



gray

Television • Digital • Mobile

Investor Presentation

September 15, 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



Combination Snapshot



	Gray TV Standalone ⁽¹⁾	SJL	Pro Forma Post-SJL ⁽⁴⁾
(\$ in Millions)			
Financial Profile			
'12A-'13A Revenue	\$474⁽²⁾	\$39	\$515
'12A-'13A BCF	\$205⁽²⁾	\$15	\$221
'12A-'13A OCF	\$195⁽²⁾	\$18	\$213
Scale			
Stations	74	2	76
Non-Duplicated Markets	42	2	44
TV Household Reach	8.5 million (7.4%)	0.9 million (0.8%)	9.5 million (8.1%)
Asset Quality			
#1 / #2 Stations	38	2	40
2012 Political Revenue ⁽³⁾	\$100⁽²⁾	\$16	\$118
Big 4 Network Affiliated Channels			

(1) Figures per Company filings and 12/31/13 Compliance Cert and 8/27/14 Press Release; Scale, Asset Quality, and Affiliations data includes Montana and the Acquisitions other than the SJL acquisition
 (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 acquisitions of Prime Cities and Rapid Cities

(3) Assumes 15% agency commission discount on gross political revenues for the Acquisitions
 (4) Revenue, BCF, and Political revenue includes approximately \$3, \$0.3, and \$1 million, respectively, from the Montana acquisition; OCF includes approximately \$2 million of identified L8QA synergies from the SJL acquisition

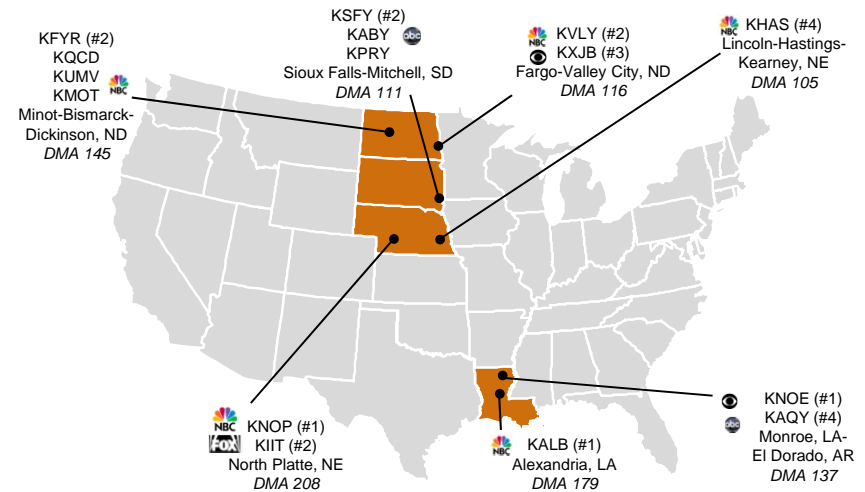
Source: Company filings and BIA in Television

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%
- Gray has identified approximately \$7 million of operating synergies 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

Hoak Geographic Footprint

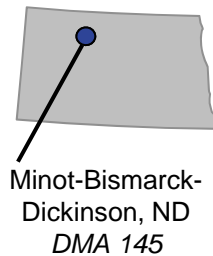


Source: Hoak Media management and BIA Investing in Television 2013
 Note: Reflects markets acquired by Gray

Prime Cities & Rapid Cities Acquisitions Overview

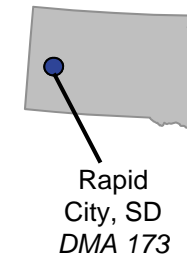


Prime Cities Broadcasting



- Gray acquired the Fox affiliated stations for \$7.5 million on May 1, 2014
- 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
- On June 27, 2014, Gray acquired the FCC licenses of the low power stations
- Expected to have \$0.8 million in operating synergies
- Immediately free cash flow accretive

Mission TV (Rapid Cities)



- 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

Source: BIA Investing in Television

SJL Holdings Station Acquisitions Overview



WJRT-TV



Affiliation	Market Revenue Rank	Revenue Share
abc	1	32.8%

WTVG-TV



Affiliation	Market Revenue Rank	Revenue Share
abc	2	31.1%

- Gray acquired the two ABC-affiliated stations for \$128.0 million on September 15, 2014
- The two stations lead their local markets in all-day ratings and in most, if not all, local newscasts
- WTVG-TV added a local CW station as a multicast channel in September, 2014
- Purchase price represents a multiple of approximately 7.0 times a blended average of 2012-2013 pro forma broadcast cash flow of the stations including expected synergies
- Immediately free cash flow accretive

WJRT-TV and WTVG-TV Combined Financials

(\$ in millions)	2012A	2013A	'12A-'13A
Net Revenue	\$44.8	\$32.6	\$38.7
Op. Expenses	\$23.8	\$22.9	\$23.3
BCF	\$21.0	\$9.8	\$15.4

Source: BIA Investing in Television

Senior Secured Credit Facility



- Gray refinanced its senior secured indebtedness with \$650 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
 - \$600 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
 - \$600 million outstanding



Investment Highlights

- ✓ A Leading Television Broadcaster in Diverse Mid Markets with Dominant Market Positions
 - ✓ 141 program streams and 76 “Big 4” network affiliations
 - ✓ #1 or #2 market rank in 40/44 markets; #1 news ranking in 29/44 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 and SJL

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

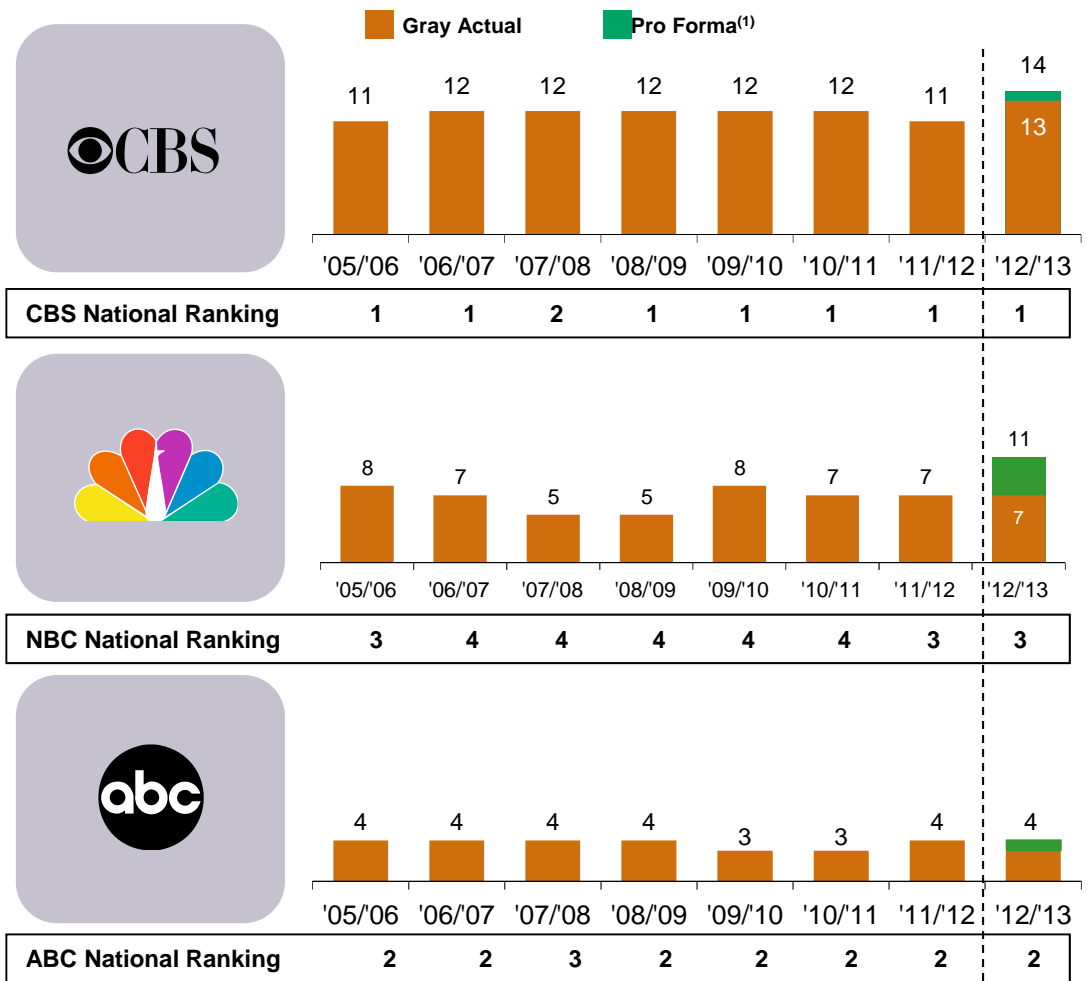


The Importance of Being #1



- 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

Long History of Being #1 in the Market



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

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
Toledo, OH		23
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
Flint, MI		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 24 university towns
- Enrollment of approximately 545,000 students
- Better demographics, more stable economies



