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Television • Digital • Mobile

Investor Presentation

June 19, 2014



Certain statements in this presentation constitute “forward-looking statements” within the meaning of and subject to the protections of the Private Securities Litigation Reform Act of 1995 and other federal and state securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such “forward-looking statements.” Factors that could cause our actual results to differ materially from those expressed or implied by any forward-looking statements are described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2013 and may be contained in our other reports subsequently filed with the SEC.

See the appendix to this presentation for the definition of certain capitalized terms used herein. Reconciliations of the Company’s non-GAAP measures of broadcast cash flow, broadcast cash flow less cash corporate expenses and free cash flow are contained in the appendix and also available on the Company’s web site at www.gray.tv



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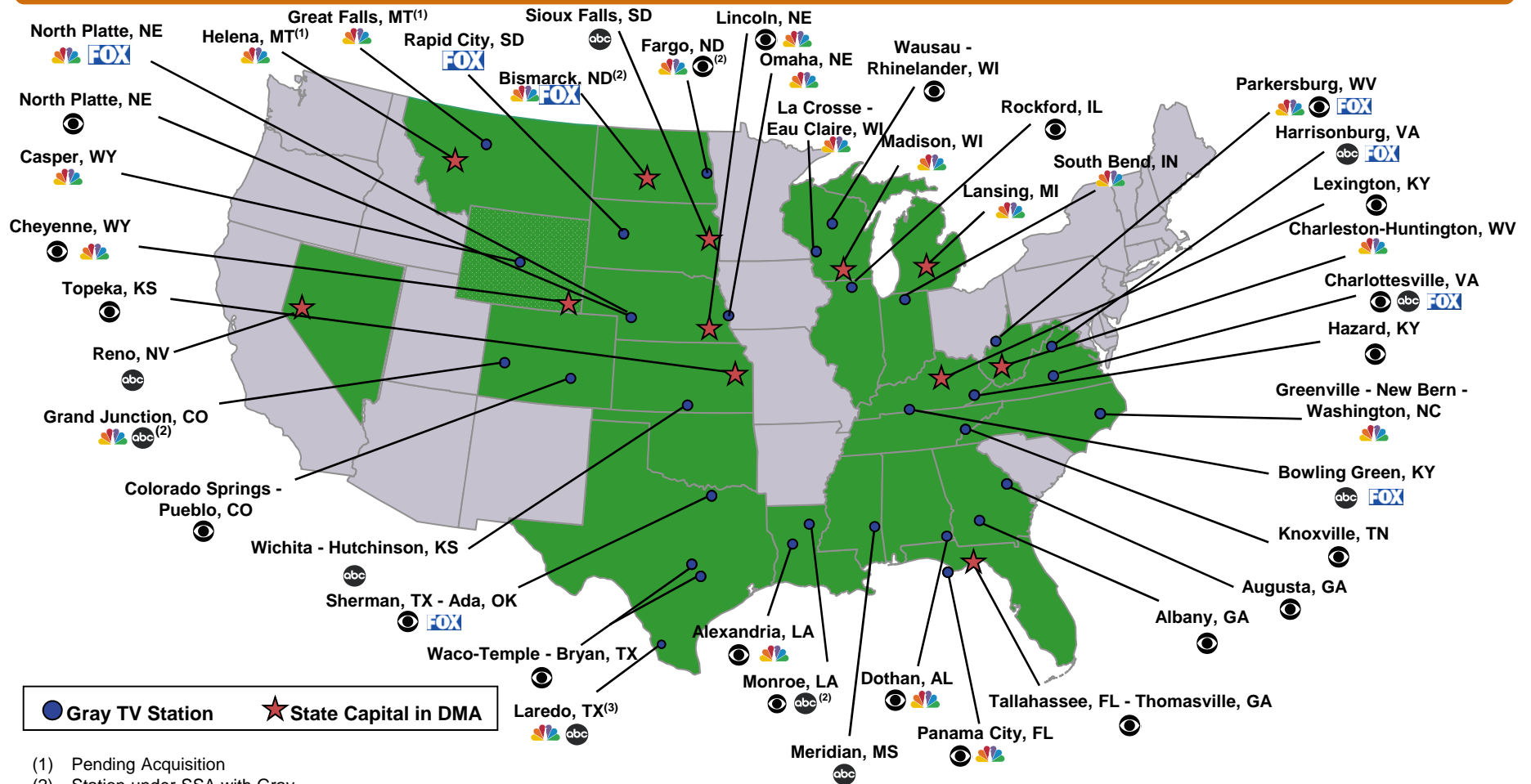
Company Overview



Gray Has a Diverse and National Footprint



42 markets reaching approximately 7.4% of US TV households



- (1) Pending Acquisition
- (2) Station under SSA with Gray
- (3) ABC expected to commence operations July 2014

Recent Acquisitions and Refinancing Transactions



- On June 13, 2014, Gray closed on the acquisition or agreements for the operation of 15 television stations from Hoak Media and Parker for \$306.0 million in cash.
- Gray financed the Hoak Acquisition, other recent acquisitions and refinanced its senior secured indebtedness with \$575 million in new senior secured credit facilities, consisting of the following:
 - \$50 million Priority Revolving Credit Facility – matures June 13, 2019
 - Interest Rate is L + 200 with step ups based on first lien leverage
 - No amounts drawn under revolver
 - \$525 million Term Loan B – matures June 13, 2021
 - Interest Rate is L + 300 with LIBOR floor of 75 with step down to L + 275 based on first lien leverage
 - \$525 million outstanding
- Pro forma for the Acquisitions, secured leverage, net of \$30 million in cash, is 2.6x and total leverage is 6.0x, based on Pro Forma L8QA 3/31/14 Operating Cash Flow of \$194 million, including \$7 million of identified L8QA synergies; debt net \$30 million of cash

Note: Please refer to the Glossary in the Appendix for definitions of the capitalized terms.

Combination Snapshot



	Gray TV ⁽¹⁾ Standalone	Hoak Acquisition Pre-Synergies	Rapid Cities / Prime Cities Pre-Synergies	Pro Forma Post-Synergies
(\$ in Millions)				
Financial Profile				
'12A-'13A Revenue	\$376	\$76	\$6	\$474 ⁽²⁾
'12A-'13A BCF	\$160	\$39	\$2	\$205 ⁽²⁾
'12A-'13A OCF	\$147	\$39	\$2	\$195 ⁽²⁾
Scale				
Stations	54	15	4	73
Non-Duplicated Markets	36	5	1	42
TV Household Reach	7.5 million (6.4%)	1.2 million (1.1%)	0.2 million (0.2%)	8.5 million (7.4%)
Asset Quality				
#1 / #2 Stations	32	6	-	38
2012 Political Revenue ⁽³⁾	\$86	\$12	\$0	\$100 ⁽²⁾
Big 4 Network Affiliated Channels ⁽⁴⁾				

(1) Figures per Company filings and 12/31/13 Compliance Cert; Scale, Asset Quality, and Affiliations data includes Montana and the Acquisitions other than the Hoak Acquisition, Prime Cities, Rapid Cities
 (2) Revenue, BCF, and Political revenue includes approximately \$16, \$4, and \$2 million, respectively, from the acquisition of Lockwood, KJCT, and Yellowstone; OCF includes \$7 million of identified L8QA 12/31/13 synergies from the Hoak Acquisition and the acquisition of Prime Cities and Rapid Cities

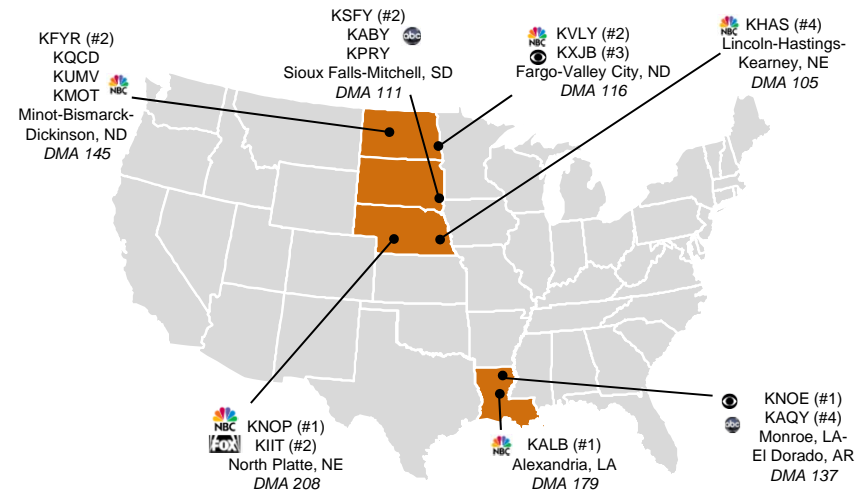
(3) Assumes 15% agency commission discount on gross political revenues for the Acquisitions
 (4) Gray TV includes Laredo ABC station expected to launch on July 1, 2014
 Source: Company filings and BIA in Television

Hoak Acquisition Overview



- 15 acquired stations of programming spread across seven attractive markets
 - Multicast programming in six of seven markets
- #1 or #2 news rating in six of seven markets
 - Strong local news ratings drive political revenue and make Hoak stations a “must have” for political and issue advertisers
- #1 in four of seven markets with average 2012 BIA revenue share of 33% across all markets
- Stations located in severe and disruptive weather markets where residents depend on Hoak’s weather services
- Minot-Bismarck market is a beneficiary of the significant growth of domestic oil production in the Bakken Oil Field, which has driven North Dakota’s national leading GDP growth of over 13%

Hoak Geographic Footprint



Source: Hoak Media management and BIA Investing in Television 2013
 Note: Reflects markets acquired by Gray

