



Gray Reports Operating Results for the Three Months Ended March 31, 2000

April 26, 2000

Atlanta, Georgia – April 26, 2000 . . . Gray Communications Systems, Inc. (NYSE: GCS and GCS.B) today announced that revenues for the quarter ended March 31, 2000 increased 24% to \$38.9 million from \$31.4 million for the quarter ended March 31, 1999. Broadcasting, Publishing and Paging revenues increased 26%, 24% and 4%, respectively. Media Cash Flow increased 20%, to \$12.8 million for the quarter ended March 31, 2000 from \$10.7 million for the quarter ended March 31, 1999. Media Cash Flow for Broadcasting, Publishing and Paging increased 17%, 36% and 15%, respectively. The increased revenue and Media Cash Flow for Broadcasting primarily reflects the impact of the acquisitions of KWTX-TV, KBTX-TV and KXII-TV on October 1, 1999. The increased revenue and Media Cash Flow for Publishing reflects the impact of the acquisition of the Goshen News on March 1, 1999 and improved operating results at the Company's other newspapers. The increased revenue and Media Cash Flow for Paging reflects improved operating results for this unit.

On a pro forma basis, revenues for the quarter ended March 31, 2000 increased 4% to \$38.9 million from \$37.3 million for the quarter ended March 31, 1999. Pro forma Broadcasting, Publishing and Paging revenues increased 1%, 14% and 4%, respectively. Pro forma Media Cash Flow of \$12.8 million was consistent between the respective quarters and reflected strong growth in the Publishing and Paging businesses. Pro forma Media Cash Flow for Broadcasting decreased 6% while Publishing and Paging pro forma Media Cash Flow increased 28% and 15%, respectively. The first quarter pro forma results for Broadcasting reflect lower than anticipated revenues at several of Gray's television stations. Publishing's improved pro forma results for the quarter primarily reflect strong growth in the advertising revenues at Gray's Gwinnett County, Georgia and Goshen, Indiana newspapers.

Gray reported a net loss available to common stockholders of \$4.1 million for the first quarter of 2000 compared to a net loss available to common stockholders of \$1.8 million for the first quarter of 1999. Gray reported a pro forma net loss available to common stockholders of \$4.1 million for the first quarter of 2000 compared to a pro forma net loss available to common stockholders of \$3.6 million for the first quarter of 1999.

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* Gray Communications Systems, Inc. ("Gray" or the "Company") acquired KWTX Broadcasting Company operating KWTX-TV, Brazos Broadcasting Company operating KBTX-TV and the assets of KXII-TV on October 1, 1999. In addition, Gray acquired the assets of The Goshen News on March 1, 1999. The results of operations of these acquired businesses have been included in the Company's historical financial statements since their respective acquisition dates. The pro forma results of operations of these acquired businesses have been included in the Company's pro forma financial statements since the first day of the respective reporting period.

** Media Cash Flow is defined as operating income, plus depreciation, non-cash compensation, amortization (including amortization of program license rights), and corporate overhead, less payments for program license liabilities. The Company has included Media Cash Flow data because such data is commonly used as a measure of performance for media companies and is also used by investors to measure a company's ability to service debt. Media Cash Flow is not, and should not, be used as an indicator or alternative to operating income, net income or cash flow as reflected in the Company's consolidated financial statements. Media Cash Flow is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

Gray Communications Systems, Inc. will be hosting a conference call to discuss its first quarter operating results on Wednesday, April 26, 2000. The call will begin at 11:00 AM EDT, and it will be available for replay via telephone until May 10, 2000. The live dial-in number is (800) 553-0318. The call will be webcast live at www.graycommunications.com in the Investor Relations Section. The taped replay will be available at (800) 475-6701 and the access code for the taped replay is 514303. A replay of the conference call will also be available on-line at www.streeffusion.com and it will be available for replay at this web site until May 10, 2000.

Gray Communications Systems, Inc. is a communications company headquartered in Atlanta, Georgia, and operates thirteen television stations (ten CBS and three NBC affiliated stations), four daily newspapers, a paging business and a satellite uplink and production business. The Company's current operations are concentrated in the South, Southwest and Midwest U. S.