Diversification Across Networks and Markets

Station Mix

141 Total Program Streams:⁽⁴⁾

76 Big 4 Affiliates:⁽⁴⁾

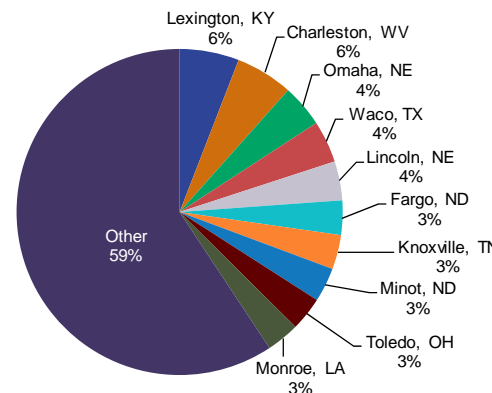
- 26 CBS
- 24 NBC
- 16 ABC
- 10 FOX

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

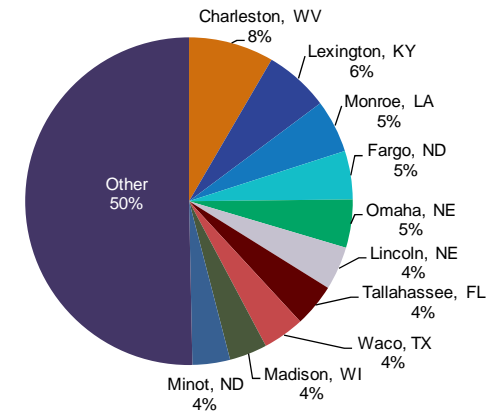
- 16 CW
- 2 Telemundo
- 17 MyNetwork TV
- 11 ME TV
- 5 Antenna TV
- 3 This TV Network
- 1 Live Well Network
- 1 Cozi
- 9 Local News/Weather

(1) Pro forma for the Acquisitions including Montana and SJL
 (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 and SJL
 Source: Company

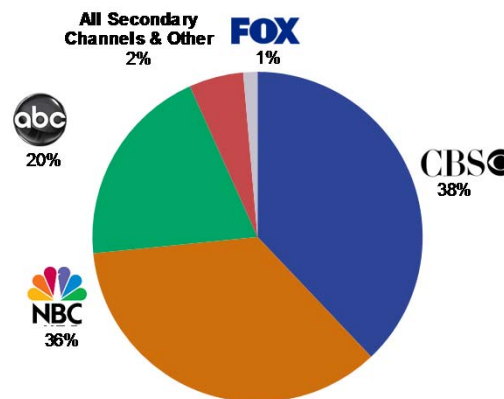
2013PF Revenue: Top 10 Markets ⁽¹⁾



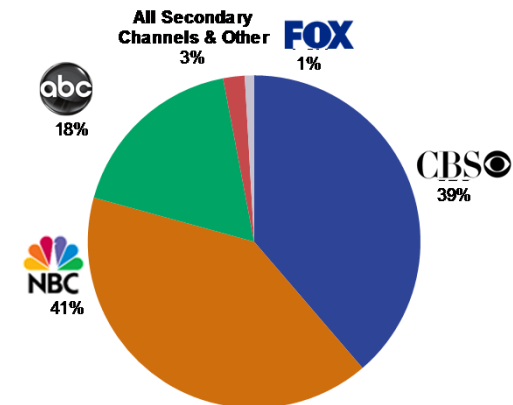
2013PF BCF: Top 10 Markets ^{(1), (3)}



2013PF Revenue by Affiliate: \$474mm ⁽¹⁾



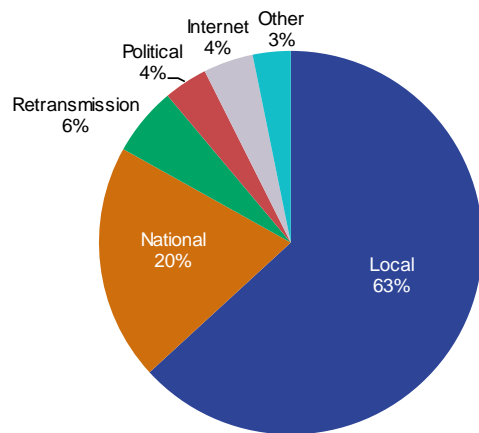
2013PF BCF by Affiliate: \$179mm ^{(1), (3)}



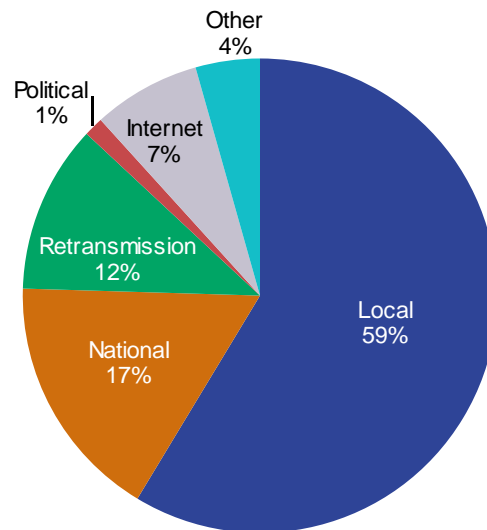
Revenue Mix Continues to Diversify

- 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

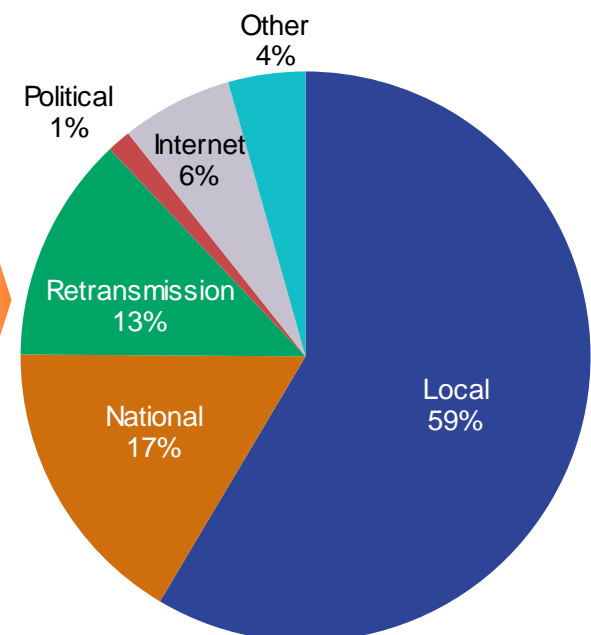
2009A Net Revenue Mix:
\$270mm ⁽¹⁾



2013A Net Revenue Mix:
\$346mm ⁽¹⁾



2013PF Net Revenue Mix:
\$474mm ⁽¹⁾



(1) 2009A and 2013A reflect Gray actual data per Company; 2013PF includes the Acquisitions including for Montana & SJL