Acquisition Rationale



Reinforces Gray's Market Leadership

- Gray acquired and/or operates the #1 or #2 ranked local television station operations in six of seven Hoak markets
- Gray owns and/or operates Big Four network affiliated channels in all Hoak markets
- Pro forma for the Acquisitions including Montana, Gray owns/operates #1 ranked station in 28/42 markets, and the #1 or #2 ranked stations in 38/42 markets

Aligns with Gray's Market and Station Focus

- Hoak's stations are in markets with DMA ranks ranging 105 to 208, which aligns with Gray's portfolio of stations ranked 61 to 208
- Acquisitions enhance presence in state capitals
- Hoak stations are located in areas with disruptive weather patterns where local weather coverage is important

Enhances Scale & Diversification

- Gray expanded its geographic footprint to 42 markets and now reaches 7.4% of US households, up from 34 markets and 6.4% of households
- Acquisitions strengthen Gray's operating leverage and negotiating power
- Allows Gray to maintain a leadership position in a consolidating industry

Highly Accretive Acquisition

- Gray has identified approximately \$7 million of operating synergies for L8QA 3/31/14 in the Hoak Acquisition, and the Rapid Cities and Prime Cities acquisitions
- Effective purchase price multiple was 6.9x 2012 and 2013 average OCF including identified synergies

Prime Cities & Rapid Cities Acquisitions Overview



Prime Cities Broadcasting

(\$ in millions)	2011A	2012A	2013A
Net Revenue	\$2.0	\$2.6	\$2.0
Op. Expenses	\$1.6	\$1.8	\$1.5
BCF	\$0.4	\$0.8	\$0.5

Minot-Bismarck-Dickinson, ND
DMA 145

Stations	Affiliation	Market Revenue Rank	Revenue Share
KNDX / KXND		3	10.1%

- KXND operates in Minot, ND as a satellite station to KNDX
- Gray completed the acquisition of the non-license assets of KXND/KXDX on May 1, 2014
- Subject to FCC approval, Gray expects to acquire the FCC licenses of the low power stations
- Gray began operating these stations under an LMA on May 1, 2014
- Expected to have \$0.8 million in operating synergies
- Immediately free cash flow accretive

Source: BIA Investing in Television

Mission TV (Rapid Cities)

(\$ in millions)	2011A	2012A	2013A
Net Revenue	\$3.4	\$3.7	\$3.9
Op. Expenses	\$2.6	\$2.8	\$3.0
BCF	\$0.8	\$0.9	\$0.9

Rapid City, SD
DMA 173

Stations	Affiliation	Market Revenue Rank	Revenue Share
KEVN / KIVV		2	27.8%

- Gray acquired two FOX affiliated stations for \$7.75 million on May 1, 2014
- Expected to integrate well with North and South Dakota markets from Hoak Acquisition
- KIVV operates in Lead, SD as a satellite station to KEVN
- Expected to have \$0.7 million in operating synergies
- Immediately free cash flow accretive

Investment Highlights



- ✓ A Leading Television Broadcaster in Diverse Mid Markets with Dominant Market Positions
 - ✓ 139 program streams and 75 “Big 4” network affiliations
 - ✓ #1 or #2 market rank in 38/42 markets; #1 news ranking in 27/42 markets
- ✓ Improving Advertising Market and Diversification of Revenue Mix
- ✓ Large Political Upside in Election Years with Presence in Key States
- ✓ Strong Growth in Net Retransmission Revenue and Increasing Leverage With Networks
- ✓ Successful New Media Initiatives and Spectrum Upside
- ✓ Robust Free Cash Flow Generation Over a Two Year Cycle
- ✓ Experienced Management Team With Track Record of Successful Integrations

Note: Pro Forma for the Acquisitions including Montana

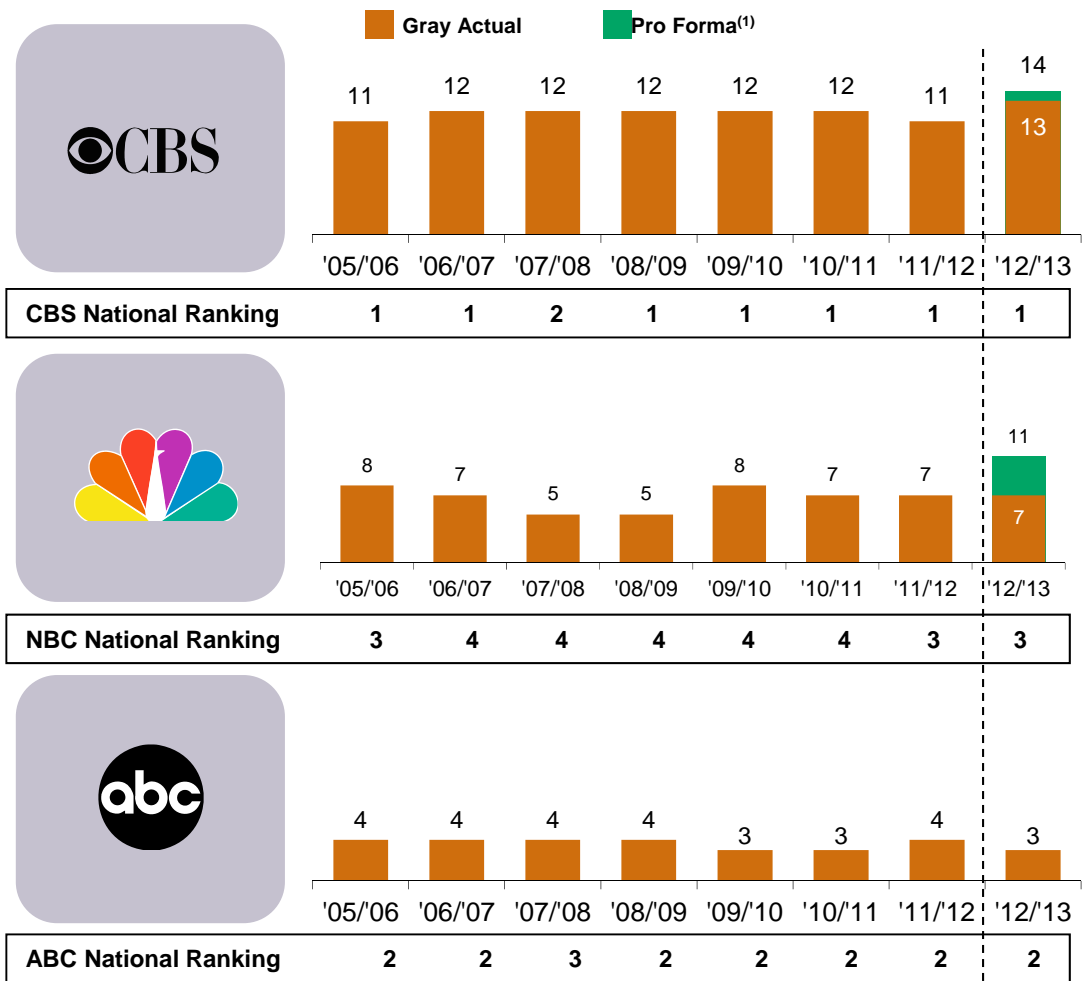
The Importance of Being #1



- Dominate local and political revenue with highly-rated news platforms
- Greater purchasing power and leverage with MVPDs, networks and programmers
- Deliver higher margins
- Maximize free cash flow
- Attract and retain high quality talent

(1) Number of Gray stations ranked #1; Pro Forma for the Acquisitions including Montana

Long History of Being #1 in the Market



Stable Markets – Concentration on DMAs 61-208 With Focus on State Capitals / Collegiate Presence



Market	College(s)	Approximate Enrollment
Waco, TX		92
Topeka, KS		53
Lansing, MI		49
Tallahassee, FL		43
Madison, WI		43
Lexington, KY		29
Knoxville, TN		27
Lincoln, NE		24
Greenville, NC		21
Charlottesville, VA		21
Reno, NV		19

Market	College(s)	Approximate Enrollment
Bowling Green, KY		18
Harrisonburg, VA		18
Cheyenne, WY		13
Charleston-Huntington, WV		10
Monroe, LA		9
South Bend, IN		8
Colorado Springs, CO		8
Bismarck, ND		4
Great Falls, MT ⁽¹⁾		3
Helena, MT ⁽¹⁾		1
Parkersburg, WV		1

Note: Shading indicates DMA includes state capital. Enrollment in thousands;
(1) Pending acquisitions

- Gray stations cover 11 state capitals and 22 university towns
- Enrollment of approximately 514,000 students
- Better demographics, more stable economies

Diversification Across Networks and Markets



Station Mix

139 Total Program Streams:⁽⁴⁾

75 Big 4 Affiliates:⁽⁴⁾

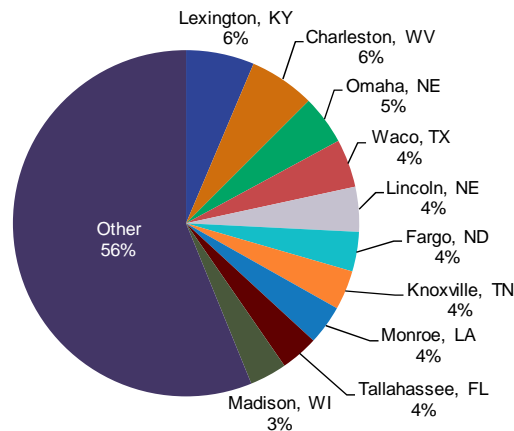
- 27 CBS
- 24 NBC
- 14 ABC
- 10 FOX

64 Additional Program Streams with:⁽²⁾⁽⁴⁾

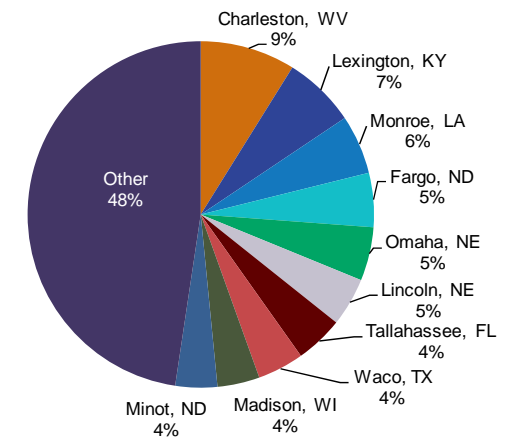
- 15 CW
- 2 Telemundo
- 17 MyNetwork TV
- 11 ME TV
- 5 Antenna TV
- 3 This TV Network
- 1 Live Well Network
- 1 Cozi
- 9 Local News/Weather

