

Company Overview

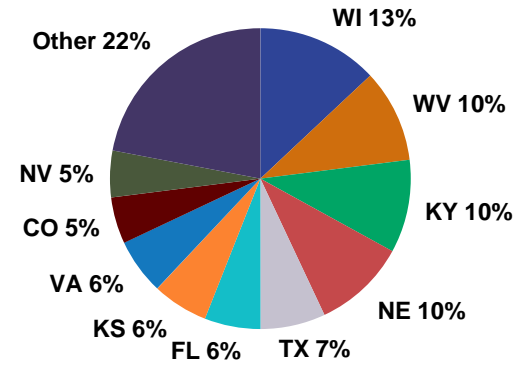
GRAY
TELEVISION, INC.



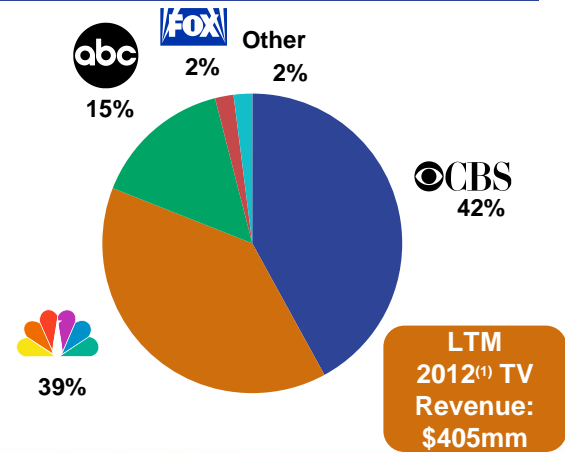
A Significant Pure-Play Mid-Market TV Platform

- 85 channels of programming
- Spread across 30 markets
- 40 top 4 primary network affiliates, 45 secondary channels
- #1 News in 23 markets
- #1 channel in 21 markets
- 17 collegiate markets, 8 state capitals

LTM 2012⁽¹⁾ Revenue by State



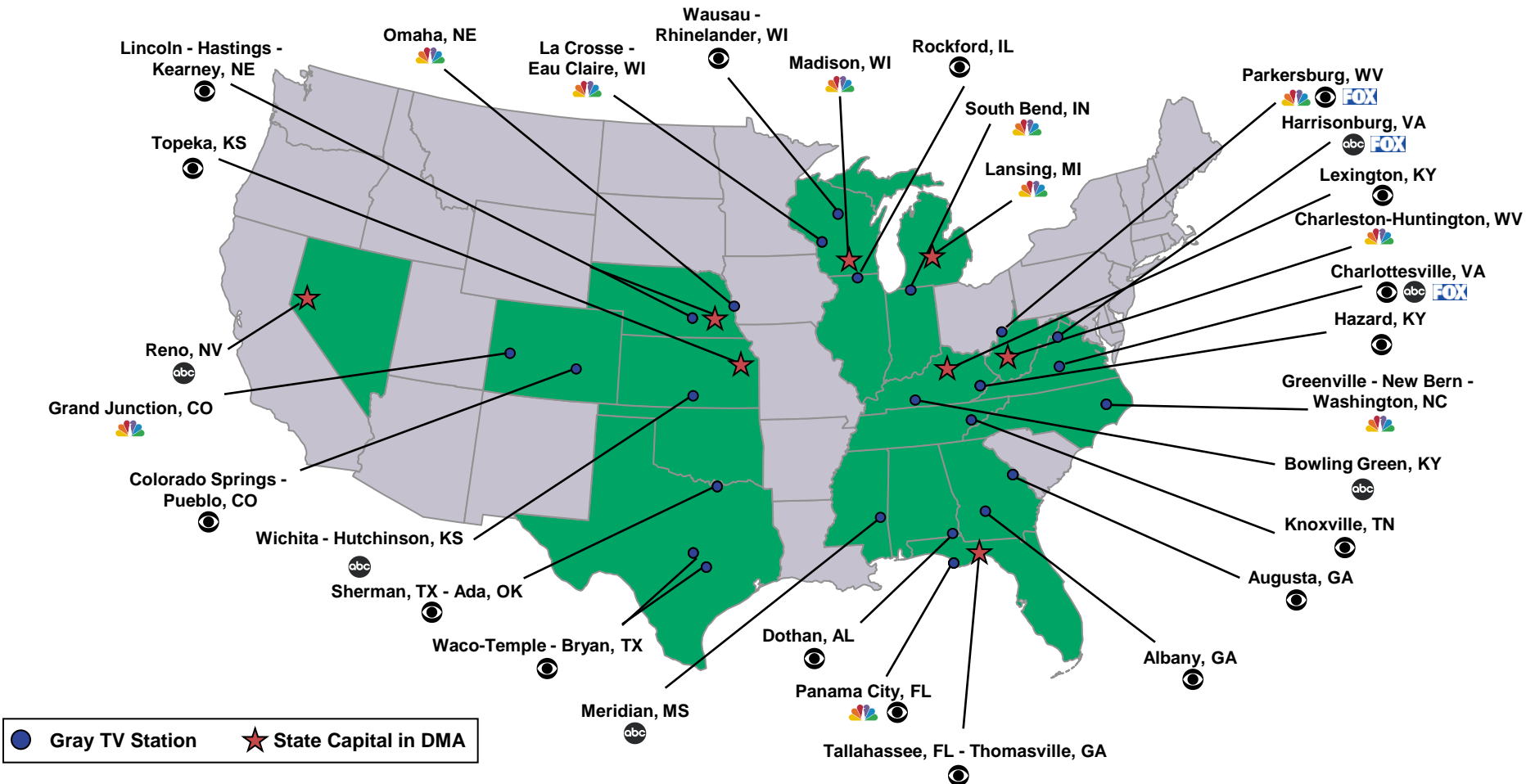
LTM 2012⁽¹⁾ Revenue by Affiliate



(1) Last twelve months ended December 31, 2012

Gray's National Footprint

30 markets reaching approximately 6.2% of US TV households





- Mid Markets Presence – State Capitals and University Towns
- Leading Market Revenue Share With #1 or #2 Station in 29 of 30 Markets
- Diversification Across Networks
- Long Standing Relationships and Strong Leverage With Networks
- Improving in Advertising Market
- Large Political Upside in Election Years
- Growing Retransmission Revenue
- Successful New Media Initiatives
- Prudent Cost Management

Stable Markets – Concentration on Markets DMA 61-200 With Focus on State Capitals / Collegiate Presence

Market	College(s)	Approximate Enrollment
Waco, TX		62
Topeka, KS		53
Lansing, MI		49
Tallahassee, FL		44
Madison, WI		43
Knoxville, TN		30
Lexington, KY		29
Greenville, NC		28

Market	College(s)	Approximate Enrollment
Lincoln, NE		24
Bowling Green, KY		21
Charlottesville, VA		21
Harrisonburg, VA		20
Reno, NV		18
Charleston-Huntington, WV		14
South Bend, IN		12
Colorado Springs, CO		4
Parkersburg, WV		2

Why university towns and state capitals?

- Better demographics
- More stable economies
- Affinity between station and university sports teams

Gray stations cover 8 state capitals and 17 university towns, representing enrollment of approximately 474,000 students

Note: Shading indicates DMA includes state capital. Enrollment in thousands.

