



Gray Television, Inc. Announces Public Offering

October 17, 2002

ATLANTA, Oct 17, 2002 /PRNewswire-FirstCall via COMTEX/ -- Gray Television, Inc. (NYSE: GTN) today announced it has priced its public offering of 30,000,000 shares of common stock at a public offering price of \$8.25 per share. The shares are expected to commence trading on October 17, 2002 on the New York Stock Exchange under the symbol "GTN."

Deutsche Bank Securities and Merrill Lynch & Co. are acting as representatives of the underwriters. Gray has granted the underwriters a 30-day option to purchase an additional 4,500,000 shares of common stock at a public offering price of \$8.25 per share to cover over-allotments, if any.

When available, a copy of the prospectus, including a prospectus supplement, relating to the offering may be obtained from Deutsche Bank Securities, c/o Prospectus Department, One South Street, Baltimore, MD 21203, telephone 410-895-2080 or Merrill Lynch & Co., 250 Vesey Street, New York, New York 10080, telephone (212) 449-1000.

Gray will use the net proceeds from this offering to finance, in part, the pending merger with Stations Holding Company, Inc. by which Gray will acquire 15 television stations for \$502.5 million. Gray currently expects the merger to be completed on or about October 22, 2002. Gray has also announced a separate transaction to acquire KOLO-TV in Reno, Nevada for \$41.5 million that it currently expects to complete by December 31, 2002.

Upon completion of the two acquisitions mentioned above, Gray will own a total of 29 stations serving 25 television markets. The stations will include 15 CBS affiliates, seven NBC affiliates and seven ABC affiliates. The combined station group will have 23 stations ranked #1 in local news audience and 22 stations ranked #1 in overall audience within their respective markets. The combined TV station group will reach approximately 5.3% 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.

Gray Television, Inc. is a communications company headquartered in Atlanta, Georgia, and currently operates ten CBS-affiliated television stations, three NBC-affiliated television stations and four daily newspapers.

Deutsche Bank Securities and Merrill Lynch & Co. were joint book-running managers for the offering. Bear, Stearns & Co. Inc. was a co-lead manager for the offering. Allen & Company LLC, Wachovia Securities, Inc. and SunTrust Robinson Humphrey were co-managers for the offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

For information contact:

Bob Prather
President
(404) 266-8333

Jim Ryan
Chief Financial Officer
(404) 504-9828