(1) Pro forma for the Acquisitions excluding Montana
 (2) Certain program channels are affiliated with more than one additional network simultaneously
 (3) Excludes corporate expenses
 (4) Includes all the Acquisitions and stations under LMA or SSA agreements with Gray including Montana
 Source: Company

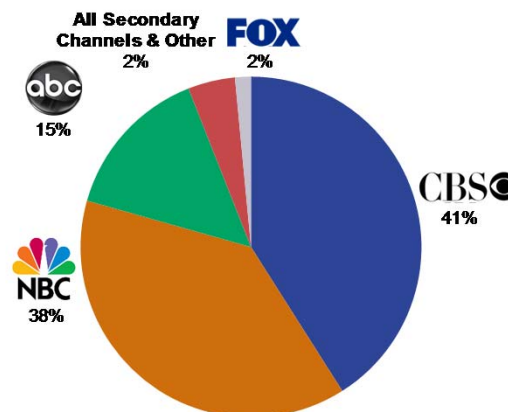
2013PF Revenue: Top 10 Markets ⁽¹⁾



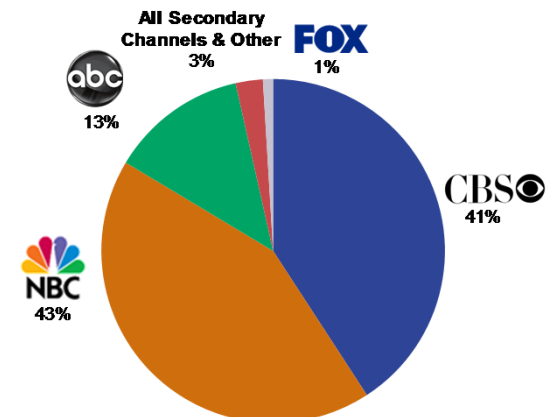
2013PF BCF: Top 10 Markets ^{(1), (3)}



2013PF Revenue by Affiliate: \$440mm ⁽¹⁾



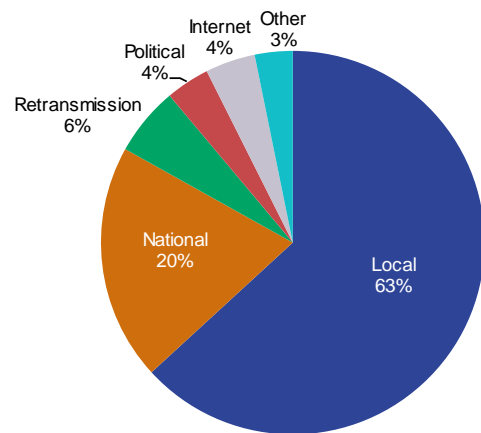
2013PF BCF by Affiliate: \$169mm ^{(1), (3)}



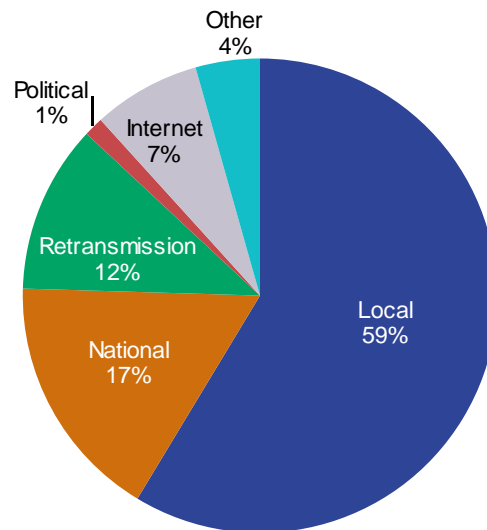
Revenue Mix Continues to Diversify

- Growth in net revenue, driven by increases in core revenue, political, retransmission and internet revenues
- Revenue mix continues to diversify from traditional ad-based sources to new media – Internet and subscriber driven – and retransmission revenue
- Diversification lowers overall revenue volatility

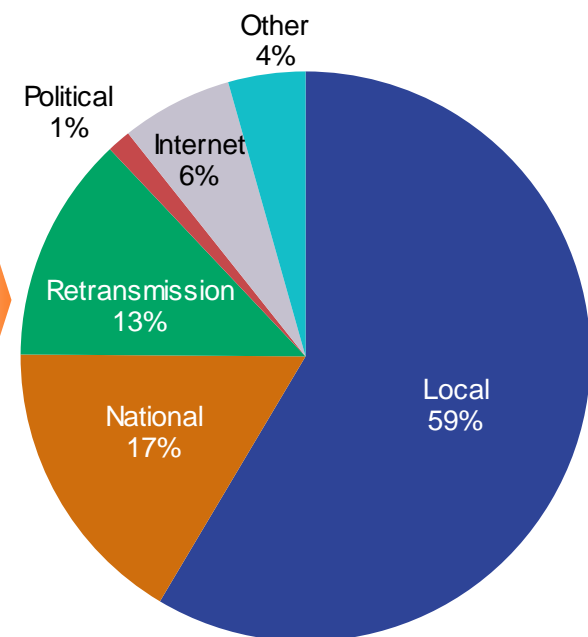
2009A Net Revenue Mix:
\$270mm ⁽¹⁾



2013A Net Revenue Mix:
\$346mm ⁽¹⁾



2013PF Net Revenue Mix:
\$440mm ⁽¹⁾



(1) 2009A and 2013A reflect Gray actual data per Company; 2013PF includes the Acquisitions

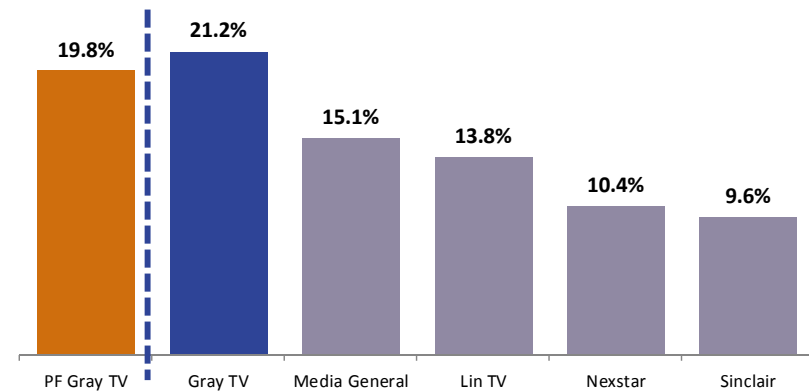
Gray is A Leading Beneficiary of Political Revenue with Large Upside



Gray TV Political Commentary

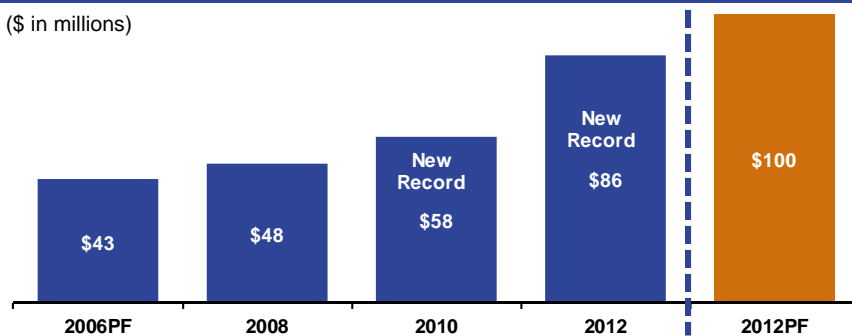
- \$86 Million in 2012 – New Record
- 2011 - Off Year Record \$13.5 million
- Gray operates in key battleground states
 - #1 stations can capture over 50% of the political budget for a market
- Recent Supreme Court decisions removing limits on campaign spending have driven and are expected to further drive incremental revenue
- Revenue from issue-based political advertising expected to further drive growth

2012 Political Revenue as % of Total (1), (2)



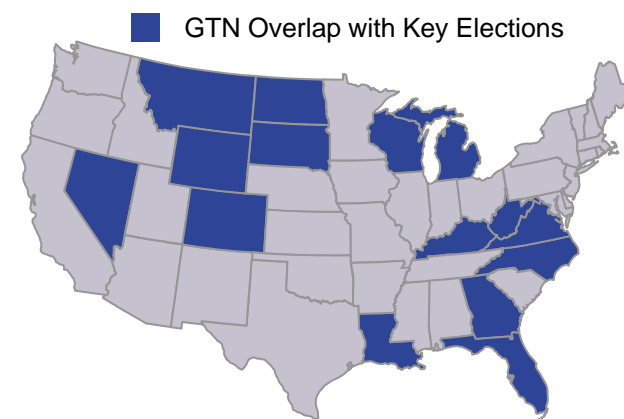
Gray TV Political Revenue (1), (2)

(\$ in millions)



- (1) Gray, Media General, Lin TV, Nexstar, and Sinclair figures per company filings
- (2) 2006 pro forma for acquisitions completed in 2006 and not the Acquisitions; 2012PF includes Gray and the Acquisitions and assumes 15% agency commission discount on gross political revenues for the Acquisitions
- (3) Represents key political states in 2014 elections