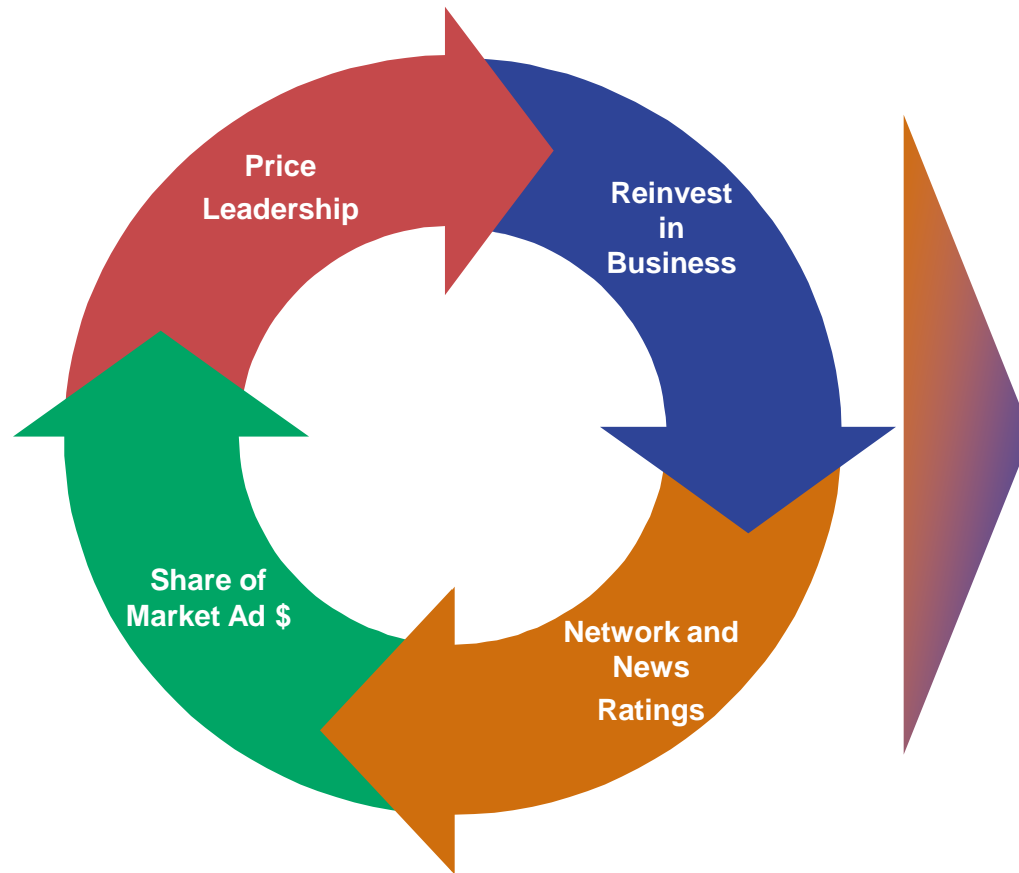
Gray's Market Leadership

- #1 in overall audience in 21 of 30 Markets
 - All other markets #2 (except for Albany, GA)
- #1 in news in 23 of 30 markets

Market DMA Rank	Market	Station	Affiliation	Rank in DMA	News Rank in DMA	Market DMA Rank	Market	Station	Affiliation	Rank in DMA	News Rank in DMA
61	Knoxville, TN	WVLT	CBS	2	2	128	La Crosse / Eau Claire, WI	WEAU	NBC	1	1
64	Lexington, KY	WKYT	CBS	2	2	134	Wausau / Rhinelander, WI	WSAW	CBS	2	2
65	Charleston / Huntington, WV	WSAZ	NBC	1	1	135	Rockford, IL	WIFR	CBS	1	1
66	Wichita / Hutchinson, KS	KAKE KLBY KUPK	ABC ABC ABC	2	2	136	Topeka, KS	WIBW	CBS	1	1
75	Omaha, NE	WOWT	NBC	2	1	150	Albany, GA	WSWG	CBS	3	NA
85	Madison, WI	WMTV	NBC	1	1	159	Panama City, FL	WJHG WECP	NBC CBS	1	1
88	Waco-Temple-Bryan, TX	KWTX KBTX	CBS CBS	1	1	161	Sherman, TX / Ada, OK	KXII	CBS	1	1
89	Colorado Springs, CO	KKTV	CBS	1	2	169	Dothan, AL	WTVY	CBS	1	1
95	South Bend, IN	WNDU	NBC	2	1	178	Harrisonburg, VA	WHSV WSVF	ABC FOX	1	1
100	Greenville / New Bern / Washington, NC	WITN	NBC	1	1	182	Bowling Green, KY	WBKO	ABC	1	1
105	Lincoln/Hastings/Kearney, NE	KOLN KGIN	CBS CBS	1	1	183	Charlottesville, VA	WCAV WVAW WAHU	CBS ABC FOX	2	2
106	Tallahassee, FL/Thomasville, GA	WCTV	CBS	1	1	185	Grand Junction, CO	KKCO	NBC	1	1
108	Reno, NV	KOLO	ABC	1	1	186	Meridian, MS	WTOK	ABC	1	1
113	Augusta, GA	WRDW	CBS	1	1	193	Parkersburg, WV	WTAP WIYE WOVA	NBC CBS FOX	1	1
115	Lansing, MI	WILX	NBC	2	1	NA	Hazard, KY	WYMT	CBS	1	1

Note: Ratings based on 2012 Nielsen information for February, May, July and November ratings periods. Market DMA rank per Nielsen for the 2012/2013 television season.

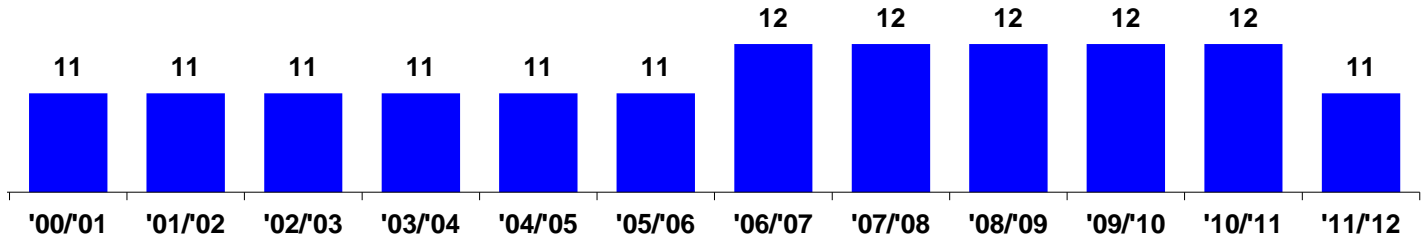
The Importance of Being #1



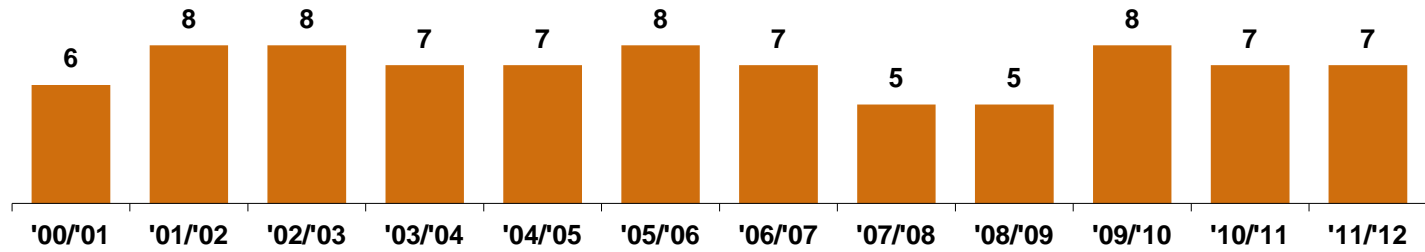
- Dominate local and political revenue with highly-rated news platforms
- Maximize cash flow
- Deliver high margins
- Reduce syndicated programming costs
- Attract and retain talent

