2014.

Following the completion of the merger transaction, New Holdco will be the parent company of Media General and LIN and will be renamed “Media General, Inc.” The voting common stock of New Holdco is expected to be listed for trading on the NYSE under the symbol “MEG.” In the transaction contemplated by the merger agreement, as amended, Media General shareholders will receive one share of New Holdco for each share of Media General that they own upon closing. All LIN shareholders will receive for each LIN share that they own upon closing, at their election, \$25.97 in cash or 1.4714 shares of New Holdco, subject to proration procedures described in the merger agreement, as amended. The maximum cash amount that will be paid to the LIN shareholders is \$763 million.

Mercury Merger Sub 1, Inc.

Mercury Merger Sub 1, Inc. (“Merger Sub 1”) is a Virginia corporation and a direct, wholly owned subsidiary of New Holdco. Merger Sub 1 was formed solely for the purpose of consummating the merger of Merger Sub 1 with and into Media General, as provided for in the merger agreement. Merger Sub 1 has not carried on any activities incidental to its formation and activities undertaken in connect with the transactions contemplated by the merger agreement.

Mercury Merger Sub 2, LLC

Mercury Merger Sub 2, LLC (“Merger Sub 2”) is a Delaware limited liability company and a direct, wholly owned subsidiary of New Holdco. Merger Sub 2 was formed solely for the purpose of consummating the merger of Merger Sub 2 with and into LIN, as provided for in the merger agreement. Merger Sub 2 has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States and with applicable quarterly reporting regulations of the Securities and Exchange Commission. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of interim financial information have been included.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

New Holdco was formed on March 19, 2014, as a wholly owned subsidiary of Media General in conjunction with a merger agreement dated as of March 21, 2014, as amended on August 20, 2014. Following the closing of the merger transaction, New Holdco will be renamed Media General, Inc. and will be the parent company of both Media General and LIN. In the transaction, Media General shareholders will receive one share of New Holdco for each share of Media General that they own upon closing. All LIN shareholders will receive for each LIN share that they own upon closing, at their election, \$25.97 in cash or 1.4714 shares of New Holdco, subject to proration procedures described in the merger agreement, as amended. The maximum cash amount that will be paid to the LIN shareholders is \$763 million. It is anticipated that, upon the closing of the transaction, Media General's former shareholders will own approximately 67%, and LIN's former shareholders will own approximately 33%, of the fully diluted shares of the new holding company. The voting common stock of Media General trades, and after completion of the transaction, the voting common stock of New Holdco is expected to trade, on the New York Stock Exchange under the symbol "MEG."

New Holdco has not commenced operations, has no significant assets or liabilities and has not conducted any material activities other than those incidental to its formation and matters contemplated by the merger agreement, as amended, from its March 19, 2014 date of incorporation through September 30, 2014.

* * * * *

The statements above should be read together with the condensed consolidated financial statements. Certain statements in this quarterly report that are not historical facts are "forward-looking" statements, as that term is defined by the federal securities laws. Forward-looking statements include statements related to accounting estimates and assumptions, expectations regarding the pending merger, regulatory approvals and approval by shareholders and FCC approval of license applications. Forward-looking statements, including those which use words such as New Holdco "believes," "anticipates," "expects," "estimates," "intends," "projects," "plans," "may" and similar words, including "outlook", are made as of the date of this filing and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. The reader should understand that it is not possible to foresee or identify all risk factors. Consequently, any such list should not be considered a complete statement of all potential risks or uncertainties.

Various important factors could cause actual results to differ materially from New Holdco's forward looking statements, estimates or projections including, without limitation: failure to complete the merger transaction, the ability to satisfy debt obligations, regulatory approvals, changes in advertising demand, changes in economic conditions, failure to capture the expected synergies from the merger transaction, changes in consumer preferences for programming and delivery method, changes in relationships with broadcast networks, changes in relationships with cable and satellite providers, the performance of pension plan assets, health care cost trends, regulatory rulings including those related to ERISA and income tax law, natural disasters, the effects of retransmission agreements and integration efforts on New Holdco's results of operations and its financial condition. Actual results may differ materially from those suggested by forward-looking statements for a number of reasons including those described in Part II, Item 1A. ("Risk Factors") of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

During the period covered by this report, New Holdco did not conduct any material activities and therefore did not incur any significant interest rate risk, foreign currency exchange rate risk, commodity price risk or other relevant market risks.

