



Gray Receives All Government Approvals for Transactions With Hoak Media, Mission TV, and Lockwood

April 3, 2014

Gray Closes on Lockwood Transaction, Plans for Second Quarter Closing of Remaining Transactions

ATLANTA, April 3, 2014 /PRNewswire/ -- **Gray Television, Inc. ("Gray" or "we" or "our") (NYSE: GTN and GTN.A)** today announced that it has received all government approvals for all of its previously announced television station acquisitions, including those involving Hoak Media, LLC ("Hoak").

On November 20, 2013, Gray announced agreements with Hoak and separate agreements by which Excalibur Broadcasting, LLC ("Excalibur") would acquire television stations in existing or future Gray markets from Hoak, Parker Broadcasting, Inc. ("Parker"), and Prime Cities Broadcasting, Inc. ("Prime Cities"). At that time, Gray also announced that it and Excalibur would divest Hoak's and Parker's television stations in the Panama City and Grand Junction markets and subsequently announced on December 19, 2013, that Nexstar Broadcasting, Inc. ("Nexstar"), and Mission Broadcasting, Inc. ("Mission Broadcasting") would acquire the television stations in those two markets.

On March 3, 2014, the Antitrust Division cleared all of the transactions involving the Hoak, Parker, and Prime Cities television stations. On March 12, 2014, however, the FCC issued a Public Notice imposing new restrictions on pending transactions involving television stations. In response to that action and FCC advice, on March 24, 2014, Gray and Excalibur submitted amendments to their pending applications that restructured the proposed Excalibur acquisitions. The changes included removing Gray's guarantee of Excalibur's financing to acquire Excalibur's new stations and eliminating a put/call option on Excalibur's new stations. In addition, Excalibur withdrew its application to acquire the Prime Cities television stations. Nexstar and Mission Broadcasting also filed amendments to restructure their transaction involving the Grand Junction DMA.

On April 3, 2014, the FCC's Media Bureau approved Gray's applications to acquire the following television stations from Hoak:

| STATION | AFFILIATION | MARKET | DMA RANK |
|---------|-------------|------------------------------|----------|
| KSFY | ABC | Sioux Falls, SD | 111 |
| KABY* | ABC | Sioux Falls, SD | 111 |
| KPRY* | ABC | Sioux Falls, SD | 111 |
| KVLY | NBC | Fargo-Valley City, ND | 116 |
| KNOE | CBS | Monroe- El Dorado, LA | 137 |
| KFYR | NBC | Minot-Bismarck-Dickinson, ND | 145 |
| KMOT* | NBC | Minot-Bismarck-Dickinson, ND | 145 |
| KUMV* | NBC | Minot-Bismarck-Dickinson, ND | 145 |
| KQCD* | NBC | Minot-Bismarck-Dickinson, ND | 145 |
| KALB | NBC/CBS | Alexandria, LA | 179 |
| KNOP | NBC | North Platte, NE | 208 |
| KIIT-LP | FOX | North Platte, NE | 208 |

* satellite station

Gray currently anticipates that it will close on the acquisition of the above-listed Hoak television stations during the second quarter of 2014.

The FCC has not acted on the amended Excalibur's applications to acquire the following television stations from Hoak and Parker:

| STATION | AFFILIATION | MARKET | DMA RANK |
|---------|-------------|------------------------------|----------|
| KHAS | NBC | Lincoln-Hastings-Kearney, NE | 105 |
| KXJB | CBS | Fargo-Valley City, ND | 116 |
| KAQY | ABC | Monroe-El Dorado, LA | 137 |

Likewise, the FCC also has not acted on the amended Nexstar and Mission Broadcasting applications. Gray cannot predict when the FCC might grant the Excalibur applications.

In light of the FCC uncertainty, Gray is exploring alternative arrangements that may facilitate the creation of the efficiencies, public interest benefits, and expanded advertiser opportunities that were proposed in the still-pending Excalibur applications. Gray notes, however, that its projected net revenue from providing services to KHAS, KXJB and KAQY is expected to constitute approximately 3% of Gray's annual pro forma net revenues.

Separately, in March 2014, the FCC approved Gray's acquisition of WQCW(TV), Portsmouth, Ohio and WOCW-LP, Charleston, West Virginia (collectively, "WQCW-TV") from Lockwood Broadcast Group. WQCW-TV serves as the CW affiliate for the Charleston/ Huntington, West Virginia television market, where Gray owns and operates WSAZ-TV, the market's NBC affiliate. Gray closed this acquisition on April 1, 2014.

Finally, on April 3, 2014, the FCC granted Gray's application to acquire KEVN and KIVV in the Rapid City, North Dakota, market, which together serve as that DMA's Fox affiliate, from Mission TV, LLC ("Mission TV"), which is unrelated to Mission Broadcasting. Gray anticipates closing this transaction in the second quarter of 2014.

The aggregate purchase prices for the transactions outlined above, including the restructuring of certain Excalibur arrangements as described above,

represent a multiple of approximately 6.8 times a blended average of 2013-2014 pro forma broadcast cash flow of the stations, including expected synergies. As such, consummation of the pending transactions will be immediately free cash flow accretive to Gray.

Gray has now received government approvals to all previously announced transactions. Consequently, Gray currently does not have any applications pending before the FCC or the DOJ.

The Company

We are a television broadcast company headquartered in Atlanta, Georgia, that owns and/or operates television stations and leading digital assets in dozens of markets across the country. Upon completion of all previously announced and pending transactions, we will own and/or operate television stations in 40 television markets broadcasting 136 program streams including 73 affiliates of the Big Four networks (ABC, CBS, NBC and FOX). At that time, our owned and/or operated stations will include twenty-seven channels affiliated with the CBS Network, twenty-two channels affiliated with the NBC Network, fourteen channels affiliated with the ABC Network and ten channels affiliated with the FOX Network. We will then own and/or operate the number-one ranked television station in 27 of those 40 markets and the number-one or number-two ranked television station operations in 37 of those 40 markets. We will reach approximately 7.3 percent of total United States television households.

SOURCE Gray Television, Inc.

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