Long History of Being #1 in the Market

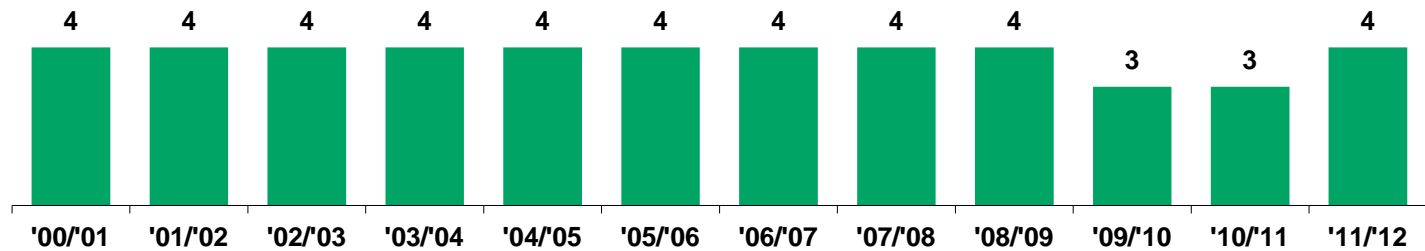
of Gray Stations Ranked #1



CBS National Ranking	1	2	1	1	1	1	1	2	1	1	1	1
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NBC National Ranking	3	1	2	2	2	3	4	4	4	4	4	3
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ABC National Ranking	2	3	3	3	3	2	2	3	2	2	2	2
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Note: Pro Forma for all acquisitions.

Long-Term Affiliate Contracts

Gray currently has 40 primary stations in 30 markets



<u># of Stations</u>	<u>Renewal Date</u>
17	12-31-14
2	12-31-16



<u># of Stations</u>	<u>Renewal Date</u>
9	12-31-15
1	1-1-16



<u># of Stations</u>	<u>Renewal Date</u>
8	12-31-13

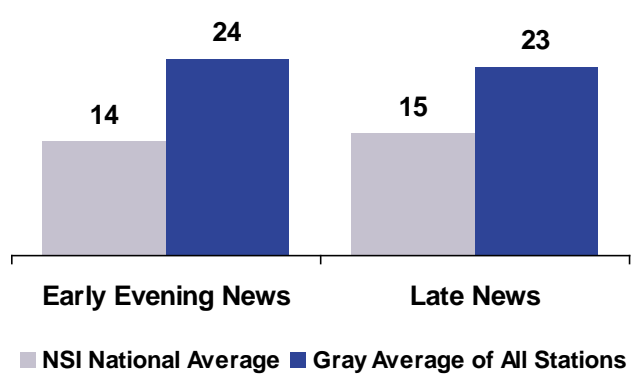


<u># of Stations</u>	<u>Renewal Date</u>
3	6-30-14

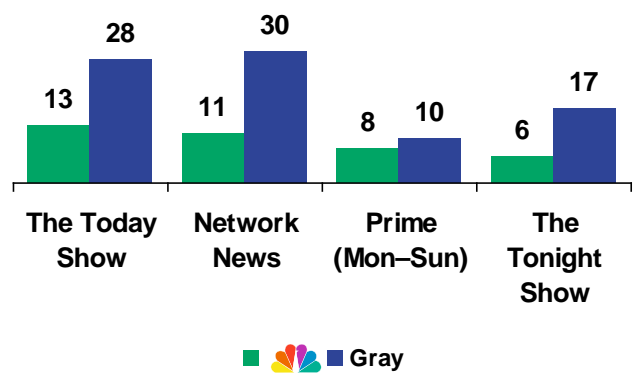
Dominate Local News & Information

- Gray's Early Evening newscasts outperform the national average by 71%
- Gray's late local news outperforms the national average by 53%
- Better than national average for all major affiliate news programs

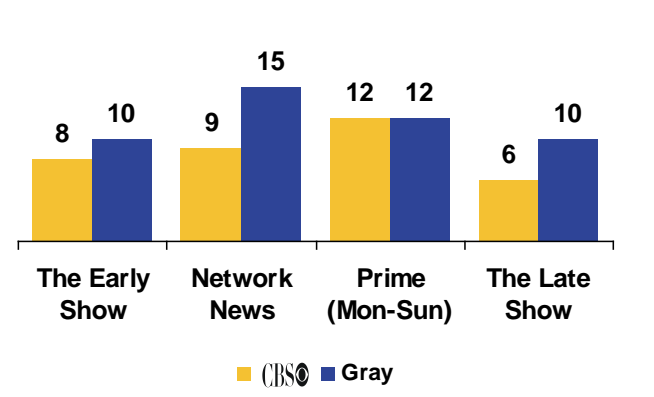
**National Average vs. Gray
November '12 Household Share**



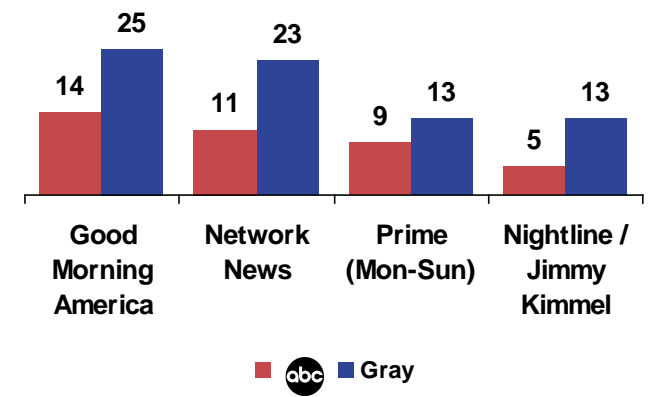
**NBC vs. Gray
November '12 Household Share**



