



Gray Enters Montana

May 7, 2014

ATLANTA, May 7, 2014 /PRNewswire/ -- **Gray Television, Inc. ("Gray" or "we" or "our") (NYSE: GTN and GTN.A)** today announced that it has agreed to acquire three network-affiliated television stations in Montana for approximately \$2,000,000.

Gray has reached an agreement with Intermountain West Communications Company ("IMW") for Gray to acquire KTVH, the NBC affiliate for the Helena, Montana, television market, and KBGF, the NBC affiliate for the Great Falls, Montana, television market. Gray also has reached an agreement with Rocky Mountain Broadcasting Company for Gray to acquire KMTF, the CW affiliate for the Helena market, subject to receipt of a "failing station waiver" from the FCC. On June 1, 2014, Gray will begin operating the NBC stations pursuant to a local marketing agreement during the pre-closing period.

Lisa Howfield, the President and COO of Intermountain West stated, "Selling KTVH and KBGF is a bittersweet moment for IMW. We respect and value those stations tremendously. On the other hand, we are excited that they will be joining a group of broadcasters who share our commitment to localism."

"Gray is thrilled to again expand our portfolio of leading television stations," said Kevin Latek, Gray's Senior Vice President for Business Affairs. "KTVH in particular complements Gray's announced acquisition strategy well, because this number-one ranked station in a state capital is intimately involved with the local community and in fact broadcasts from a studio located on the campus of Carroll College in downtown Helena."

The acquisitions of KTVH, KBGF, and KMTF will be immediately free cash flow accretive to Gray. The transactions are subject to receipt of regulatory and other approvals, including receipt of a "failing station waiver" from the FCC for KMTF. Gray anticipates that the transactions will close in the second or third quarter of 2014.

Kalil & Company represented the sellers.

The Company

We are a television broadcast company headquartered in Atlanta, Georgia, that owns and/or operates television stations and leading digital assets in markets throughout the United States. Upon completion of all pending transactions, we will own and/or operate television stations in 42 television markets broadcasting 139 program streams including 75 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-four 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 28 of those 42 markets and the number-one or number-two ranked television station operations in 38 of those 42 markets. We will reach approximately 7.4 percent of total United States television households.

www.gray.tv

SOURCE Gray Television, Inc.

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