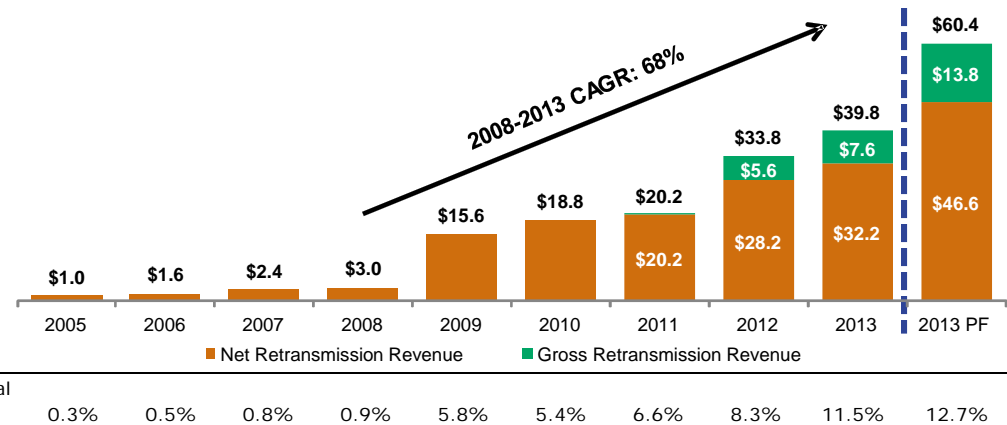
Strong Growth in Retransmission Revenue



- Approximately 9.5 million Big-4 Affiliate subscribers⁽²⁾
- Approximately 5.0 million Big-4 Affiliate subscribers⁽²⁾ re-pricing 12/31/14
- Approximately 0.9 million Big-4 Affiliate subscribers⁽²⁾ will re-price later in 2015
- Potential upside from price increases vs. existing contracts

Gray TV Retransmission Revenue ⁽¹⁾

(\$ in millions)



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

CBS		NBC		abc		FOX	
# of Channels	Renewal Date	# of Channels	Renewal Date	# of Channels	Renewal Date	# of Channels	Renewal Date
26	8-31-19	6	1-1-15	3	12-31-17	10	6-30-17
		15	12-31-15	13	12-31-18		
		1	1-1-16				
		2	12-31-17				
26		24		16		10	

(1) Gray actual data per Company; 2013PF includes the Acquisitions, including Montana and SJL

(2) Includes SSAs and LMAs. Includes the Acquisitions, including Montana and SJL

(3) Based on number of channels Pro Forma for the Acquisitions including Montana and SJL

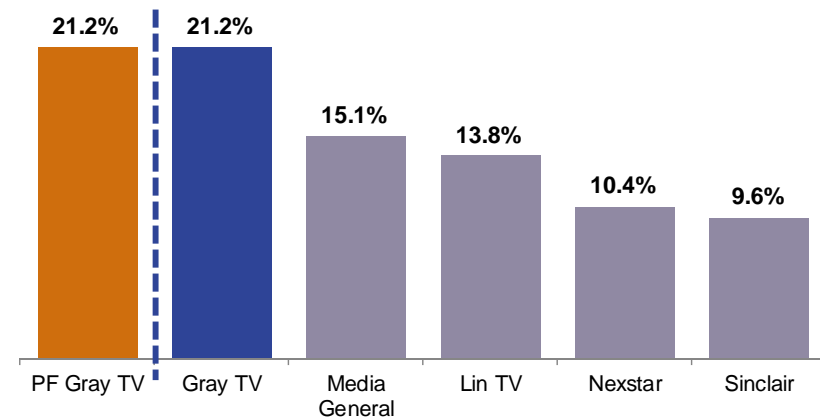
Gray is A Leading Beneficiary of Political Revenue with Large Upside



Gray TV Political Commentary

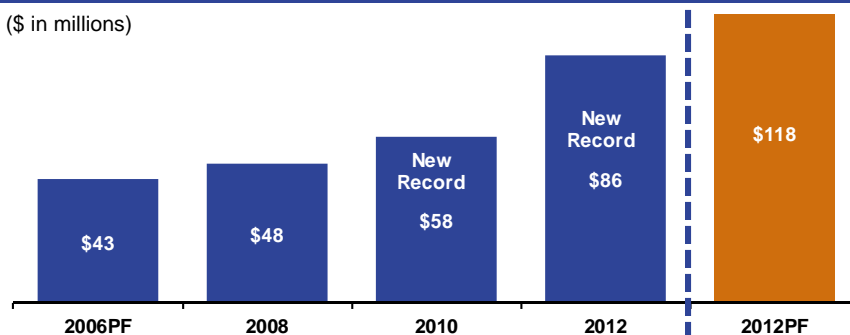
- \$86 Million in 2012 – New Record
- 2011 - Off Year Record \$13.5 million
- Gray operates in key battleground states
 - #1 stations can capture over 50% of the political budget for a market
- Recent Supreme Court decisions removing limits on campaign spending have driven and are expected to further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

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



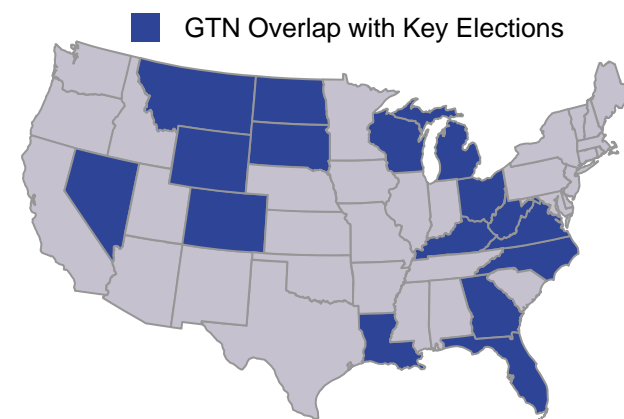
Gray TV Political Revenue (1), (2)

(\$ 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, including Montana and SJL
- (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

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

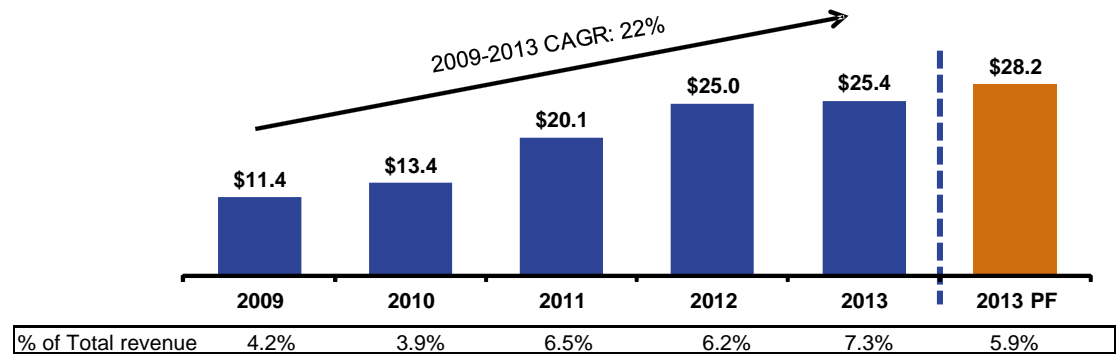


- Full service digital solutions



Gray TV Digital Media Revenue (1)

(\$ in millions)

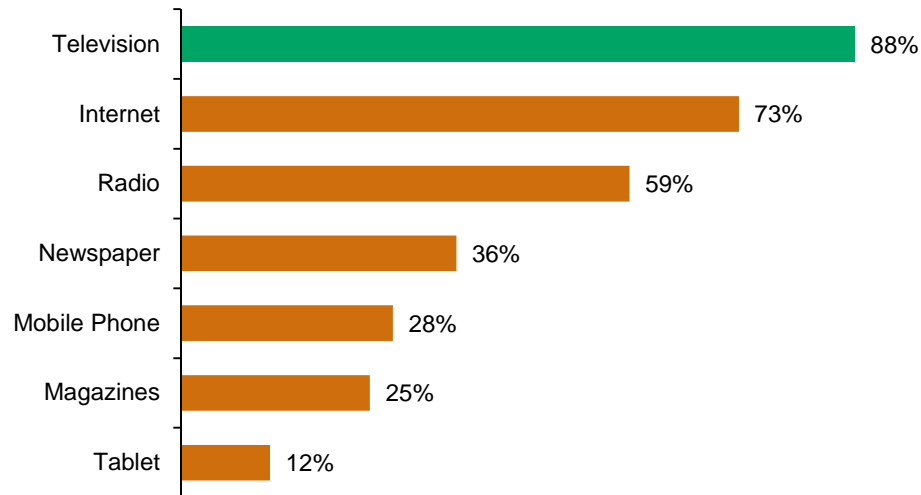


(1) Gray Standalone data per company filings; 2013PF includes the Acquisitions including Montana & SJL