**CBS vs. Gray
November '12 Household Share**



**ABC vs. Gray
November '12 Household Share**

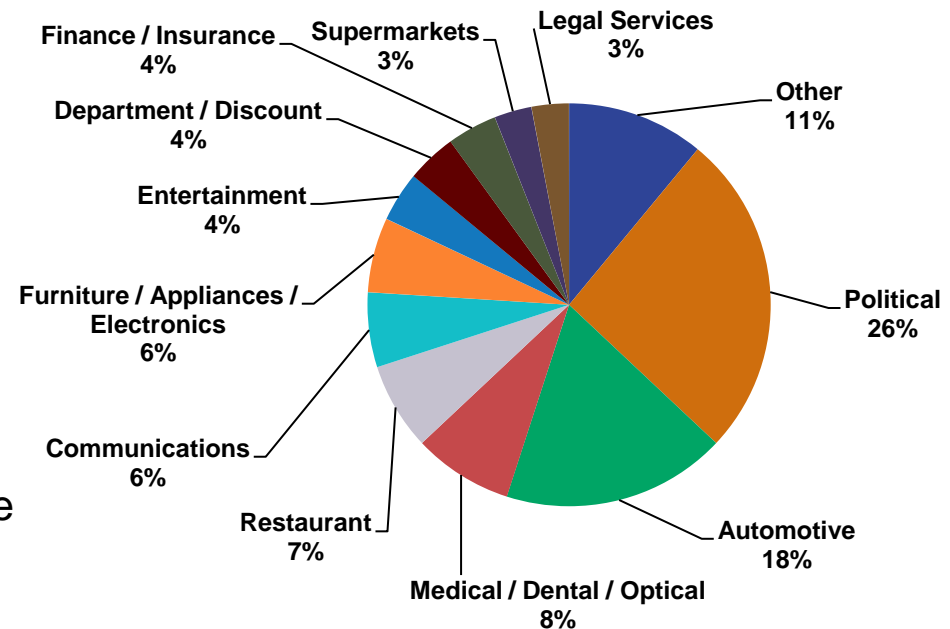


Continuing Rebound in Advertising Market

Gray TV Continuing Ad Rebound

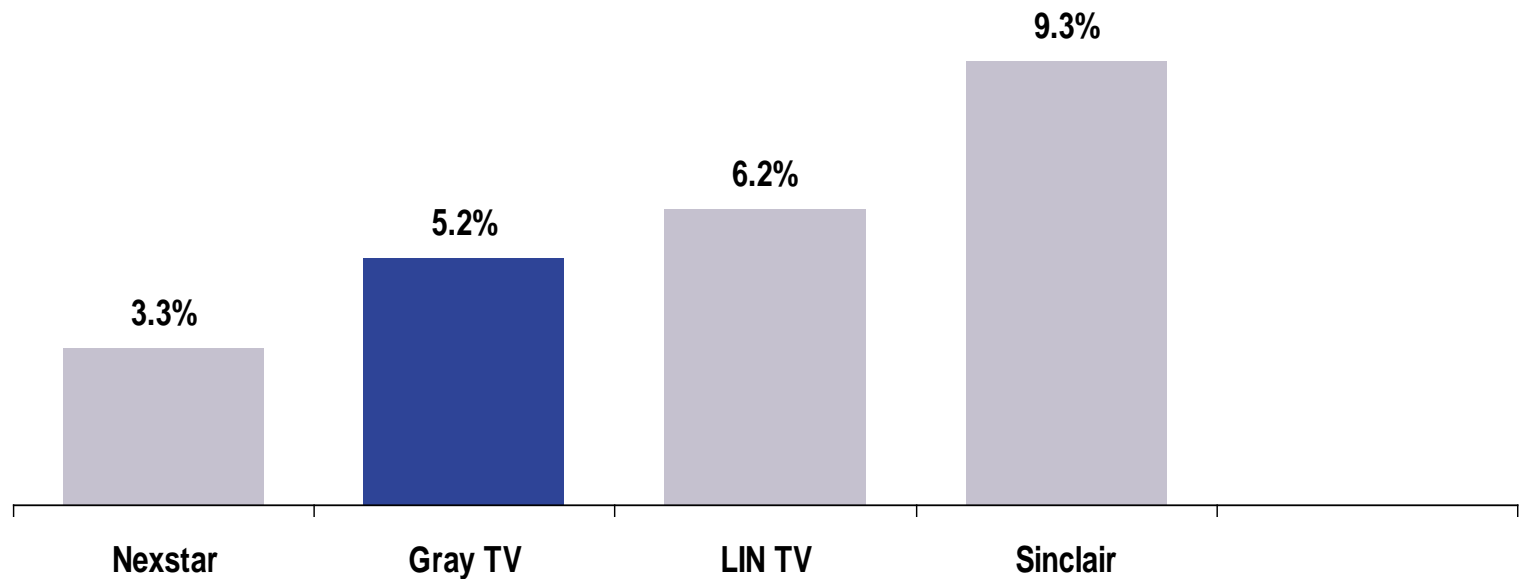
- Auto up 15.5% for full year 2012
- Most other categories also improved in 2012
- Set a new all time off-year record of \$86.0 million of political revenue for full year 2011

Full Year 2012 Ad Revenue by Category % of Commercial Time Sales



#1 News Platform Allows for Less Syndicated Programming

Syndicated Program Payments as a % of Revenue⁽¹⁾



Gray's Syndicated Program Payments as a % of Revenue is Among the Lowest of its Peers

(1) 2011 Information from Annual Reports filed on Form 10-K or other public disclosures.

Diversification Across Networks and Markets

Current Station Mix

85 channels of programming, including:

Primary Channels

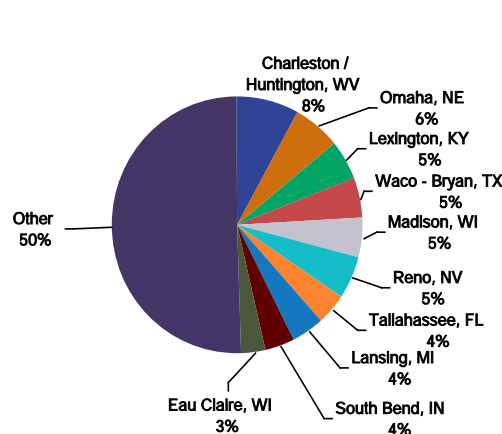
- 19 CBS
- 10 NBC
- 8 ABC
- 3 FOX

Secondary Channels⁽²⁾

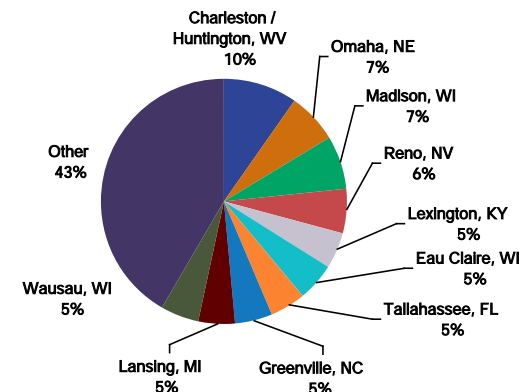
- 1 ABC
- 1 CBS
- 2 FOX
- 8 CW
- 18 MyNetwork TV
- 1 Untamed Sports Network
- 1 The Country Network
- 2 This TV Network
- 5 ME TV
- 11 Local News/Weather

40 Top 4 Network Primary Affiliates

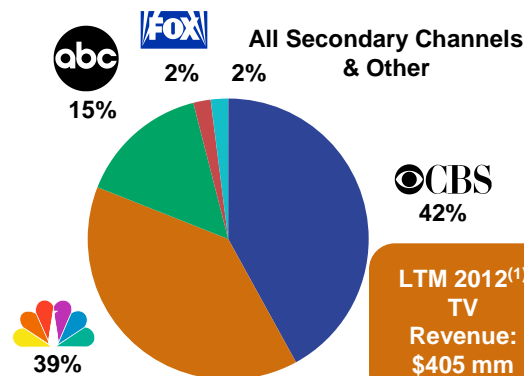
LTM 2012⁽¹⁾ Revenue: Top 10 Markets



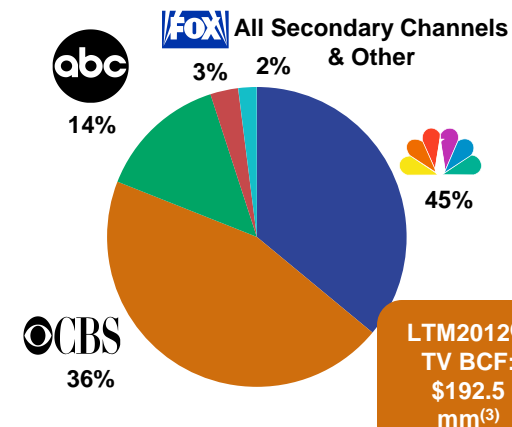
LTM 2012⁽¹⁾ BCF: Top 10 Markets



LTM 2012* Revenue by Affiliate



LTM 2012* BCF by Affiliate



(1) LTM 2012 – Last 12 months ended December 31, 2012.