Strong Presence in Key Election States (3)



Source: Politico, Electoral-vote.com, FiveThirtyEight.com, and University of Virginia Center for Politics

Operational Strategy Focused on Market Leadership and Growth



- Maintain and grow our market leadership position
- Pursue selective strategic transactions
- Continue to prudently invest in local content and news, syndicated programs, top talent and community relationships
- Seek new media opportunities – currently operate web, mobile and desktop applications in all of our markets
- Monetize digital spectrum through growth in spectrum channels
- Drive free cash flow generation

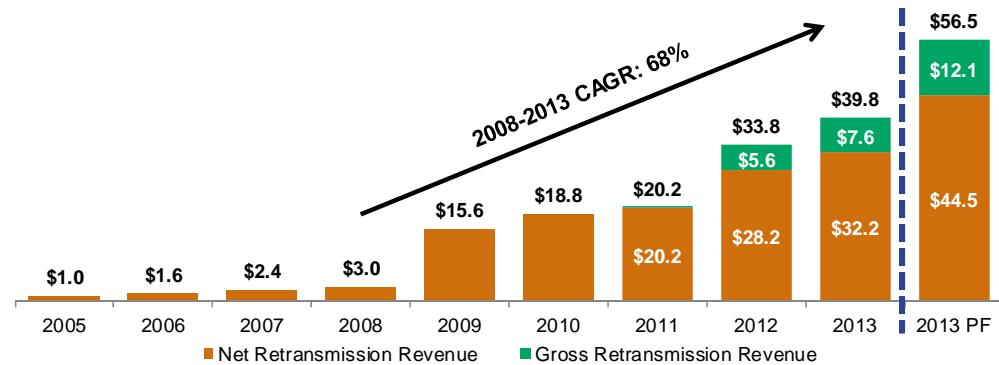


Strong Growth in Retransmission Revenue



Gray TV Retransmission Revenue (1)

(\$ in millions)



Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013 PF
% of Total Revenue	0.3%	0.5%	0.8%	0.9%	5.8%	5.4%	6.6%	8.3%	11.5%	12.9%

- Approximately 2 million historical Gray subscribers⁽²⁾ re-priced in two deals in Q4 2013
- Remaining 4.5 million historical Gray subscribers⁽²⁾ re-pricing between 12/31/14 and 3/31/15
- Potential upside from price increases vs. existing contracts

Long Term Affiliate Contracts with “Big 4” Networks⁽³⁾

CBS CORPORATION		NBC		C		FOX	
# of Channels	Renewal Date	# of Channels	Renewal Date	# of Channels	Renewal Date	# of Channels	Renewal Date
18	12-31-14	6	1-1-15	1	8-31-14	8	6-30-14
2	6-30-15	15	12-31-15	4	12-31-17	2	12-31-14
1	9-10-15	1	1-1-16	8	12-31-18		
3	12-31-16	2	12-31-17	1	12-31-18		
1	3-2-17						
1	12-31-17						
1	8-31-18						
27		24		14		10	

(1) Gray actual data per Company; 2013PF includes the Acquisitions
 (2) Includes SSAs and LMAs. Gray standalone data
 (3) Based on number of channels Pro Forma for the Acquisitions including Montana
 (4) Includes Laredo, Texas ABC station expected to launch in July 2014

Successful Digital Media Initiatives



- Operate web and mobile applications in all markets
- Focused on local content: news, weather, sports
- All sites have converted to responsive design
- “Moms Everyday” digital vertical; deployed in each Gray TV market and continues to expand to other markets

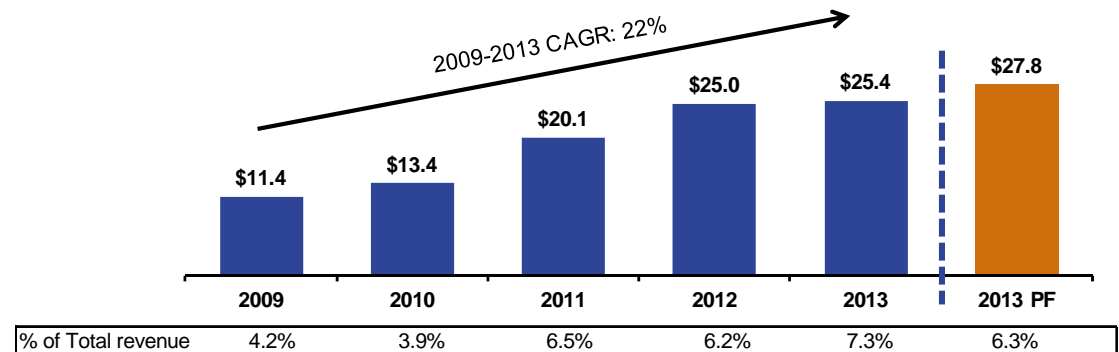


- Full service digital solutions



Gray TV Digital Media Revenue (1)

(\$ in millions)

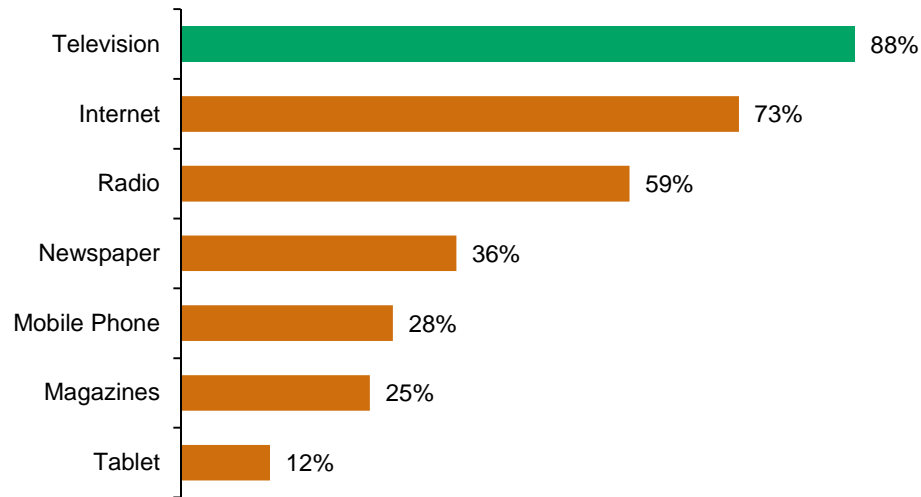


(1) Gray Standalone data per company filings; 2013PF includes the Acquisitions

Television Continues to be the #1 Choice for Critical Mass Reach Among Advertisers



TV Reaches More People than Any Other Medium



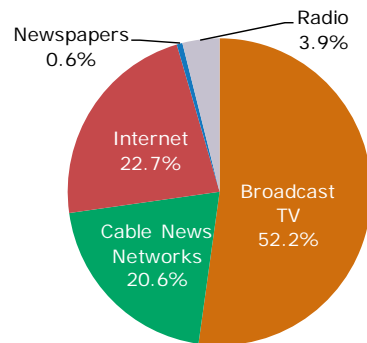
TV is the Most Influential Local Media

96 of the Top 100 Rated Programs are Broadcast Programs (P18-49)

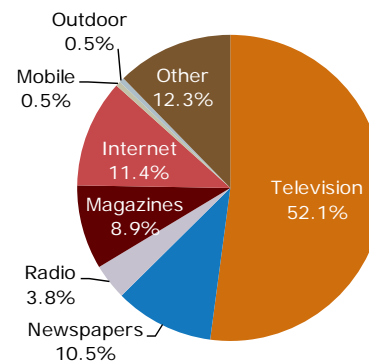
Program Rank	Broadcast Stations	Cable TV	Total
1-25	24	1	25
26-50	24	1	25
51-75	24	1	25
76-100	24	1	25
Total	96	4	100

Note: Based on 2013 season NTI Live + Same Day estimates. Ranked by average audience % (ratings); in the event of a tie, impressions (000's) are used as a tiebreaker. Ad-Supported Subscription television only. Programming under 5 minutes excluded
Source: TVB

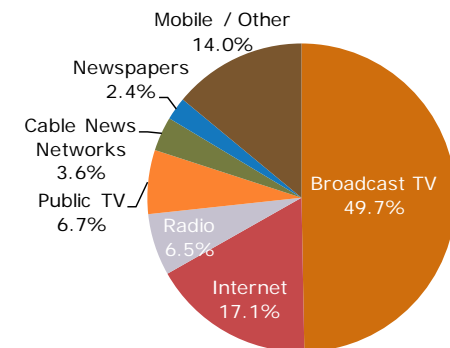
Primary Source of News



Most Influential Media



Source of Local Weather, Traffic and Sports



Source: TVB Media Comparison Study 2012

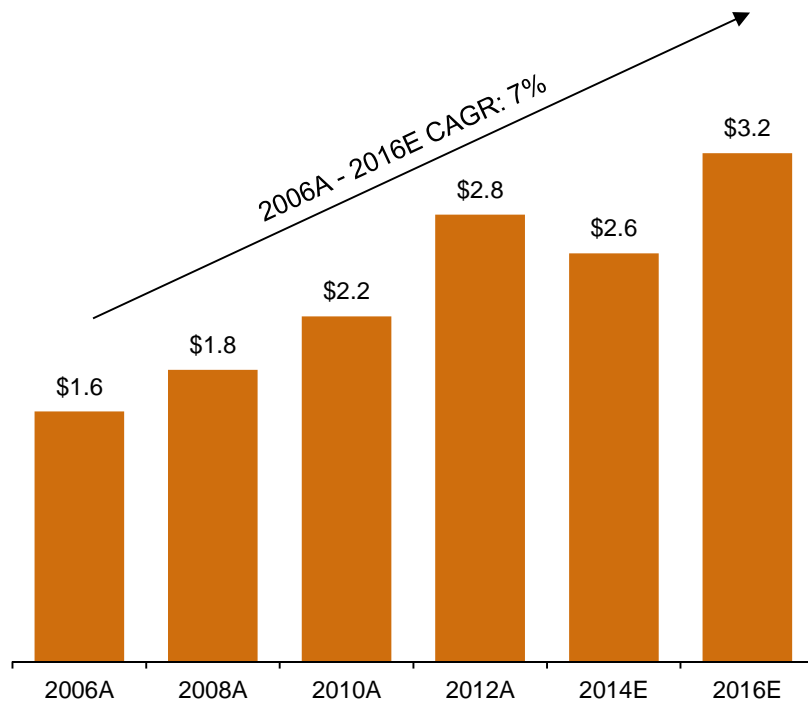
Strong Growth Across the Industry in Other Key Revenue Streams