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



TV Reaches More People than Any Other Medium



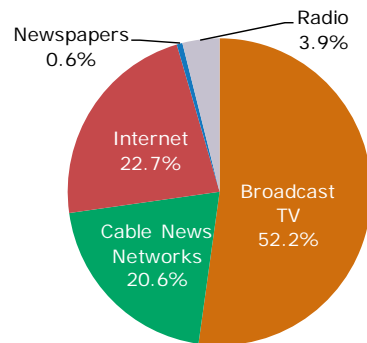
TV is the Most Influential Local Media

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

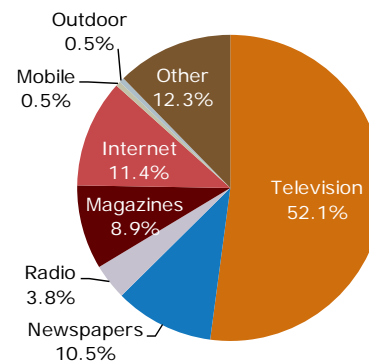
Program Rank	Broadcast Stations	Cable TV	Total
1-25	24	1	25
26-50	24	1	25
51-75	24	1	25
76-100	24	1	25
Total	96	4	100

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

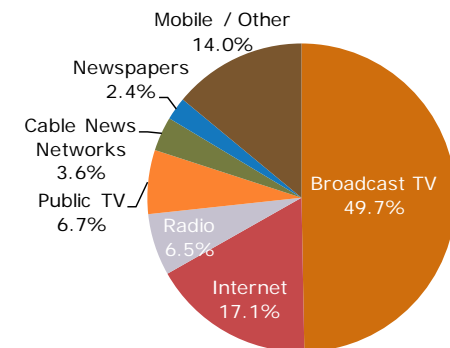
Primary Source of News



Most Influential Media



Source of Local Weather, Traffic and Sports



Source: TVB Media Comparison Study 2012

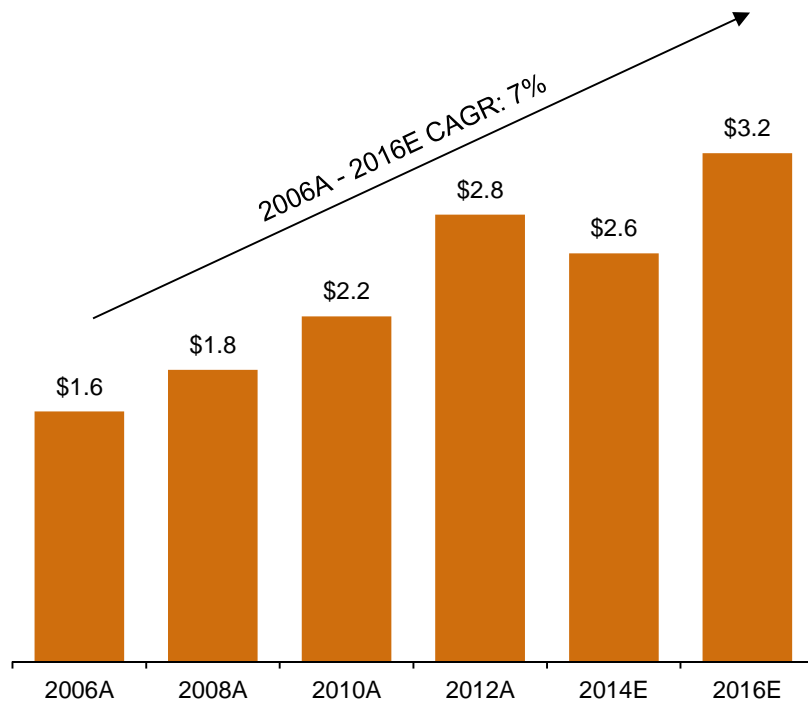
Strong Growth Across the Industry in Other Key Revenue Streams



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

Industry-wide Political Spend on Local TV ⁽¹⁾

(\$ in billions)

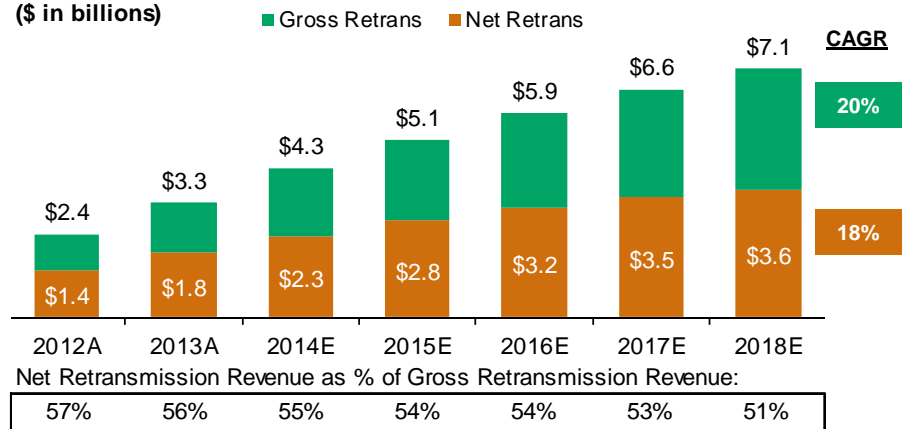


(1) Based on Local Broadcast TV political advertising only (excludes Local Cable TV)
Source: Magna Global, TVB, Moody's, SNL Kagan and Wall Street research

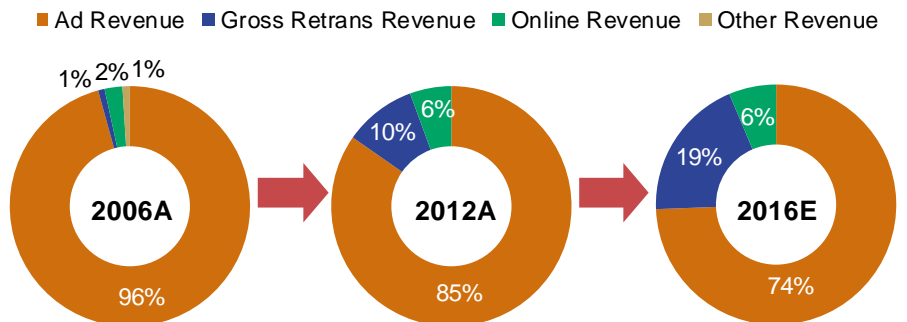
- Continued upside in retransmission fees, with revenue projected to reach \$7.1 billion in 2018

Strong Growth in Retransmission Revenue

(\$ in billions)



Changing Composition of Television Revenue



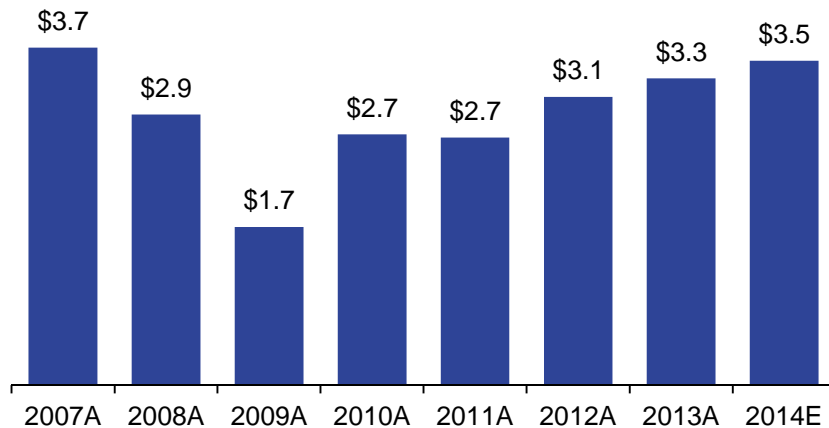
Automotive Ad Spending on TV Continues to Grow and Still Below Peak Levels