(2) Certain secondary channels are affiliated with more than one network simultaneously. As a result, Gray has 45 secondary channels with 50 affiliations.

(3) Excludes corporate expenses.

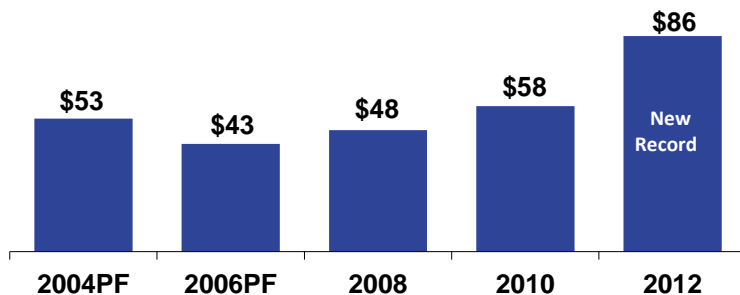
Large Political Upside

Gray TV Political Commentary

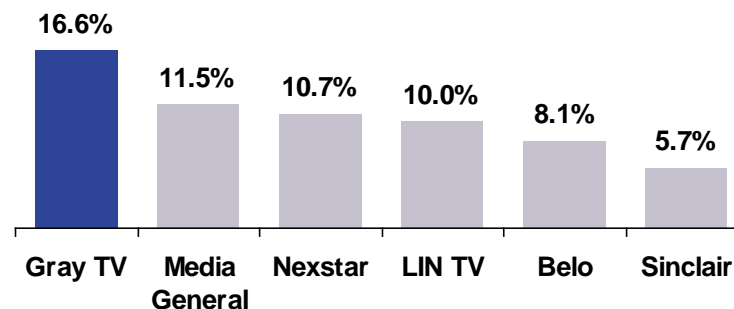
- \$86.0 Million – New Record
- 2011 Odd Year Record \$13.5 million
- Gray operates in key battleground states
 - #1 stations can capture over 50% of the political budget for a market
- Supreme Court decision to remove limits on corporate spending on political campaigns helps drive political revenue for Gray
- Revenue from issue-based political advertising expected to further drive growth

Gray TV Political Revenue

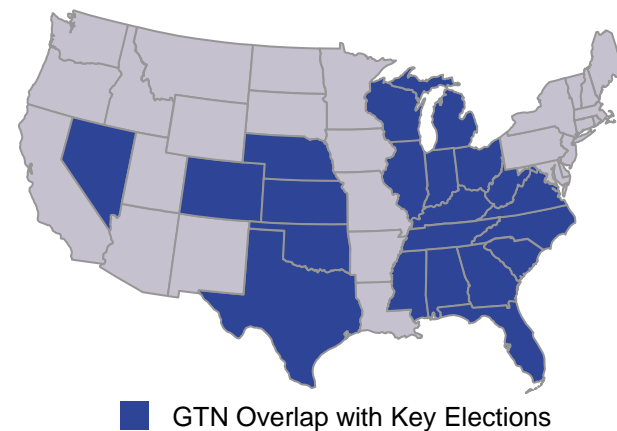
(\$ in millions)



2010 Political as % of Total Revenue



Strong Presence in Battleground States

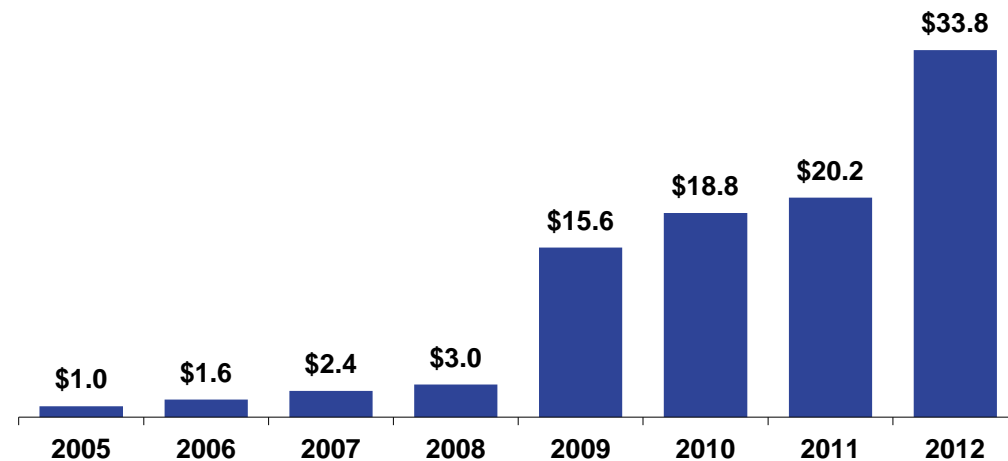


Growing Retransmission Revenue

- Agreements with all Major Cable and Satellite Providers (“MVPD’s”)
- Agreements cover virtually all in-market subscribers and certain out-of-market subscribers
- Next major renewals of agreements are in 2013 and 2014

Gray Retransmission Revenue

(\$ in millions)



% of Total Revenue	2005	2006	2007	2008	2009	2010	2011	2012
	0.4%	0.5%	0.8%	0.9%	5.8%	5.4%	6.6%	8.3%

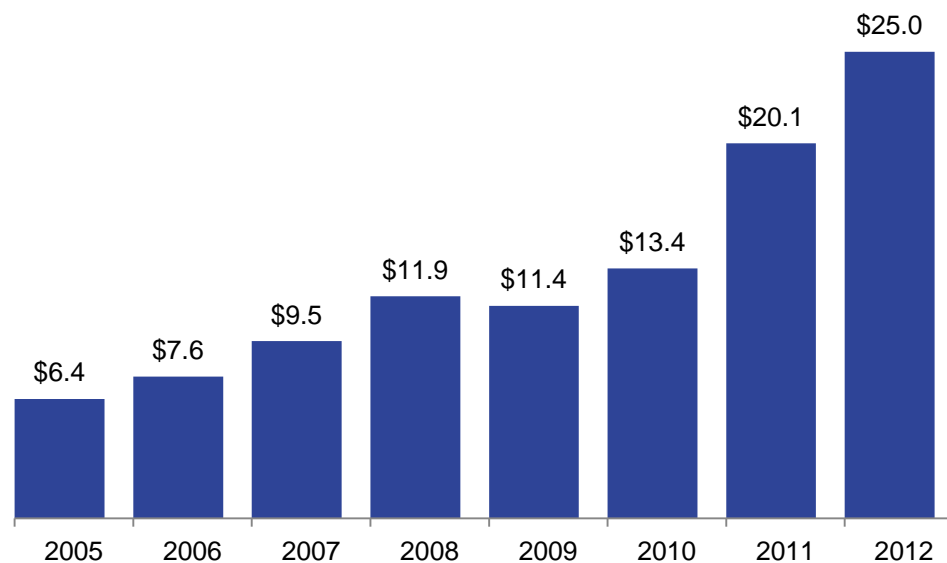
Over 40% of MVPD subscriber base renewed at year-end 2011 at significant increases.

