



## **Gray Television, Inc. Signs Definitive Purchase Agreement To Acquire Kolo-TV, Channel 8 in Reno, Nevada**

September 4, 2002

ATLANTA, Sept. 4 /PRNewswire-FirstCall/ -- Gray Television, Inc. (NYSE: GTN GTN.a) announced today that it has signed a definitive purchase agreement to acquire certain assets and assume certain liabilities of KOLO-TV from Smith Television Group, Inc. The purchase price will be \$41.5 million in cash. KOLO-TV operates on Channel 8 in the Reno, Nevada television market. KOLO-TV is a VHF television station that is affiliated with the ABC television network.

KOLO-TV is the number one rated station in its market. The Reno market ranks as the 114th largest television market in the U.S. with 242,000 television households. Carson City, the state capital of Nevada, is included in the market served by KOLO-TV. The acquisition of KOLO-TV will complement Gray's existing group of television stations.

Gray has previously announced a pending merger transaction with Stations Holding Company, Inc. ("Stations") in which Gray will acquire 15 additional television stations for cash consideration of approximately \$502.5 million.

Upon completion of the merger with Stations and the KOLO-TV acquisition, Gray will own a total of 29 stations serving 25 television markets. The stations will include 15 CBS affiliates, 7 NBC affiliates and 7 ABC affiliates. The combined station group will have 22 stations ranked #1 in both viewing audience and local news audience within their respective markets. The combined group will reach over 5% of total U.S. TV households. In addition, with 15 CBS affiliated stations, Gray will be the largest independent owner of CBS affiliates in the country. The combined station group will have a significant presence in the Southeast, Southwest, Midwest and Great Lakes regions of the United States.

Gray currently intends to finance both of these acquisitions by issuing a combination of equity and debt securities. The KOLO-TV acquisition and the Stations acquisition are both subject to FCC approval. Both the merger with Stations and the purchase of KOLO-TV are currently expected to close during the fourth quarter of this year. This press release does not constitute an offer to sell or an offer to buy any securities.

Gray Television, 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 wireless messaging and paging business and a satellite uplink and production business. The Company's current operations are concentrated in the South, Southwest and Midwest U. S.