- 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

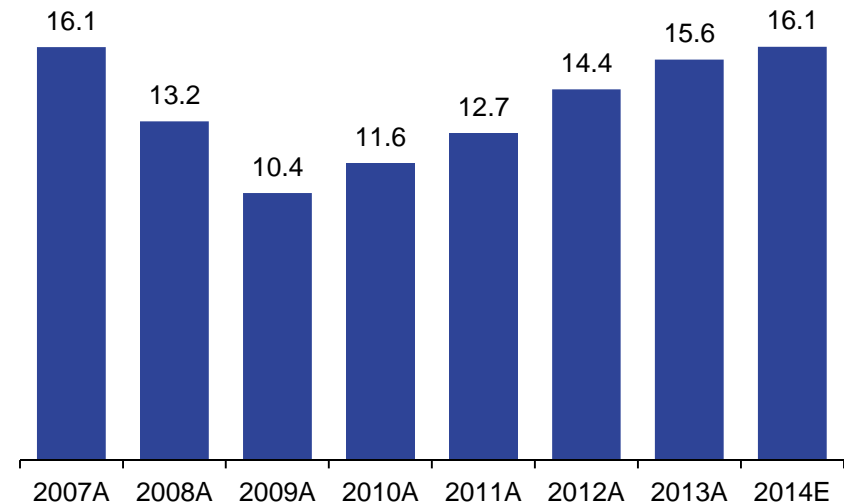
TV Ad Spending in the Automotive Sector

(\$ 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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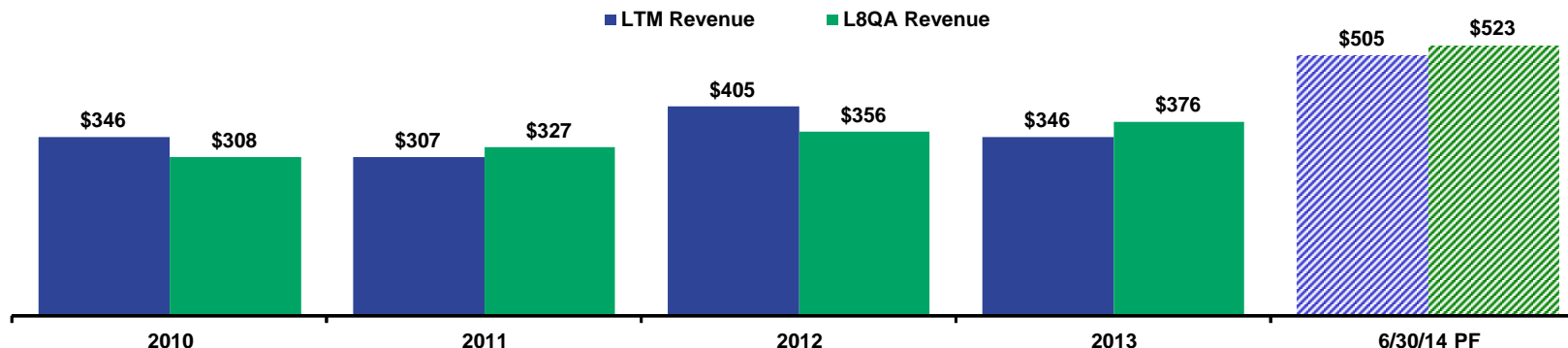
Financial Overview



Gray Historical Financial Summary



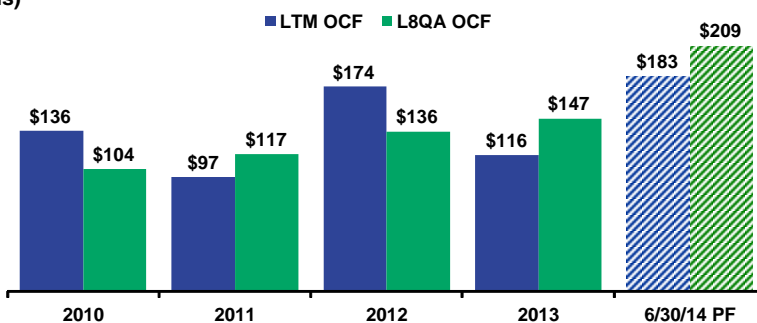
Net Revenue ⁽¹⁾



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

Operating Cash Flow ⁽¹⁾

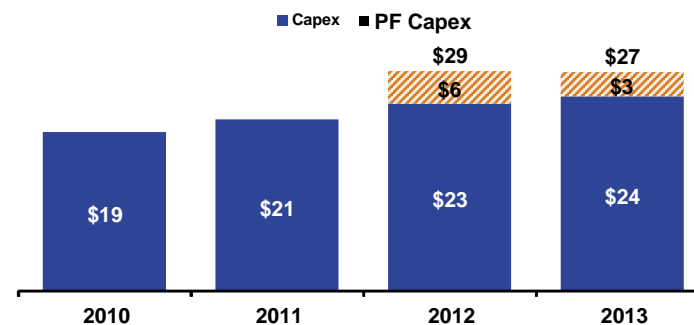
(\$ in millions)



L8QA Margin	34%	36%	38%	39%	40%
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%

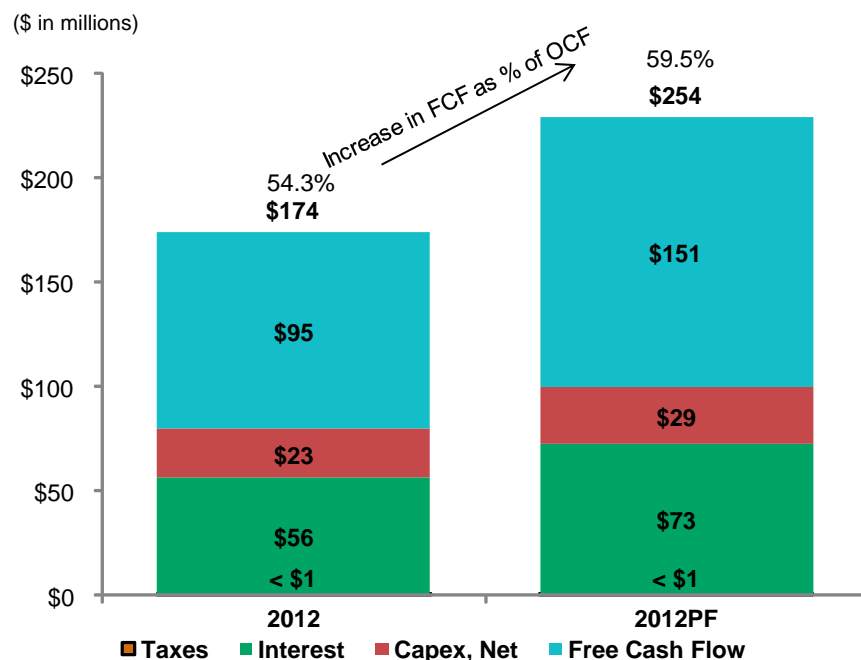
- (1) Gray actual data per Company; LTM 2013 OCF of \$116 million includes Pro Forma adjustments for acquisitions closed in 2013; 2012PF, 2013PF, 6/30/14PF include the Acquisitions, Montana and SJL
 (2) Gray standalone Capex as a percentage of Gray standalone Revenue
 (3) PF Capex as a percentage of PF Revenue



