



## Gray Television, Inc. Reduces Interest Rate on Existing Senior Credit Facility

July 1, 2005

ATLANTA, July 1 /PRNewswire-FirstCall/ -- Gray Television, Inc. (NYSE: GTN; GTN.A) announced today that it has amended its existing senior credit facility. The amendment to the senior credit facility decreases the anticipated annual interest cost of Gray by approximately \$1.4 million annually. Certain loan covenants and other terms of the senior credit facility were also modified by the amendment.

The senior credit facility has a maximum term of seven and one half years and the total amount available under the senior credit facility is \$400 million, consisting of a \$100 million revolving facility, a \$100 million term loan A facility and a \$200 million term loan B facility.

Gray's interest rate is based on the lender's base rate (generally reflecting the lender's prime rate) plus the specified margin or a London Interbank Offered Rate ("LIBOR") plus a specified margin. The specified margin for revolving and term loan A advances is determined by Gray's debt leverage ratio as defined in the agreement.

	Range of Applicable Margin for Base Rate Advances	Range of Applicable Margin for LIBOR Rate Advances
Revolving and term A advances	0% to 0.25%	0.75% to 1.5%
Term B advances	0.25%	1.5%

Gray has elected to borrow these funds under its LIBOR option. The interest rate under this option is LIBOR plus the current margin of 1.25% for revolving and term loan A advances and a margin of 1.5% for term loan B advances. The amount outstanding under the senior credit facility as of July 1, 2005 is \$376 million and is allocated as follows: revolving loan of \$76 million, term loan A of \$100 million and term loan B of \$200 million.

Wachovia Bank, National Association served as administrative agent and as a lender, Wachovia Capital Markets, LLC served as sole lead arranger and as sole book runner, Bank of America, NA served as syndication agent and as a lender, Deutsche Bank Trust Company Americas, Allied Irish Banks PLC and KeyBank National Association served as documentation agents and as lenders.

Gray Television, Inc. is a communications company headquartered in Atlanta, Georgia, and currently operates 16 CBS-affiliated television stations, eight NBC-affiliated television stations, seven ABC-affiliated television stations and five daily newspapers.

SOURCE: Gray Television, Inc.

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