- Record level of political revenue in 2012 and estimates for continued growth through 2016

Industry-wide Political Spend on Local TV ⁽¹⁾

(\$ in billions)

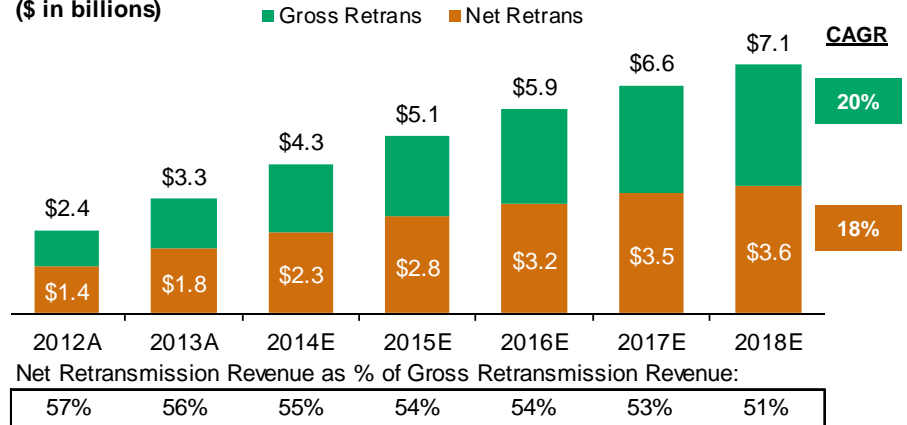


(1) Based on Local Broadcast TV political advertising only (excludes Local Cable TV)
Source: Magna Global, TVB, Moody's, SNL Kagan and Wall Street research

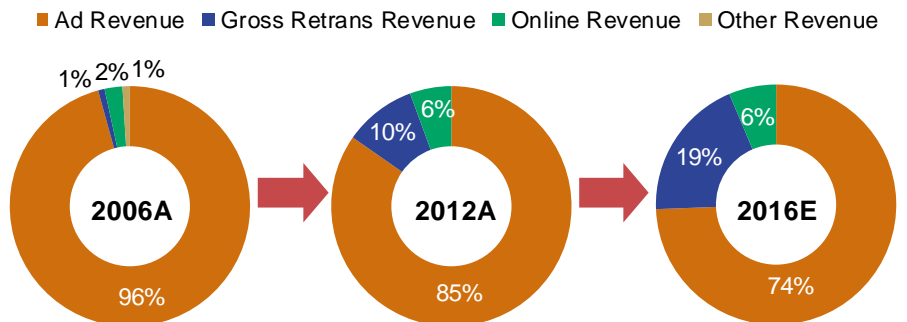
- Continued upside in retransmission fees, with revenue projected to reach \$7.1 billion in 2018

Strong Growth in Retransmission Revenue

(\$ in billions)



Changing Composition of Television Revenue



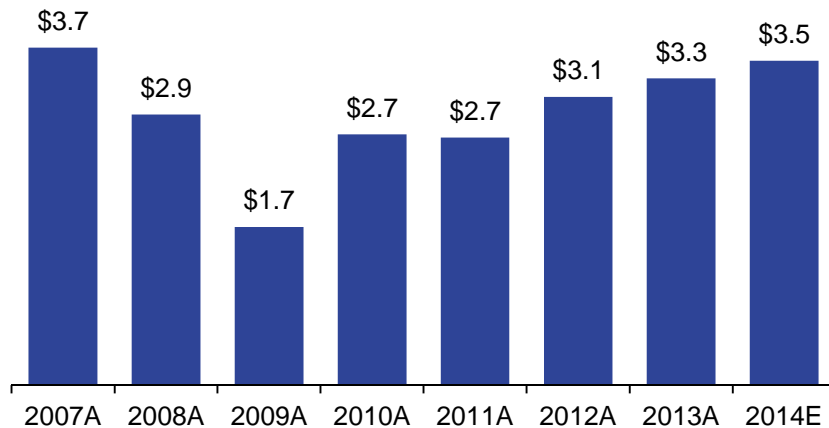
Automotive Ad Spending on TV Continues to Grow and Still Below Peak Levels



- Television continues to be a critical medium for automotive advertising
- TV auto ad spending growth of \$0.2 billion or 6% from 2012 to 2013 but still below peak
- Positive trend will continue, with automotive ad spending projected to reach ~\$3.5 billion in 2014

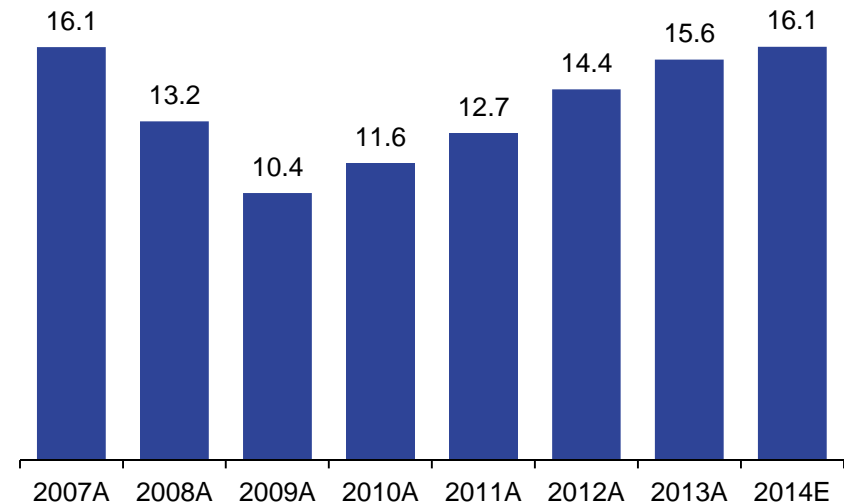
TV Ad Spending in the Automotive Sector

(\$ in billions)



SAAR of U.S. Light Vehicle Sales

(in millions)



Source: TVB, U.S. Bureau of Economic Analysis, J.D. Power and TVNewsCheck



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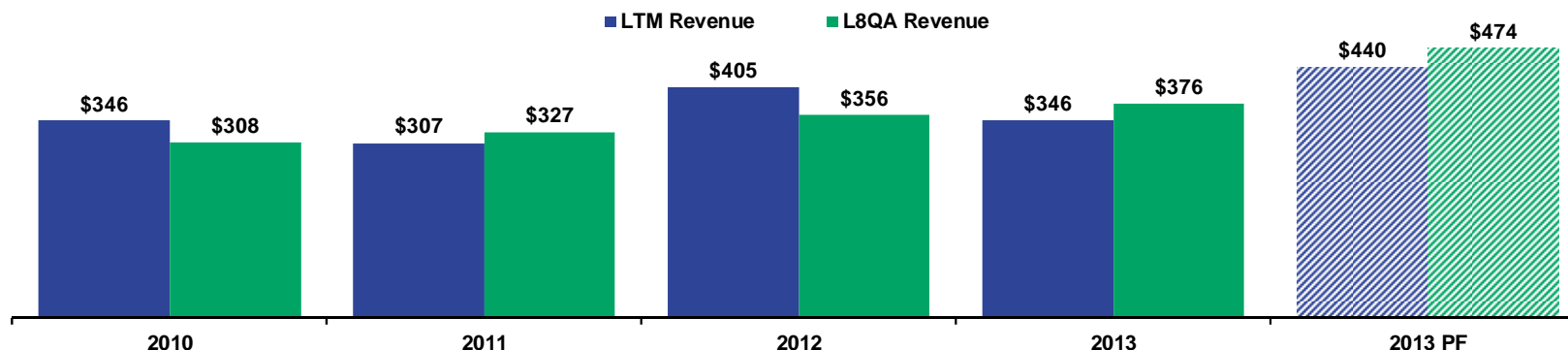
Financial Overview



Gray Historical Financial Summary



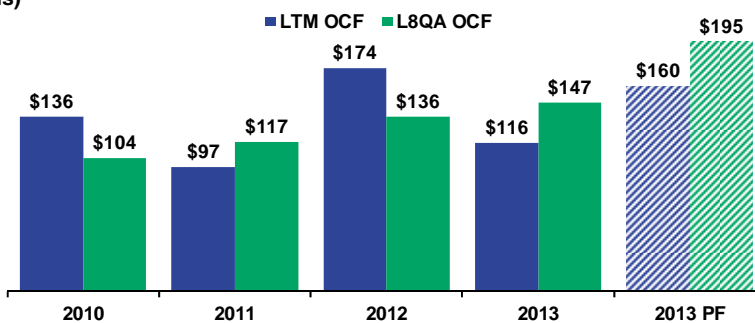
Net Revenue ⁽¹⁾



L8QA Growth	3%	6%	9%	5%	--
LTM 2-Yr. Growth	6%	14%	17%	13%	--

Operating Cash Flow ⁽¹⁾

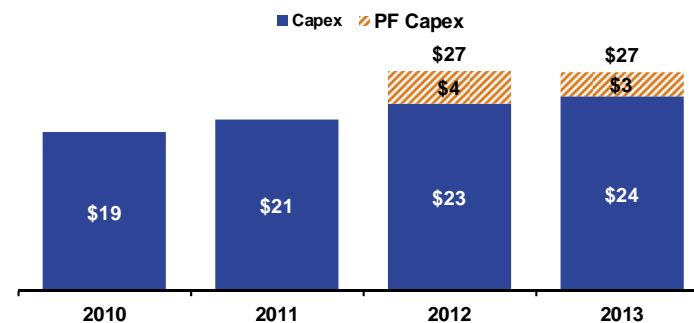
(\$ in millions)