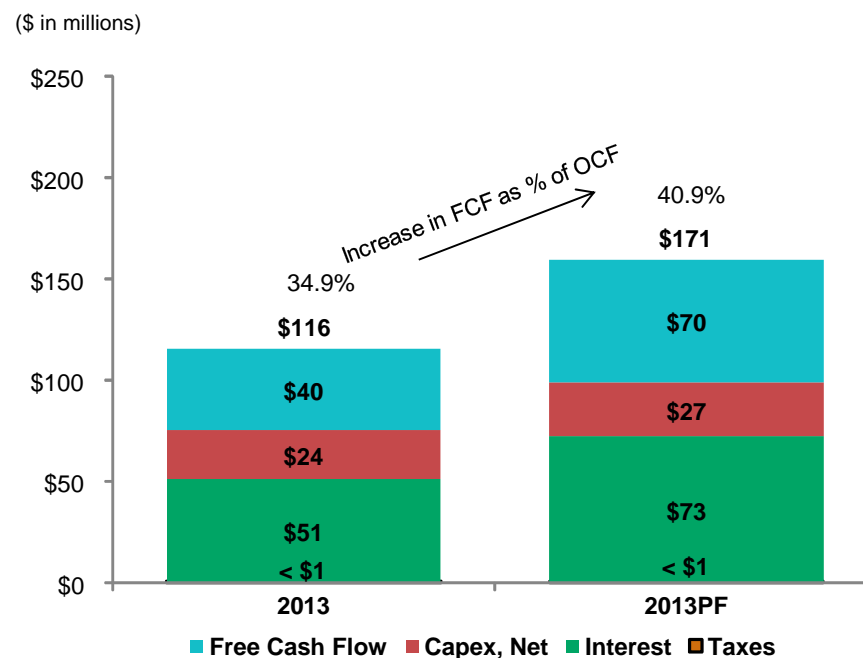
Strong Free Cash Flow Conversion

- 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)



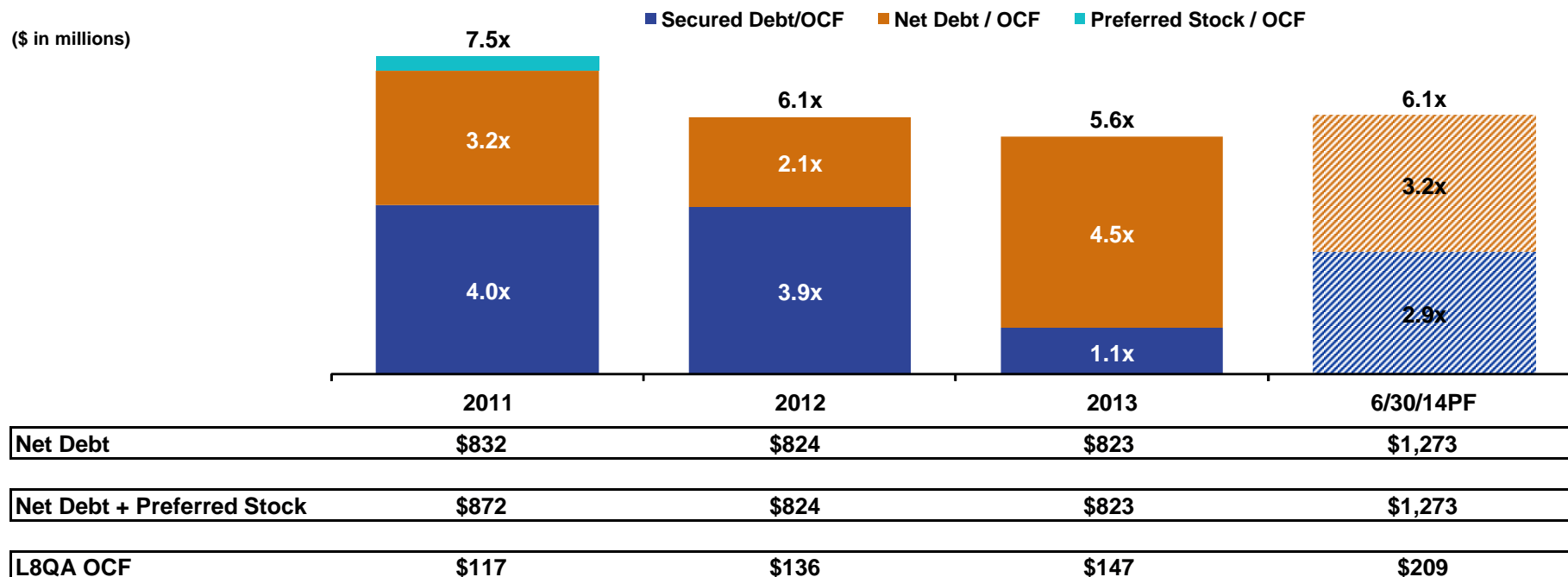
(1) Pro Forma interest expense estimated with Pro Forma incremental indebtedness and estimated cash interest
 (2) Gray actual data per Company; 2012PF and 2013PF figures include the Acquisitions including Montana & SJL

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; 6/30/14PF includes the Acquisitions, Montana and SJL

Sources & Uses and Pro Forma Capitalization



Current & Pro Forma Capitalization

(\$ in Millions)

	6/30/2014			SJL Acquisition Adjustments WJRT-TV & WTVG-TV	6/30/2014PF		
	\$	Cum. xL8QA OCF ¹	Cum. xLTM OCF ²		\$	Cum. xL8QA OCF ³	Cum. xLTM OCF ⁴
Cash & Equivalents	\$66.1			(\$32.8)	\$33.3		
Priority Revolver (\$50MM) due 2019	-	0.0x	0.0x		-	0.0x	0.0x
Term Loan B due 2021	\$525.0	2.7x	3.1x	100.0	\$625.0	3.0x	3.4x
Excalibur Term Loan	2.9	2.8x	3.1x		2.9	3.0x	3.4x
Secured Debt	\$527.9	2.8x	3.1x		\$627.9	3.0x	3.4x
Senior Notes due 10/2020	675.0	6.3x	7.1x		675.0	6.2x	7.1x
Total Debt	\$1,202.9	6.3x	7.1x		\$1,302.9	6.2x	7.1x
<i>Net Debt</i> ⁵	\$1,172.9	6.1x	6.9x		\$1,272.9	6.1x	7.0x

Source: Company financials and management estimates

¹ Based on Gray's L8QA 6/30/14 Pro Forma OCF

\$191.8

² Based on Gray's LTM 6/30/14 Pro Forma OCF

\$169.9

³ Based on Gray's Pro forma L8QA 6/30/14 OCF for all Acquisitions including SJL & Montana

\$208.9

⁴ Based on Gray's Pro forma LTM 6/30/14 OCF for all Acquisitions including SJL & Montana

\$182.7

⁵ Net of up to \$30MM in cash



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Questions & Answers



Glossary



“Acquisitions”:	The Hoak Acquisition and Gray’s other previously completed acquisitions of Rapid Cities, Prime Cities, Lockwood, Yellowstone and KJCT; excludes Montana and SJL unless otherwise specified
“Excalibur” (Excalibur Broadcasting, Inc.):	A television broadcaster with two stations (KJCT, KKHD) whose financial results are consolidated with those of Gray in accordance with GAAP
“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 that was acquired by Gray on June 13, 2014
“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 Q4, 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. See appendix herein and Gray’s website at www.gray.tv for definition and reconciliations of non-GAAP terms.
“Parker” (Parker Broadcasting, Inc.):	A television broadcast company with three stations that we operate under SSA’s
“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
“SJL”:	Two ABC stations in Flint, MI and Toledo, OH, to be acquired by Gray from affiliates of SJL Holdings; the acquisition is pending and expected to close in September 2014