Successful Digital Media Initiatives

- Operate web, mobile and desktop applications in all markets
- Focused on local content: news, weather, sports
- Demonstrated strong growth in page views: '05 to '12 +746% (30.6% CAGR)
- Moving all sites to responsive design
- Currently testing mobile TV services in four markets

Gray TV Digital Media Revenue

(\$ in millions)



Year	2005	2006	2007	2008	2009	2010	2011	2012
% of Total Revenue	2.4%	2.3%	3.1%	3.6%	4.2%	3.9%	6.5%	6.0%

Monetizing Digital Spectrum

In 2012, Gray Generated \$14.9 Million in Revenue, \$8.2 Million in BCF⁽¹⁾ and 55% Margin from Additional Digital Channels

As of February 27, 2013, 45 Secondary channels of programming, including 49 affiliations⁽²⁾ with:

- 1 ABC
- 1 CBS
- 2 FOX
- 8 CW
- 18 MyNetwork TV
- 1 Untamed Sports Network
- 1 The Country Network
- 2 This TV Networks
- 5 ME TV Networks
- 1 Antenna TV
- 9 Local 24-hour news and weather channels

(1) Excludes corporate expenses

(2) Certain secondary channels are affiliated with more than one network simultaneously. As a result, Gray has 45 secondary channels with 49 affiliations

- As of December 31, 2012, reduced total number of employees by 367, or 15%, since December 31, 2007
- Decreased operating costs by converting to digital
- 1.03% TV Expense CAGR 2007-2012

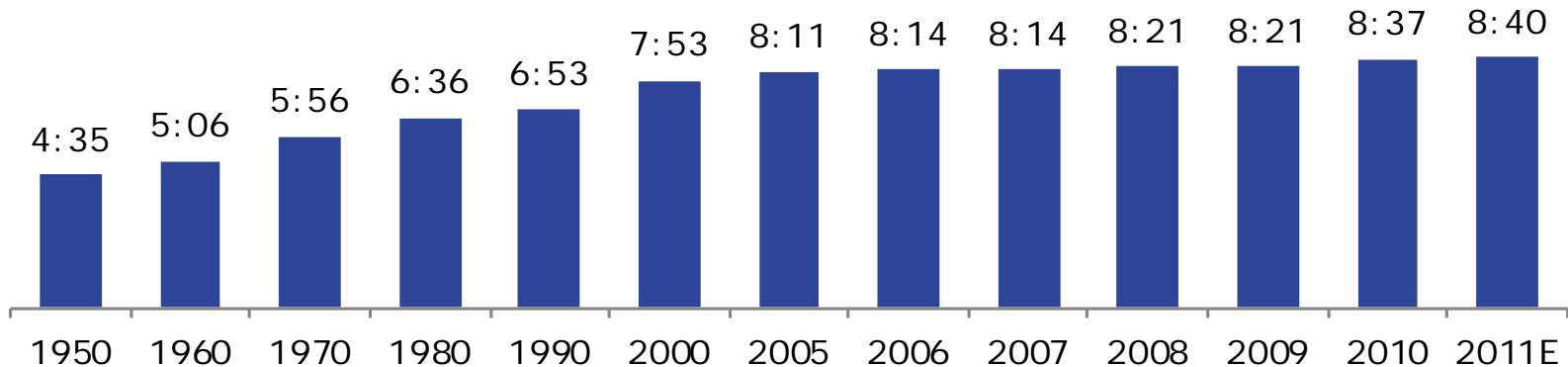
Industry Overview

GRAY
TELEVISION, INC.



Time Spent Watching TV Per U.S. Household Per Day (hrs:mm)

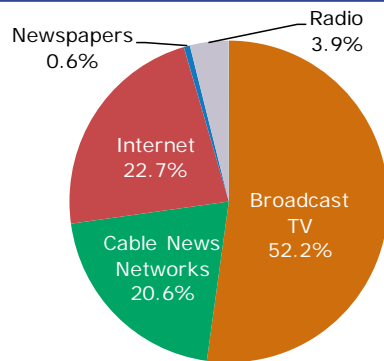
Television continues to be the #1 choice for critical mass reach among advertisers in an increasingly fragmented distribution landscape



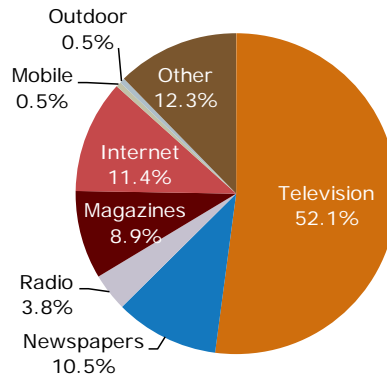
Note: Nielsen has not publicly released 2011 HH Daily TV usage. Estimate based on released Nielsen figures for 2011 growth of average monthly time spent per user watching traditional television
Source: Nielsen

Television Remains the Most Important Local Medium

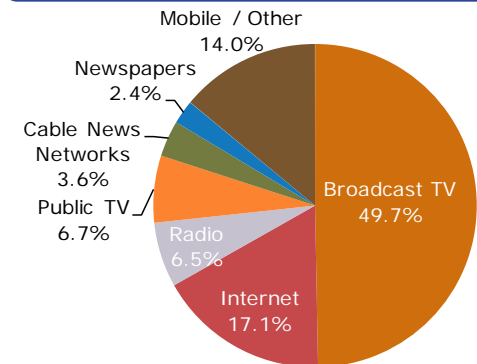
Primary Source of News



Most Influential of All Media



Source of Local Weather, Traffic and Sports



Source: TVB Media Comparison Study 2012 and Knowledge Networks Inc. Custom Survey

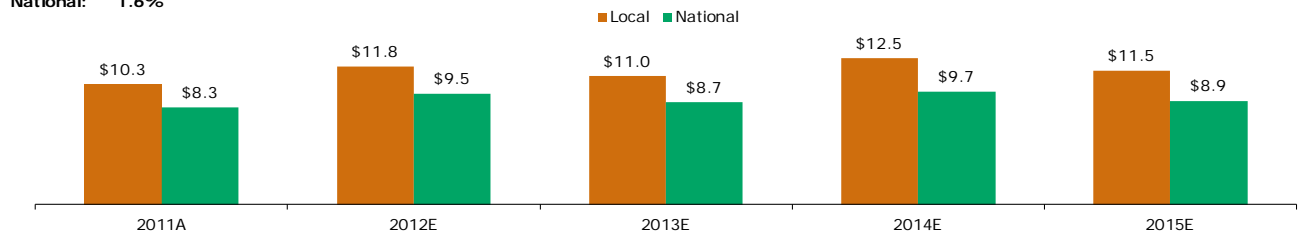
Spending on Local Broadcast Television

(\$ in billions)

2011A - 2015E Revenue CAGR:

Local: 2.8%

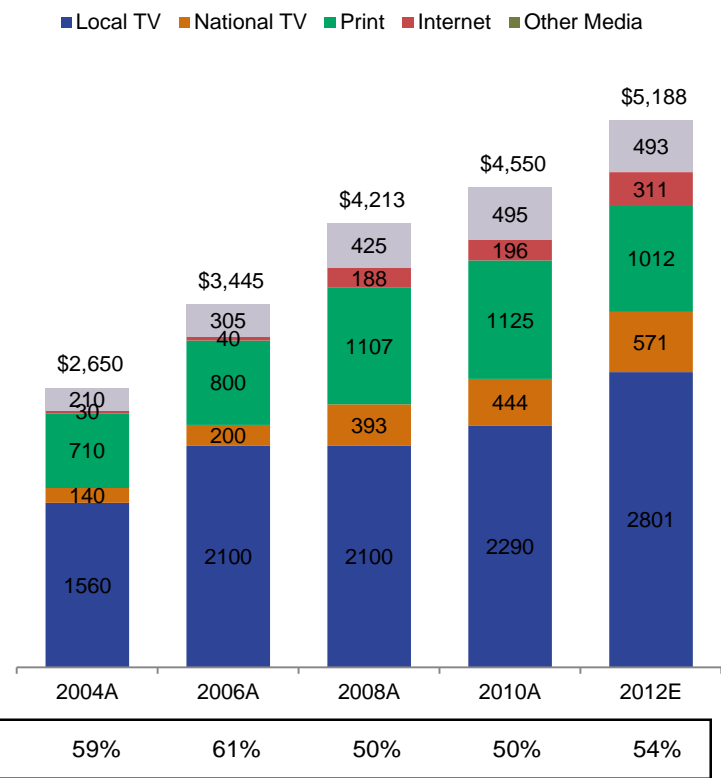
National: 1.6%



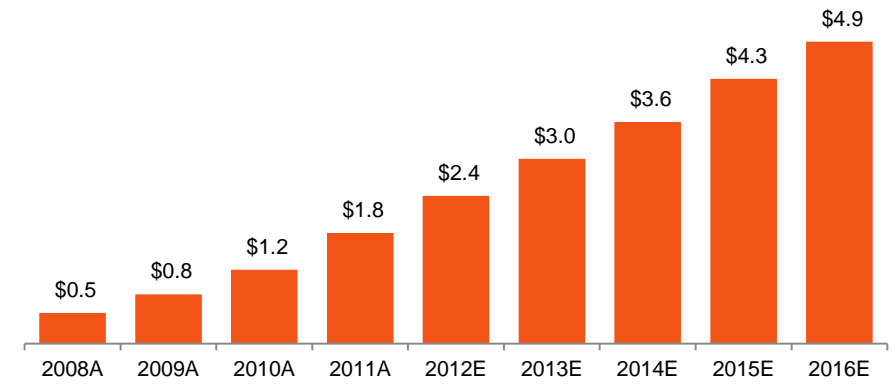
Source: SNL Kagan

Strong Growth on Other Key Revenue Streams

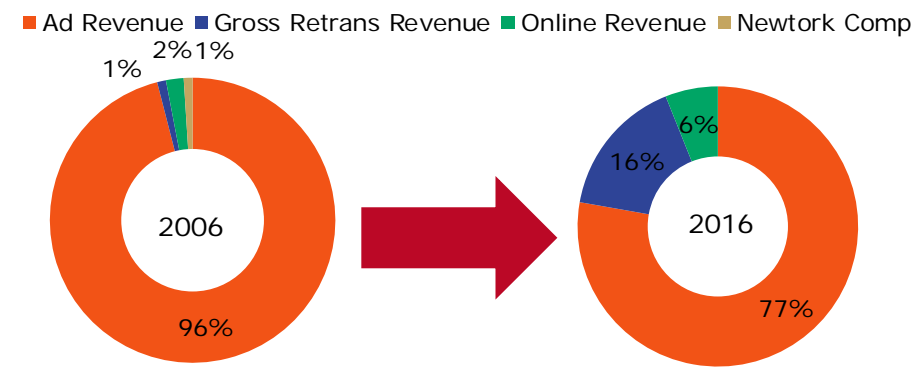
Record Level of Political Spending in 2012



Strong Momentum in Retransmission Revenue



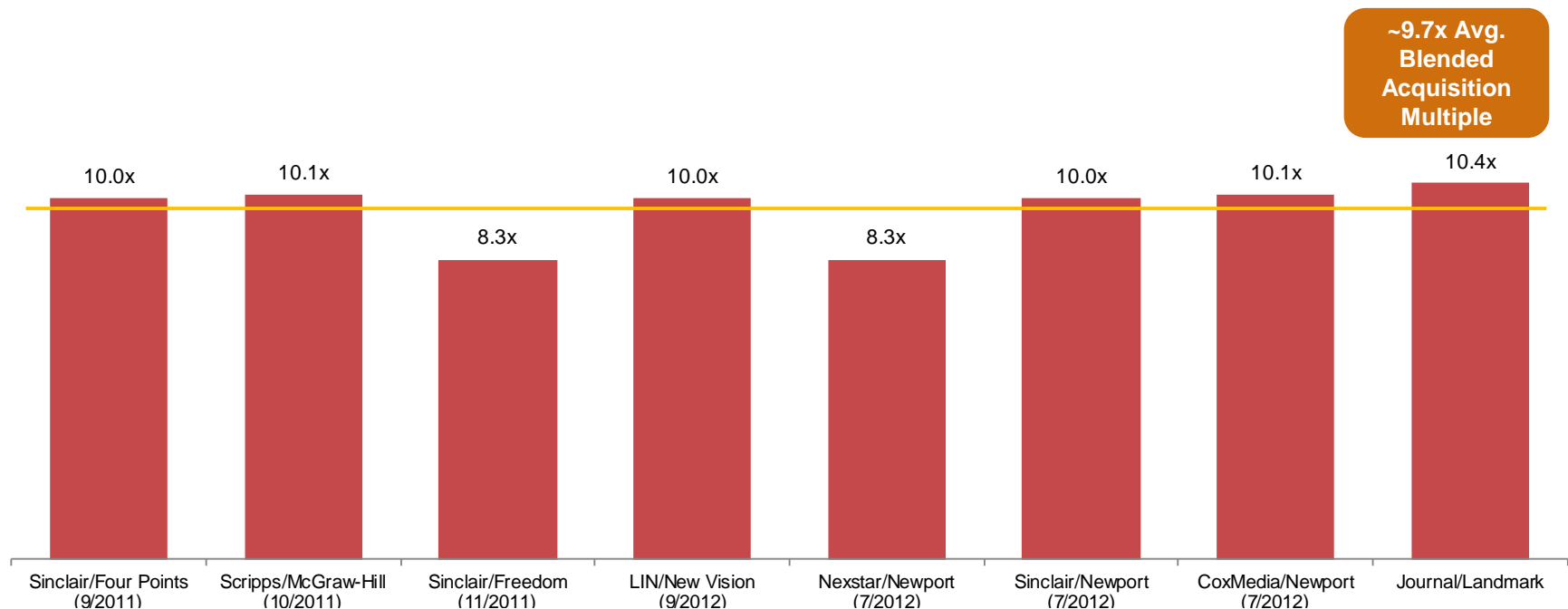
Changing Composition of Television Station Revenue



Source: SNL Kagan and TVB Media

Significant Asset Value Support

Recent broadcasting transactions have an average blended EBITDA multiple of ~9.7x