L8QA Margin	34%	36%	38%	39%	41%
LTM Margin	39%	32%	43%	33%	36%

Capital Expenditures ⁽¹⁾

(\$ in millions)



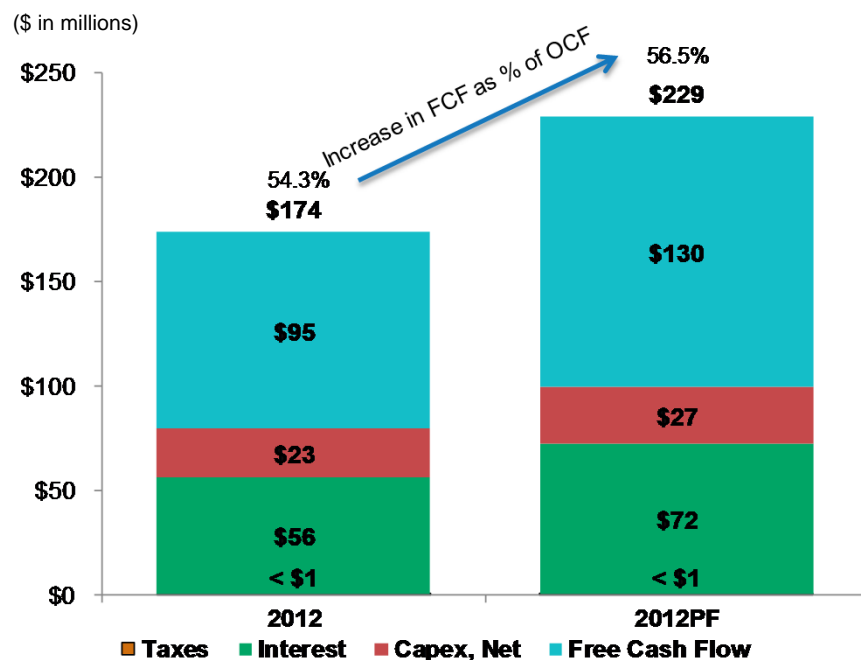
% of Revenue ⁽²⁾	6%	7%	6%	7%
% of PF Revenue ⁽³⁾	-	-	5%	6%

- (1) Gray actual data per Company; LTM 2013 OCF of \$116 million includes Pro Forma adjustments for acquisitions closed in 2013; 2012PF and 2013PF include the Acquisitions
 (2) Gray standalone Capex as a percentage of Gray standalone Revenue
 (3) PF Capex as a percentage of PF Revenue

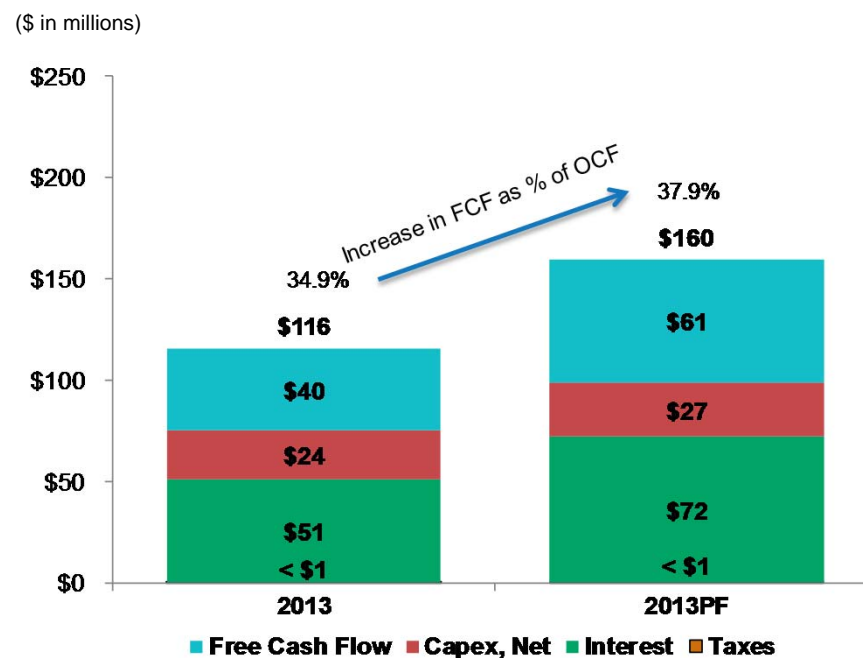
Strong Free Cash Flow Conversion

- Gray realized record free cash flow of \$95 million in 2012
- Gray's free cash flow is expected to increase with the Acquisitions due to the incremental OCF, expected tax savings, and only a modest increase in CAPEX
 - Gray will also benefit from ~\$225 million in net operating loss carryforwards

2012 OCF Buildup (1), (2)



2013 OCF Buildup (1), (2)



(1) Pro Forma interest expense estimated with Pro Forma incremental indebtedness and estimated cash interest

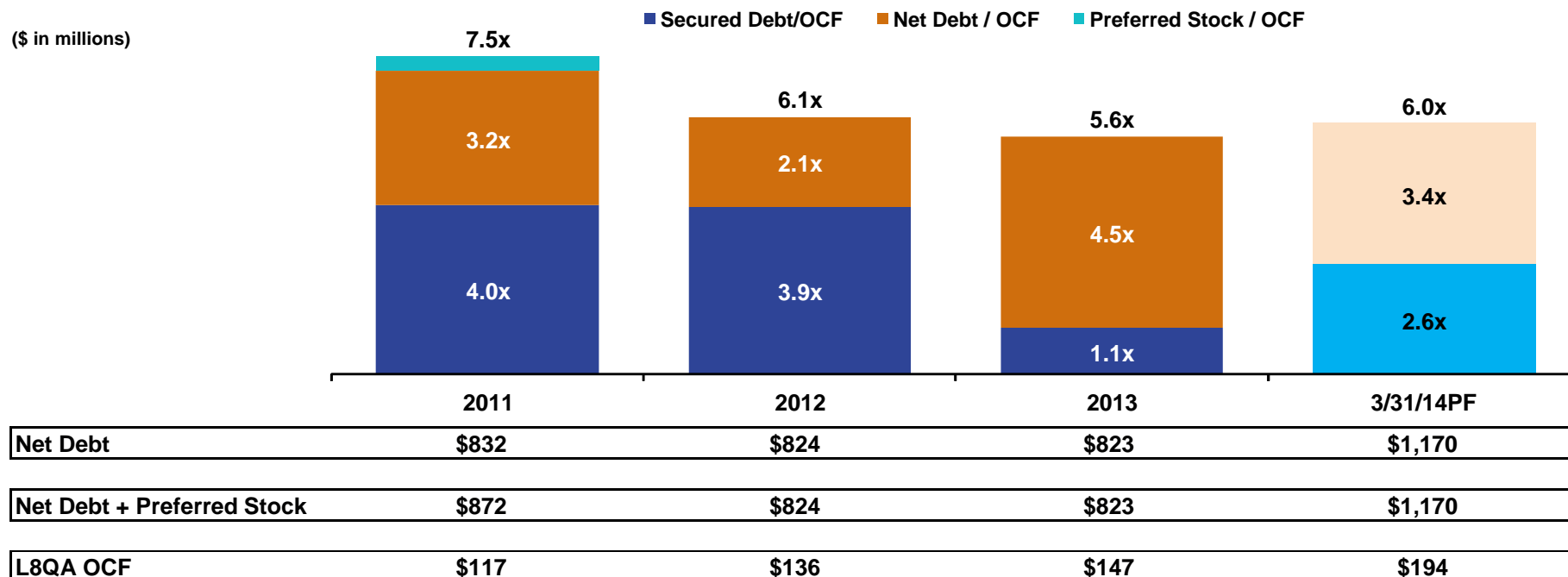
(2) Gray actual data per Company; 2012PF and 2013PF figures include the Acquisitions

Prudent Balance Sheet Management Leads to Deleveraging



- Gray has significantly reduced secured and total leverage from historical levels
- Gray's strategic investments have diversified its revenue base, allowing for significant free cash flow in both political and non-political years

Net Financial Leverage ^{(1), (2)}



(1) Leverage shown on a two year blended basis to account for biennial shifts in political revenues

(2) Gray actual data per company filings; 3/31/14PF includes the Acquisitions

Actual and Pro Forma Capitalization



Actual & Pro Forma Capitalization

(\$ in Millions)