Q2'14 L8QA and LTM Financial Summary



(\$ in millions)			6 Months Ended			LTM 6/30/13	LTM 6/30/14	L8QA 6/30/14
	2012	2013	6/30/2012	6/30/2013	6/30/2014			
Net Revenues								
Local	191.3	203.1	94.3	97.3	107.7	194.3	213.5	203.9
National	56.8	58.3	27.3	28.5	28.2	57.9	58.0	58.0
Political	86.0	4.6	18.1	1.4	11.4	69.3	14.6	41.9
Internet	25.0	25.4	12.1	12.0	13.2	24.9	26.7	25.8
Retransmission	33.8	39.7	16.8	19.1	33.8	36.1	54.4	45.3
Other	9.5	8.0	6.8	4.2	4.2	6.9	8.0	7.5
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	175.4	162.5	198.5	391.9	382.4	387.2
Local	40.5	42.0	20.1	20.2	18.9	40.6	40.6	40.6
National	10.0	11.2	4.8	5.5	4.7	10.7	10.4	10.6
Political	12.3	1.2	1.8	0.2	1.8	10.7	2.8	6.8
Internet	1.8	2.1	0.8	1.0	1.0	1.9	2.1	2.0
Retransmission	10.8	14.6	5.0	6.6	7.4	12.4	15.4	13.9
Other	2.5	2.6	1.6	1.6	2.1	2.5	3.1	2.8
Hoak Standalone Net Revenue	77.8	73.7	34.2	35.3	36.0	78.9	74.4	76.7
Prime Cities Standalone Net Revenue	2.6	2.0	0.8	0.9	0.7	2.6	1.8	2.2
Rapid City Standalone Net Revenue	3.7	3.9	1.8	1.9	1.3	3.8	3.3	3.6
KJCT, Yellowstone, and Lockwood Net Revenue	18.4	13.9	8.4	7.9	0.4	17.9	6.4	12.1
SJL Net Revenue	44.8	32.6	17.5	15.5	17.7	42.7	34.9	38.8
Montana Net Revenue	3.6	2.0	1.3	0.9	1.1	3.2	2.2	2.7
Total Pro Forma Net Revenue	555.7	474.4	239.3	224.7	255.7	541.0	505.4	523.3

Note: Pro Forma results include the Acquisitions, Montana and SJL

Pro Forma Non-GAAP Reconciliation



(\$ in thousands)	Year Ended December 31,		Six Months Ended June 30,			LTM		L8QA
	2012	2013	2012	2013	2014	6/30/13	6/30/2014	6/30/2014
Net income	\$ 59,350	\$ 29,243	\$ 24,000	\$ 9,036	\$ 16,439	\$ 44,385	\$ 36,646	\$ 40,516
Adjustments to reconcile from net income to								
Broadcast Cash Flow Less Cash Corporate Expenses:								
Depreciation	31,838	32,202	16,019	15,907	16,500	31,726	32,795	32,261
Amortization of intangible assets	825	892	412	335	1,524	748	2,081	1,415
Non-cash stock based compensation	878	1,974	154	1,464	3,051	2,188	3,561	2,875
Gain on disposals of assets, net	(69)	850	(482)	(75)	25	338	950	644
Miscellaneous income, net	2,823	1,627	1,479	1,429	342	2,774	540	1,657
Interest expense	76,975	75,019	38,745	37,524	37,525	75,754	75,020	75,387
Loss on early extinguishment of debt	46,683	-	-	-	4,897	46,683	4,897	25,790
Income tax expense	26,468	16,906	9,875	6,106	3,438	22,699	14,238	18,469
Amortization of program broadcast rights	12,969	13,090	6,400	6,591	6,663	13,160	13,162	13,161
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	26	28	12	14	12	28	26	27
Network compensation revenue recognized	(627)	(615)	(313)	(314)	(221)	(628)	(522)	(575)
Network compensation per network affiliation agreement	(60)	-	(60)	-	-	-	-	-
Payments for program broadcast rights	(13,727)	(13,156)	(6,519)	(6,628)	(8,437)	(13,836)	(14,965)	(14,401)
Other items	599	(550)	307	(380)	(20)	(88)	(190)	(139)
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	244,951	157,510	90,029	71,008	81,737	225,931	168,239	197,085
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	17,631	21,073	7,493	9,015	15,307	19,153	27,365	23,259
Broadcast Cash Flow	\$ 262,582	\$ 178,583	\$ 97,522	\$ 80,023	\$ 97,044	\$ 245,084	\$ 195,604	\$ 220,344
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 244,951	\$ 157,510	\$ 90,029	\$ 71,008	\$ 81,737	\$ 225,931	\$ 168,239	\$ 197,085
Pension Expense	7,874	8,626	3,742	4,308	3,328	8,440	7,646	8,043
Pension Cash Funding	(9,402)	(4,748)	(2,324)	(2,604)	(2,482)	(9,682)	(4,626)	(7,154)
Other items	10,546	9,749	3,890	3,842	5,538	10,498	11,445	10,972
Operating Cash Flow as defined in the credit agreement	\$ 253,969	\$ 171,137	\$ 95,337	\$ 76,554	\$ 88,121	\$ 235,187	\$ 182,704	\$ 208,945
Less interest expense	(76,975)	(75,019)	(38,745)	(37,524)	(37,525)	(75,754)	(75,020)	(75,387)
Add back amortization of deferred financing	2,723	1,903	1,506	823	1,394	2,040	2,474	2,257
Less capital expenditures, net of insurance proceeds	(28,882)	(27,374)	(13,759)	(14,129)	(11,975)	(29,252)	(25,221)	(27,236)
Less cash taxes	(836)	(519)	(225)	(503)	(44)	(1,114)	(60)	(587)
Add back amortization of original issue discount	1,127	(9)	676	138	(432)	589	(579)	5
Free Cash Flow	\$ 151,126	\$ 70,119	\$ 44,791	\$ 25,360	\$ 39,540	\$ 131,696	\$ 84,298	\$ 107,997

Pro Forma Non-GAAP Reconciliation (continued)



	Pro Forma Twelve Months Ended December 31, 2013				
	Gray Actual	SJL Actual	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 18,288	\$ 2,944	\$ 25,031	\$ (17,020)	\$ 29,243
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	24,096	2,476	5,630	-	32,202
Amortization of intangible assets	336	-	556	-	892
Non-cash stock based compensation	1,974	-	-	-	1,974
Gain on disposals of assets, net	765	1	84	-	850
Miscellaneous income, net	-	47	1,580	-	1,627
Interest expense	52,445	1,247	4,307	17,020	75,019
Loss on early extinguishment of debt	-	-	-	-	-
Income tax expense	13,147	1,773	1,986	-	16,906
Amortization of program broadcast rights	11,367	1,723	-	-	13,090
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)	(1,723)	-	-	(13,156)
Other items	-	-	728	(1,278)	(550)
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	110,398	8,488	39,902	(1,278)	157,510
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	17,836	1,273	-	1,964	21,073
Broadcast Cash Flow	\$ 128,234	\$ 9,761	\$ 39,902	\$ 686	\$ 178,583
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 110,398	\$ 8,488	\$ 39,902	\$ (1,278)	\$ 157,510
Pension Expense	8,626	-	-	-	8,626
Pension Cash Funding	(4,748)	-	-	-	(4,748)
Other items	(477)	32	-	10,194	9,749
Operating Cash Flow as defined in the credit agreement	\$ 113,799	\$ 8,520	\$ 39,902	\$ 8,916	\$ 171,137
Less interest expense	(52,445)	(1,247)	(4,307)	(17,020)	(75,019)
Add back amortization of deferred financing	1,903	-	-	-	1,903
Less capital expenditures, net of insurance proceeds	(23,817)	(557)	-	(3,000)	(27,374)
Less cash taxes	(519)	-	-	-	(519)
Add back amortization of original issue discount	(9)	-	-	-	(9)
Free Cash Flow	\$ 38,912	\$ 6,716	\$ 35,595	\$ (11,104)	\$ 70,119

Pro Forma Non-GAAP Reconciliation (continued)