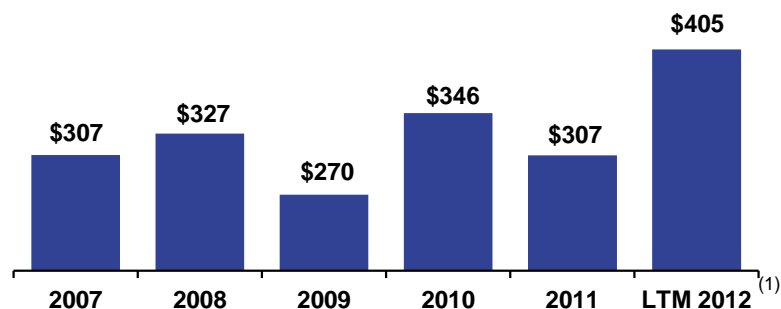
Note: Multiples shown calculated using EBITDA except Nexstar/Newport and Sinclair/Newport, which use BCF as EBITDA is not available. All multiples based on blended '11/'12 pre-synergy metrics besides Sinclair/Newport which is based on pre-synergy blended '12/'13 metrics (calculated using Wall Street research estimated synergies of \$15 million - \$20 million)

Source: SNL Kagan, Wall Street research

Historical Financial Overview

Net Revenue

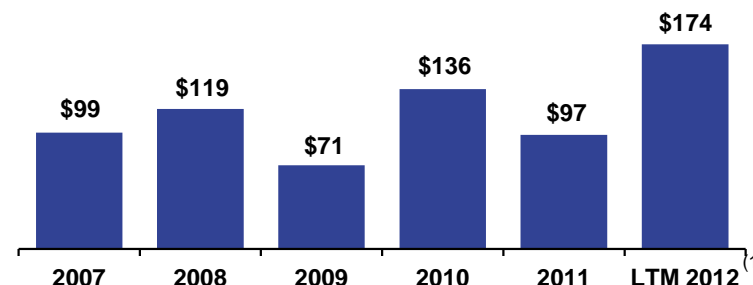
(\$ in millions)



YOY Growth		6%	(17%)	28%	(11%)	32%
2YOY Growth			(12%)	6%	14%	17%

Operating Cash Flow⁽²⁾

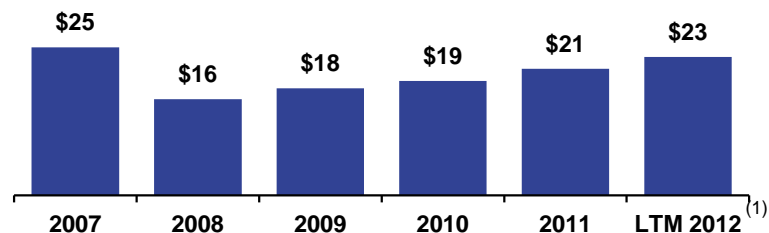
(\$ in millions)



% Margin	32%	36%	26%	39%	32%	43%
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Capital Expenditures⁽³⁾

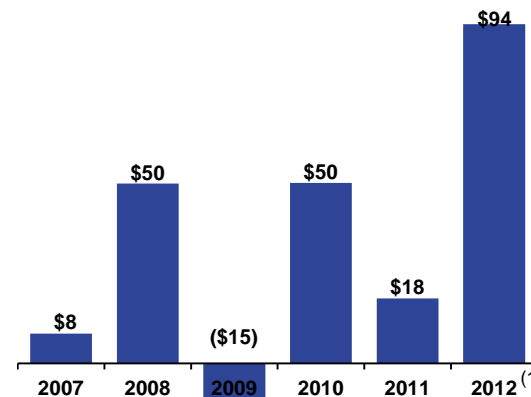
(\$ in millions)



% of Revenue	8%	5%	7%	5%	7%	6%
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Free Cash Flow⁽⁴⁾

(\$ in millions)



% of OCF	8%	42%		37%	19%	
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(1) LTM 2012—Last 12 months ended December 31, 2012

(2) Operating Cash Flow as defined in Senior Credit Facility

(3) Net of proceeds from asset sales or dispositions and insurance proceeds

(4) Free Cash Flow defined as Operating Cash Flow less cash interest, cash taxes and capital expenditures

2012 Performance

YTD 2012 Performance Highlights

- Solid Revenue performance YTD 2012
 - Local +2%
 - National +1%
 - Political \$86.0 million – record
 - Internet +24% over 2011 – major focus for growth in 2013

(\$ in millions)			Variance vs.	
	2012	2011	2011	
Local/Regional	\$191.3	\$187.0	\$4.3	2%
National	56.8	56.3	0.4	1%
Core Revenue	\$248.1	\$243.3	\$4.8	2%
Political Revenue	86.0	13.5	72.5	537%
Internet Revenue	25.0	20.1	4.9	24%
Retransmission Revenue	33.8	20.2	13.5	67%
Other	9.5	7.8	1.8	23%
Management Fee	2.4	2.2	0.2	11%
Total Revenue	\$404.8	\$307.1	\$97.7	25%
Operating Expenses	(212.3)	(194.2)	18.1	9%
Miscellaneous AJE	(1.4)	(3.3)		
Broadcast Cash Flow	\$191.1	\$109.6	\$81.6	74%
% Margin	47.2%	35.7%		
Corporate Overhead	(15.9)	(14.2)	1.8	12%
Miscellaneous AJE	0.9	0.2		
Adjusted EBITDA	\$176.1	\$95.6	\$80.5	84%
% Margin	43.5%	31.1%		
Adjustments for OCF	(2.0)	1.4		
Operating Cash Flow⁽¹⁾	\$174.1	\$97.0	\$77.1	80%

(1) as defined in Senior Credit Facility

Broadcast Cash Flow less Cash Corporate Expenses to OCF Reconciliation

(\$ in millions)	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Broadcast Cash Flow less Cash Corporate Expenses	\$96.5	\$118.1	\$69.2	\$135.7	\$95.6	\$176.1
Plus: Pension Expense Accruals	3.2	3.2	5.2	4.9	5.1	7.9
Less: Pension Fund Payments	(3.1)	(2.9)	(3.5)	(4.4)	(3.1)	(9.4)
Other	1.9	0.5	0.4	(0.1)	(0.6)	(0.5)
Operating Cash Flow as defined in Senior Credit Facility	\$98.5	\$118.9	\$71.3	\$136.1	\$97.0	\$174.1

Capitalization

(\$ in Millions)

	Actual <u>12/31/2012</u>
Cash and Cash Equivalents	\$ 11.1
\$40MM Revolver due 2017	0.0
New Term Loan B due 2019 (L+375 / LIBOR Floor = 100)	<u>535.0</u>
TOTAL FIRST LIEN DEBT	\$ 535.0
7.500% Senior Unsecured Notes due 2020	<u>300.0</u>
TOTAL DEBT	\$ 835.0
Market Capitalization ⁽¹⁾	126.5
TOTAL CAPITALIZATION	<u>961.5</u>
9/30/2012 LTM OCF ⁽²⁾	174.1
9/30/2012 L8QA OCF ⁽³⁾	135.6
Total First Lien Debt, Net Cash / L8QA OCF	3.86x
Total Debt, Net Cash / L8QA OCF	6.08x
Total First Lien Debt, Net Cash / LTM OCF	3.01
Total Debt, Net Cash / LTM OCF	4.73

(1) Based on 9/28/2012 Gray Common Stock share price of \$2.20 and 57.517 million shares outstanding (combines GTN & GTN.A)

(2) OCF as defined in the existing Credit Agreement for the last twelve months

(3) OCF as defined in the existing Credit Agreement for the last eight quarters on an annualized basis

Certain statements in this presentation constitute “forward-looking statements” within the meaning of and subject to the protections 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.”

See the Company’s website www.gray.tv for reconciliations of GAAP to non-GAAP data. Reconciliations of broadcast cash flow, broadcast cash flow less cash corporate expenses and free cash flow to GAAP data is included in the financial reports section of the www.gray.tv website.