	3/31/2014			Acquisition Adjustments				3/31/2014PF		
	\$	Cum. xL8QA OCF ¹	Cum. xLTM OCF ²	Prime Cities	Hoak	Rapid Cities	Refi. Existing Indebtedness	\$	Cum. xL8QA OCF ¹	Cum. xLTM OCF ²
Cash & Equivalents	\$27.0						\$31.6	\$58.6		
Priority Revolver (\$40MM) due 10/2017	-	0.0x	0.0x					-	0.0x	0.0x
Amended and Restated Priority Revolver (\$50MM) due 6/2019	-	0.0x	0.0x					-	0.0x	0.0x
Term Loan B due 10/2019	\$159.0	1.1x	1.3x				(159.0)	-	0.0x	0.0x
Amended and Restated Term Loan B due 6/2021	-	1.1x	1.3x	7.5	306.2	7.8	203.5	\$525.0	2.7x	3.2x
Excalibur Term Loan due 10/2017	3.0	1.1x	1.3x				(3.0)	-	2.7x	3.2x
Secured Debt	\$162.0	1.1x	1.3x					\$525.0	2.7x	3.2x
Senior Notes due 10/2020	675.0	5.7x	6.9x					675.0	6.2x	7.3x
Total Debt	\$837.0	5.7x	6.9x					\$1,200.0	6.2x	7.3x
<i>Net Debt</i> ³	\$810.0	5.5x	6.7x					\$1,170.0	6.0x	7.1x

Source: Company financials and management estimates

¹ Based on Gray's L8QA 3/31/14 Actual and Pro Forma OCF:

\$146.4

\$194.0

² Based on Gray's LTM 3/31/14 Actual and Pro Forma OCF:

\$120.4

\$164.2

³ Net of up to \$30MM in cash



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Questions & Answers





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Appendix



Glossary



“Acquisitions”:	The Hoak Acquisition and Gray’s other previously completed acquisitions of Rapid Cities, Prime Cities, Lockwood, Yellowstone and KJCT; excludes Montana unless otherwise specified
“Excalibur” (Excalibur Broadcasting, Inc.):	A television broadcaster with two stations (KJCT, KKHD)
“Gray” (Gray Television, Inc.):	A television broadcast company headquartered in Atlanta, Georgia, that owns and operates television stations and digital properties in markets throughout the United States; its results are consolidated with those of Excalibur under GAAP
“Hoak Media” (Hoak Media, LLC):	A television broadcaster with 22 stations
“Hoak”:	Hoak Media and Parker combined, excluding stations divested to Nexstar or Mission
“Hoak Acquisition”:	Gray’s acquisition or operation of 15 Hoak television stations, which closed on June 13, 2014
“KJCT”:	Station acquired by Excalibur from News-Press and Gazette on October 31, 2013
“Lockwood”:	Two CW affiliated stations acquired by Gray from Lockwood on April 1, 2014
“Montana”:	Three stations to be acquired by Gray from Intermountain West Communications Company (two stations) and Rocky Mountains Broadcasting (one station); the acquisition is pending and is expected to close in Q2, 2014
“Operating Cash Flow” or “OCF”:	Operating cash flow as defined in Gray’s existing senior credit facility; includes Pro Forma adjustments for closed acquisitions
“Parker” (Parker Broadcasting, Inc):	A television broadcast company with three stations
“Prime Cities”:	Two stations acquired by Gray from Prime Cities Broadcasting, Inc. on May 1, 2014
“Pro Forma” or “PF”:	Reflects combined results, position, or statistics of Gray and the specified acquisitions; pro forma financial results give effect to the specified acquisitions as if they had occurred at the beginning of the relevant period including any financing related to the specified acquisitions
“Rapid Cities”:	Two stations acquired by Gray from Mission TV, LLC on May 1, 2014

Q1'14 L8QA and LTM Financial Summary



(\$ in millions)	2012PF	2013PF	Q1'12PF	Q1'13PF	Q1'14PF	LTM 3/31/13 PF	LTM 3/31/14 PF	L8QA 3/31/14 PF
Net Revenues								
Local	191.3	203.1	45.9	46.4	51.0	191.9	207.7	199.8
National	56.8	58.3	13.0	13.4	13.3	57.2	58.2	57.7
Political	86.0	4.6	5.0	0.6	2.8	81.7	6.7	44.2
Internet	25.0	25.4	5.7	5.7	6.0	25.0	25.8	25.4
Retransmission	33.8	39.7	8.5	9.7	16.1	35.0	46.2	40.6
Other	9.5	8.0	2.7	2.3	2.0	9.1	7.7	8.4
Management Fee - Young	2.4	7.1	0.0	0.0	0.0	2.4	7.1	4.8
Gray Standalone Net Revenue	404.8	346.3	80.7	78.2	91.3	402.3	359.4	380.9
Local	40.5	42.0	10.0	10.1	10.4	40.5	42.3	41.4
National	10.0	11.2	2.4	2.6	2.6	10.2	11.2	10.7
Political	12.3	1.2	0.5	0.1	0.5	11.9	1.6	6.8
Internet	1.8	2.1	0.4	0.5	0.5	1.9	2.2	2.0
Retransmission	10.8	14.6	2.4	3.2	4.1	11.6	15.4	13.5
Other	2.5	2.6	1.1	1.2	1.2	2.5	2.7	2.6
Hoak Standalone Net Revenue	77.8	73.7	16.9	17.6	19.3	78.6	75.4	77.0
Prime Cities Standalone Net Revenue	2.6	2.0	0.4	0.4	0.5	2.6	2.1	2.3
Rapid City Standalone Net Revenue	3.7	3.9	0.9	0.9	1.0	3.7	4.0	3.9
KJCT, Yellowstone, and Lockwood Net Revenue	18.4	13.9	3.8	3.8	0.4	18.4	10.5	14.4
Total Net Revenue	507.3	439.8	102.6	100.9	112.5	505.6	451.4	478.5

Note: Pro Forma results include the Acquisitions

Pro Forma Non-GAAP Reconciliation



(\$ in thousands)	Year Ended December 31,		Three Months Ended March 31,			LTM		L8QA
	2012	2013	2012	2013	2014	3/31/13	3/31/2014	3/31/2014
Net income	\$ 48,139	\$ 26,410	\$ 5,497	\$ 1,442	\$ 6,159	\$ 44,084	\$ 31,127	\$ 37,606
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:								
Depreciation	29,253	29,726	7,545	7,234	7,555	28,943	30,047	29,495
Amortization of intangible assets	825	892	205	171	345	791	1,066	929
Non-cash stock based compensation	878	1,974	14	136	2,071	1,000	3,909	2,455
Gain on disposals of assets, net	(68)	849	61	(7)	328	(136)	1,184	524
Miscellaneous income, net	2,672	1,580	681	697	313	2,688	1,196	1,942
Interest expense	75,850	73,894	19,091	18,480	18,476	75,239	73,890	74,565
Loss on early extinguishment of debt	46,683	-	-	-	-	46,683	-	23,342
Income tax expense	21,288	15,280	2,562	2,002	1,074	20,728	14,352	17,540
Amortization of program broadcast rights	11,081	11,367	2,758	2,837	2,913	11,160	11,443	11,302
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	26	28	7	7	6	26	27	27
Network compensation revenue recognized	(627)	(615)	(157)	(157)	(108)	(627)	(566)	(597)
Network compensation per network affiliation agreement	(60)	-	(60)	-	-	-	-	-
Payments for program broadcast rights	(11,839)	(11,433)	(2,795)	(2,853)	(3,823)	(11,897)	(12,403)	(12,150)
Other items	599	(552)	191	11	(1,009)	419	(1,572)	(577)
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	224,700	149,400	35,600	30,000	34,300	219,100	153,700	186,400
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	15,900	19,800	3,100	3,800	6,500	16,600	22,500	19,550
Broadcast Cash Flow	\$ 240,600	\$ 169,200	\$ 38,700	\$ 33,800	\$ 40,800	\$235,700	\$176,200	\$205,950
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 224,700	\$ 149,400	\$ 35,600	\$ 30,000	\$ 34,300	\$219,100	\$153,700	\$186,400
Pension Expense	7,874	8,626	1,871	2,154	1,573	8,157	8,045	8,101
Pension Cash Funding	(9,402)	(4,748)	(988)	(1,517)	(962)	(9,931)	(4,193)	(7,062)
Other items	6,228	6,622	(130)	116	142	6,474	6,648	6,561
Operating Cash Flow as defined in the credit agreement	\$ 229,400	\$ 159,900	\$ 36,353	\$ 30,753	\$ 35,053	\$223,800	\$164,200	\$194,000
Less interest expense	(75,850)	(73,894)	(19,091)	(18,480)	(18,476)	(75,239)	(73,890)	(74,565)
Addback amortization of deferred financing	2,723	1,903	753	411	692	2,381	2,184	2,283
Less capital expenditures, net of insurance proceeds	(26,937)	(26,817)	(7,815)	(7,180)	(4,071)	(26,302)	(23,708)	(25,005)
Less cash taxes	(836)	(519)	(5)	(81)	(31)	(912)	(469)	(691)
Addback amortization of original issue discount	1,127	(9)	338	69	(216)	858	(294)	282
Free Cash Flow	\$ 129,627	\$ 60,564	\$ 10,533	\$ 5,492	\$ 12,951	\$124,586	\$ 68,023	\$ 96,305

Pro Forma Non-GAAP Reconciliation (continued)