	Pro Forma Twelve Months Ended December 31, 2012				
	Gray Actual	SJL Actual	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 28,129	\$ 10,532	\$ 32,199	\$ (11,510)	\$ 59,350
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	23,133	2,585	6,120	-	31,838
Amortization of intangible assets	75	-	750	-	825
Non-cash stock based compensation	878	-	-	-	878
Gain on disposals of assets, net	(31)	(1)	(37)	-	(69)
Miscellaneous income, net	(2)	151	2,674	-	2,823
Interest expense	59,443	1,177	4,845	11,510	76,975
Loss on early extinguishment of debt	46,683	-	-	-	46,683
Income tax expense	19,188	4,779	2,501	-	26,468
Amortization of program broadcast rights	11,081	1,888	-	-	12,969
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)	(1,888)	-	-	(13,727)
Other items	-	-	81	518	599
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	176,077	19,223	49,133	518	244,951
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	15,049	1,731	-	851	17,631
Broadcast Cash Flow	\$ 191,126	\$ 20,954	\$ 49,133	\$ 1,369	\$ 262,582
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 176,077	\$ 19,223	\$ 49,133	\$ 518	\$ 244,951
Pension Expense	7,874	-	-	-	7,874
Pension Cash Funding	(9,402)	-	-	-	(9,402)
Other items	(399)	29	-	10,916	10,546
Operating Cash Flow as defined in the credit agreement	\$ 174,150	\$ 19,252	\$ 49,133	\$ 11,434	\$ 253,969
Less interest expense	(59,443)	(1,177)	(4,845)	(11,510)	(76,975)
Add back amortization of deferred financing	2,723	-	-	-	2,723
Less capital expenditures, net of insurance proceeds	(22,937)	(1,945)	-	(4,000)	(28,882)
Less cash taxes	(836)	-	-	-	(836)
Add back amortization of original issue discount	1,127	-	-	-	1,127
Free Cash Flow	\$ 94,784	\$ 16,130	\$ 44,288	\$ (4,076)	\$ 151,126

Pro Forma Non-GAAP Reconciliation (continued)



	Pro Forma Six Months Ended June 30, 2014				
	Gray Actual	SJL Actual	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 2,868	\$ 2,601	\$ 44,401	\$ (33,432)	\$ 16,439
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	13,370	1,070	2,060	-	16,500
Amortization of intangible assets	1,468	-	56	-	1,524
Non-cash stock based compensation	3,051	-	-	-	3,051
Gain on disposals of assets, net	379	(354)	(29,106)	29,106	25
Miscellaneous income, net	(3)	32	313	-	342
Interest expense	31,099	522	1,578	4,326	37,525
Loss on early extinguishment of debt	4,897	-	-	-	4,897
Income tax expense	1,735	1,168	535	-	3,438
Amortization of program broadcast rights	5,918	745	-	-	6,663
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	12	-	-	-	12
Network compensation revenue recognized	(221)	-	-	-	(221)
Network compensation per network affiliation agreement	-	-	-	-	-
Payments for program broadcast rights	(7,692)	(745)	-	-	(8,437)
Other items	-	1	(21)	-	(20)
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	56,881	5,040	19,816	-	81,737
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	14,268	1,039	-	-	15,307
Broadcast Cash Flow	\$ 71,149	\$ 6,079	\$ 19,816	\$ -	\$ 97,044
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 56,881	\$ 5,040	\$ 19,816	\$ -	\$ 81,737
Pension Expense	3,328	-	-	-	3,328
Pension Cash Funding	(2,482)	-	-	-	(2,482)
Other items	4,747	1,427	-	(636)	5,538
Operating Cash Flow as defined in the credit agreement	\$ 62,474	\$ 6,467	\$ 19,816	\$ (636)	\$ 88,121
Less interest expense	(31,099)	(522)	(1,578)	(4,326)	(37,525)
Add back amortization of deferred financing	1,394	-	-	-	1,394
Less capital expenditures, net of insurance proceeds	(9,475)	-	-	(2,500)	(11,975)
Less cash taxes	(44)	-	-	-	(44)
Add back amortization of original issue discount	(432)	-	-	-	(432)
Free Cash Flow	\$ 22,818	\$ 5,945	\$ 18,238	\$ (7,462)	\$ 39,540

Pro Forma Non-GAAP Reconciliation (continued)



	Pro Forma Six Months Ended June 30, 2013				
	Gray Actual	SJL Actual	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 6,014	\$ 1,507	\$ 11,207	\$ (9,693)	\$ 9,036
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	11,738	1,282	2,887	-	15,907
Amortization of intangible assets	31	-	304	-	335
Non-cash stock based compensation	1,464	-	-	-	1,464
Gain on disposals of assets, net	(105)	-	30	-	(75)
Miscellaneous income, net	-	27	1,402	-	1,429
Interest expense	25,134	543	2,154	9,693	37,524
Loss on early extinguishment of debt	-	-	-	-	-
Income tax expense	5,224	52	830	-	6,106
Amortization of program broadcast rights	5,663	928	-	-	6,591
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	14	-	-	-	14
Network compensation revenue recognized	(314)	-	-	-	(314)
Network compensation per network affiliation agreement	-	-	-	-	-
Payments for program broadcast rights	(5,700)	(928)	-	-	(6,628)
Other items	-	-	38	(418)	(380)
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	49,163	3,411	18,852	(418)	71,008
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	7,653	637	-	725	9,015
Broadcast Cash Flow	\$ 56,816	\$ 4,048	\$ 18,852	\$ 307	\$ 80,023
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 49,163	\$ 3,411	\$ 18,852	\$ (418)	\$ 71,008
Pension Expense	4,308	-	-	-	4,308
Pension Cash Funding	(2,604)	-	-	-	(2,604)
Other items	(208)	1,570	-	2,480	3,842
Operating Cash Flow as defined in the credit agreement	\$ 50,659	\$ 4,981	\$ 18,852	\$ 2,062	\$ 76,554
Less interest expense	(25,134)	(543)	(2,154)	(9,693)	(37,524)
Add back amortization of deferred financing	823	-	-	-	823
Less capital expenditures, net of insurance proceeds	(12,350)	(279)	-	(1,500)	(14,129)
Less cash taxes	(503)	-	-	-	(503)
Add back amortization of original issue discount	138	-	-	-	138
Free Cash Flow	\$ 13,633	\$ 4,160	\$ 16,698	\$ (9,131)	\$ 25,360

Pro Forma Non-GAAP Reconciliation (continued)



	Pro Forma Six Months Ended June 30, 2012				
	Gray Actual	SJL Actual	Other Acquisitions	Pro forma Adjustments	Gray Pro forma
Net income	\$ 14,365	\$ 3,957	\$ 11,321	\$ (5,643)	\$ 24,000
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash Corporate Expenses:					
Depreciation	11,607	1,312	3,100	-	16,019
Amortization of intangible assets	37	-	375	-	412
Non-cash stock based compensation	154	-	-	-	154
Gain on disposals of assets, net	(482)	-	-	-	(482)
Miscellaneous income, net	(2)	133	1,348	-	1,479
Interest expense	30,289	557	2,256	5,643	38,745
Loss on early extinguishment of debt	-	-	-	-	-
Income tax expense	9,215	74	586	-	9,875
Amortization of program broadcast rights	5,477	923	-	-	6,400
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	12	-	-	-	12
Network compensation revenue recognized	(313)	-	-	-	(313)
Network compensation per network affiliation agreement	(60)	-	-	-	(60)
Payments for program broadcast rights	(5,596)	(923)	-	-	(6,519)
Other items	-	-	(16)	323	307
Broadcast Cash Flow Less Cash Corporate Expenses; a.k.a. "Adjusted EBITDA"	64,703	6,033	18,970	323	90,029
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock based compensation	6,581	623	-	289	7,493
Broadcast Cash Flow	\$ 71,284	\$ 6,656	\$ 18,970	\$ 612	\$ 97,522
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 64,703	\$ 6,033	\$ 18,970	\$ 323	\$ 90,029
Pension Expense	3,742	-	-	-	3,742
Pension Cash Funding	(2,324)	-	-	-	(2,324)
Other items	(204)	1,885	-	2,209	3,890
Operating Cash Flow as defined in the credit agreement	\$ 65,917	\$ 7,918	\$ 18,970	\$ 2,532	\$ 95,337
Less interest expense	(30,289)	(557)	(2,256)	(5,643)	(38,745)
Add back amortization of deferred financing	1,506	-	-	-	1,506
Less capital expenditures, net of insurance proceeds	(10,786)	(973)	-	(2,000)	(13,759)
Less cash taxes	(225)	-	-	-	(225)
Add back amortization of original issue discount	676	-	-	-	676
Free Cash Flow	\$ 26,799	\$ 6,389	\$ 16,714	\$ (5,111)	\$ 44,791



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Investor Presentation