Item 4. Controls and Procedures

New Holdco's management, including the principal executive officer and principal financial officer, performed an evaluation of the effectiveness of the design and operation of New Holdco's disclosure controls and procedures as of September 30, 2014. Based on that evaluation, New Holdco's management, including the principal executive officer and principal financial officer, concluded that the New Holdco's disclosure controls and procedures were effective as of September 30, 2014. There have been no significant changes in New Holdco's internal controls or in other factors that are reasonably likely to adversely affect internal control during the period from March 19, 2014 (date of incorporation) to September 30, 2014.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Following the announcement on March 21, 2014, of the execution of the merger agreement, three complaints were filed in the Delaware Court of Chancery challenging the proposed acquisition of LIN: *Sciabacucchi v. Lin Media LLC, et al.* (C.A. No. 9530-CB), *International Union of Operating Engineers Local 132 Pension Fund v. Lin Media LLC, et al.* (C.A. No. 9538-CB), and *Pryor v. Lin Media LLC, et al.* (C.A. No. 9577-CB). The litigations are putative class actions filed on behalf of the public stockholders of LIN and name as defendants LIN, its directors, Media General, New Holdco, Merger Sub 1 and Merger Sub 2 and HM Capital Partners LLC and several of its alleged affiliates (Hicks, Muse, Tate & Furst Equity Fund III, L.P.; HM3 Coinvestors, L.P.; Hicks, Muse, Tate & Furst Equity Fund IV, L.P.; Hicks, Muse, Tate & Furst Private Equity Fund IV, L.P.; HM4-EQ Coinvestors, L.P.; Hicks, Muse & Co. Partners, L.P.; Muse Family Enterprises, Ltd.; and JRM Interim Investors, L.P. (together with HM Capital Partners LLC and individual director defendant John R. Muse, which are collectively referred to as “HMC”)).

On April 18, 2014, the plaintiff in *Engineers Local 132 Pension Fund* voluntarily dismissed that action without prejudice and, on April 21, 2014, the Court approved the dismissal.

The operative complaints generally allege that the individual defendants breached their fiduciary duties in connection with their consideration and approval of the merger transaction, that the entity defendants aided and abetted those breaches and that individual director defendant Royal W. Carson III and HMC breached their fiduciary duties as controlling shareholders of LIN by causing LIN to enter into the merger transaction, which plaintiffs allege will provide disparate consideration to HMC. The complaints seek, among other things, declaratory and injunctive relief enjoining the merger transaction. On April 25, 2014, the plaintiff in the *Sciabacucchi* action filed an amended complaint, and the plaintiffs in the *Sciabacucchi* and *Pryor* actions each filed a motion for an expedited hearing on the plaintiff’s (yet-to-be filed) motion for a permanent injunction to enjoin the merger transaction, requesting, among other things, that the Court set a permanent injunction hearing for September 2014. On April 30, 2014, the plaintiffs in the *Sciabacucchi* and *Pryor* actions filed a stipulation to consolidate the two actions, which was approved by the Court on May 1, 2014.

On May 15, 2014, plaintiffs in the consolidated action sent a letter to the Court withdrawing the pending motion to expedite.

The outcome of the lawsuit is uncertain and cannot be predicted with any certainty. An adverse judgment for monetary damages could have a material adverse effect on the operations and liquidity of LIN or Media General. An adverse judgment granting permanent injunctive relief could indefinitely enjoin completion of the merger transaction.

Item 1A. Risk Factors

New Holdco is subject to those risk factors set forth under the caption “Risk Factors” in the registration statement on Form S-4 (file No. 333-195850), as amended, filed by Mercury New Holdco, Inc. with the SEC, which was declared effective on July 24, 2014.

Item 6. Exhibits

(a) Exhibits

31.1 Section 302 Principal Executive Officer Certification

31.2 Section 302 Principal Financial Officer Certification

32 Section 906 Principal Executive Officer and Principal Financial Officer Certification

101 The following financial information from the Mercury New Holdco, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, formatted in XBRL includes: (i) Consolidated Condensed Balance Sheets at June 30, 2014 and March 19, 2014, (ii) Consolidated Condensed Statements of Comprehensive Income for the three months ended June 30, 2014 and for the period from March 19, 2014 (date of incorporation) to June 30, 2014, (iii) Consolidated Condensed Statements of Cash Flows for the period from March 19, 2014 (date of incorporation) to June 30, 2014, and (iv) the Notes to Consolidated Condensed Financial Statements.

SIGNATURES

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

MERCURY NEW HOLDCO, INC.

DATE: November 6, 2014

/s/ George L. Mahoney
George L. Mahoney
President (Principal Executive Officer)

DATE: November 6, 2014

/s/ James F. Woodward
James F. Woodward
Treasurer (Principal Financial Officer)

CERTIFICATION PURSUANT TO RULE 13a-14(a) and RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, George L. Mahoney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mercury New Holdco, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2014

/s/ George L. Mahoney
George L. Mahoney
President (Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13a-14(a) and RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James F. Woodward, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mercury New Holdco, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2014

/s/ James F. Woodward
James F. Woodward
Treasurer (Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mercury New Holdco, Inc. ("New Holdco") on Form 10-Q for the quarterly period ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, George L. Mahoney, President (Principal Executive Officer), and James F. Woodward, Treasurer (Principal Financial Officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of New Holdco.

/s/ George L. Mahoney
George L. Mahoney
President (Principal Executive Officer)
November 6, 2014

/s/ James F. Woodward
James F. Woodward
Treasurer (Principal Financial Officer)
November 6, 2014