(\$ in thousands)	Twelve Months Ended December 31, 2012				
	Gray Actual	Hoak/Parker Acquisition	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 28,129	30,360	1,212	(11,562)	\$ 48,139
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	23,133	4,743	1,377	-	29,253
Amortization of intangible assets	75	418	332	-	825
Non-cash stock based compensation	878	-	-	-	878
Gain on disposals of assets, net	(31)	(37)	-	-	(68)
Miscellaneous income, net	(2)	714	1,960	-	2,672
Interest expense	59,443	3,890	955	11,562	75,850
Loss on early extinguishment of debt	46,683	-	-	-	46,683
Income tax expense	19,188	1,973	127	-	21,288
Amortization of program broadcast rights	11,081	-	-	-	11,081
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	26	-	-	-	26
Network compensation revenue recognized	(627)	-	-	-	(627)
Network compensation per network affiliation agreement	(60)	-	-	-	(60)
Payments for program broadcast rights	(11,839)	-	-	-	(11,839)
Other items	-	1	80	518	599
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	176,077	42,062	6,043	518	224,700
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	15,049	-	-	851	15,900
Broadcast Cash Flow	\$ 191,126	\$ 42,062	\$ 6,043	\$ 1,369	\$ 240,600
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 176,077	\$ 42,062	\$ 6,043	\$ 518	\$ 224,700
Pension Expense	7,874	-	-	-	7,874
Pension Cash Funding	(9,402)	-	-	-	(9,402)
Other items	(399)	-	-	6,627	6,228
Operating Cash Flow as defined in the credit agreement	\$ 174,150	\$ 42,062	\$ 6,043	\$ 7,145	\$ 229,400
Less interest expense	(59,443)	(3,890)	(955)	(11,562)	(75,850)
Addback amortization of deferred financing	2,723	-	-	-	2,723
Less capital expenditures, net of insurance proceeds	(22,937)	-	-	(4,000)	(26,937)
Less cash taxes	(836)	-	-	-	(836)
Addback amortization of original issue discount	1,127	-	-	-	1,127
Free Cash Flow	\$ 94,784	\$ 38,172	\$ 5,088	\$ (8,417)	\$ 129,627

Pro Forma Non-GAAP Reconciliation (continued)



(\$ in thousands)	Twelve Months Ended December 31, 2013				
	Gray Actual	Hoak/Parker Acquisition	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 18,288	24,589	675	(17,142)	\$ 26,410
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	24,096	4,438	1,192	-	29,726
Amortization of intangible assets	336	278	278	-	892
Non-cash stock based compensation	1,974	-	-	-	1,974
Gain on disposals of assets, net	765	84	-	-	849
Miscellaneous income, net	-	714	866	-	1,580
Interest expense	52,445	3,755	552	17,142	73,894
Loss on early extinguishment of debt	-	-	-	-	-
Income tax expense	13,147	2,133	-	-	15,280
Amortization of program broadcast rights	11,367	-	-	-	11,367
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	28	-	-	-	28
Network compensation revenue recognized	(615)	-	-	-	(615)
Network compensation per network affiliation agreement	-	-	-	-	-
Payments for program broadcast rights	(11,433)	-	-	-	(11,433)
Other items	-	1	725	(1,278)	(552)
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	110,398	35,992	4,288	(1,278)	149,400
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	17,836	-	-	1,964	19,800
Broadcast Cash Flow	\$ 128,234	\$ 35,992	\$ 4,288	\$ 686	\$ 169,200
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 110,398	\$ 35,992	\$ 4,288	\$ (1,278)	\$ 149,400
Pension Expense	8,626	-	-	-	8,626
Pension Cash Funding	(4,748)	-	-	-	(4,748)
Other items	(477)	-	-	7,099	6,622
Operating Cash Flow as defined in the credit agreement	\$ 113,799	\$ 35,992	\$ 4,288	\$ 5,821	\$ 159,900
Less interest expense	(52,445)	(3,755)	(552)	(17,142)	(73,894)
Addback amortization of deferred financing	1,903	-	-	-	1,903
Less capital expenditures, net of insurance proceeds	(23,817)	-	-	(3,000)	(26,817)
Less cash taxes	(519)	-	-	-	(519)
Addback amortization of original issue discount	(9)	-	-	-	(9)
Free Cash Flow	\$ 38,912	\$ 32,237	\$ 3,736	\$ (14,321)	\$ 60,564

Pro Forma Non-GAAP Reconciliation (continued)



(\$ in thousands)	Three Months Ended March 31, 2012				
	Gray Actual	Hoak/Parker Acquisition	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 3,371	5,314	(381)	(2,807)	\$ 5,497
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	5,891	1,195	459	-	7,545
Amortization of intangible assets	19	105	81	-	205
Non-cash stock based compensation	14	-	-	-	14
Gain on disposals of assets, net	65	(4)	-	-	61
Miscellaneous income, net	(2)	179	504	-	681
Interest expense	15,163	962	159	2,807	19,091
Loss on early extinguishment of debt	-	-	-	-	-
Income tax expense	2,289	273	-	-	2,562
Amortization of program broadcast rights	2,758	-	-	-	2,758
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	7	-	-	-	7
Network compensation revenue recognized	(157)	-	-	-	(157)
Network compensation per network affiliation agreement	(60)	-	-	-	(60)
Payments for program broadcast rights	(2,795)	-	-	-	(2,795)
Other items	-	-	(35)	226	191
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	26,563	8,024	787	226	35,600
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	3,092	-	-	8	3,100
Broadcast Cash Flow	\$ 29,655	\$ 8,024	\$ 787	\$ 234	\$ 38,700
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 26,563	\$ 8,024	\$ 787	\$ 226	\$ 35,600
Pension Expense	1,871	-	-	-	1,871
Pension Cash Funding	(988)	-	-	-	(988)
Other items	(130)	-	-	-	(130)
Operating Cash Flow as defined in the credit agreement	\$ 27,316	\$ 8,024	\$ 787	\$ 226	\$ 36,353
Less interest expense	(15,163)	(962)	(159)	(2,807)	(19,091)
Addback amortization of deferred financing	753	-	-	-	753
Less capital expenditures, net of insurance proceeds	(6,815)	-	-	(1,000)	(7,815)
Less cash taxes	(5)	-	-	-	(5)
Addback amortization of original issue discount	338	-	-	-	338
Free Cash Flow	\$ 6,424	\$ 7,062	\$ 628	\$ (3,581)	\$ 10,533

Pro Forma Non-GAAP Reconciliation (continued)



(\$ in thousands)	Three Months Ended March 31, 2013				
	Gray Actual	Hoak/Parker Acquisition	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 870	5,625	(190)	(4,863)	\$ 1,442
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	5,800	1,110	324	-	7,234
Amortization of intangible assets	19	69	83	-	171
Non-cash stock based compensation	136	-	-	-	136
Gain on disposals of assets, net	(28)	21	-	-	(7)
Miscellaneous income, net	(1)	179	519	-	697
Interest expense	12,540	937	140	4,863	18,480
Loss on early extinguishment of debt	-	-	-	-	-
Income tax expense	1,651	351	-	-	2,002
Amortization of program broadcast rights	2,837	-	-	-	2,837
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	7	-	-	-	7
Network compensation revenue recognized	(157)	-	-	-	(157)
Network compensation per network affiliation agreement	-	-	-	-	-
Payments for program broadcast rights	(2,853)	-	-	-	(2,853)
Other items	-	1	4	6	11
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	20,821	8,293	880	6	30,000
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	3,688	-	-	112	3,800
Broadcast Cash Flow	\$ 24,509	\$ 8,293	\$ 880	\$ 118	\$ 33,800
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 20,821	\$ 8,293	\$ 880	\$ 6	\$ 30,000
Pension Expense	2,154	-	-	-	2,154
Pension Cash Funding	(1,517)	-	-	-	(1,517)
Other items	(61)	-	-	177	116
Operating Cash Flow as defined in the credit agreement	\$ 21,397	\$ 8,293	\$ 880	\$ 183	\$ 30,753
Less interest expense	(12,540)	(937)	(140)	(4,863)	(18,480)
Addback amortization of deferred financing	411	-	-	-	411
Less capital expenditures, net of insurance proceeds	(6,430)	-	-	(750)	(7,180)
Less cash taxes	(81)	-	-	-	(81)
Addback amortization of original issue discount	69	-	-	-	69
Free Cash Flow	\$ 2,826	\$ 7,356	\$ 740	\$ (5,430)	\$ 5,492

Pro Forma Non-GAAP Reconciliation (continued)



(\$ in thousands)	Three Months Ended March 31, 2014				
	Gray Actual	Hoak/Parker Acquisition	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 1,277	7,042	56	(2,216)	\$ 6,159
Adjustments to reconcile from net income to					
Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	6,384	1,046	125	-	7,555
Amortization of intangible assets	289	55	1	-	345
Non-cash stock based compensation	2,071	-	-	-	2,071
Gain on disposals of assets, net	331	(3)	-	-	328
Miscellaneous income, net	-	179	134	-	313
Interest expense	15,274	881	105	2,216	18,476
Loss on early extinguishment of debt	-	-	-	-	-
Income tax expense	859	215	-	-	1,074
Amortization of program broadcast rights	2,913	-	-	-	2,913
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	6	-	-	-	6
Network compensation revenue recognized	(108)	-	-	-	(108)
Network compensation per network affiliation agreement	-	-	-	-	-
Payments for program broadcast rights	(3,823)	-	-	-	(3,823)
Other items	-	1	12	(1,022)	(1,009)
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	25,473	9,416	433	(1,022)	34,300
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	5,146	-	-	1,354	6,500
Broadcast Cash Flow	\$ 30,619	\$ 9,416	\$ 433	\$ 332	\$ 40,800
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 25,473	\$ 9,416	\$ 433	\$ (1,022)	\$ 34,300
Pension Expense	1,573	-	-	-	1,573
Pension Cash Funding	(962)	-	-	-	(962)
Other items	(244)	-	-	386	142
Operating Cash Flow as defined in the credit agreement	\$ 25,840	\$ 9,416	\$ 433	\$ (636)	\$ 35,053
Less interest expense	(15,274)	(881)	(105)	(2,216)	(18,476)
Addback amortization of deferred financing	692	-	-	-	692
Less capital expenditures, net of insurance proceeds	(2,821)	-	-	(1,250)	(4,071)
Less cash taxes	(31)	-	-	-	(31)
Addback amortization of original issue discount	(216)	-	-	-	(216)
Free Cash Flow	\$ 8,190	\$ 8,535	\$ 328	\$ (4,102)	\$ 12,951

