



Gray To Acquire ABC Affiliate In Flint, Michigan, And ABC/CW Affiliate In Toledo, Ohio From SJL Holdings

July 24, 2014

ATLANTA, July 24, 2014 /PRNewswire/ -- **Gray Television, Inc. ("Gray" or "we" or "our") (NYSE: GTN and GTN.A)** announced today that it has agreed to acquire WJRT-TV and WTVG-TV from affiliates of SJL Holdings, LLC ("SJL") for approximately \$128.0 million in cash.

WJRT-TV and WTVG-TV are ABC-affiliated television stations serving the Flint-Saginaw-Bay City, Michigan, and Toledo, Ohio, television markets, respectively. In addition, WTVG-TV will soon add a local CW station as a multicast channel. Nielsen ranks the Flint-Saginaw-Bay City, Michigan and Toledo, Ohio DMAs as the 68th and 76th largest television markets in the United States, respectively.

Both WJRT-TV and WTVG-TV lead their local markets in all-day ratings and in most, if not all, local newscasts. According to BIA revenue data, WJRT-TV is the highest ranked television station in its market, and WTVG-TV is a close second ranked station in its market.

Strategically, these transactions reinforce Gray's transformative growth strategy as we continue to acquire quality assets in attractive markets. As such, the transaction is consistent with Gray's strategy of enhancing shareholder value through select acquisitions of market-leading stations that share the culture and values of our existing television stations.

"We are very excited to add two more outstanding, community-focused television stations and their growing, dynamic markets to the Gray portfolio," said Hilton Howell, Gray's President and CEO. "Under SJL's stewardship, these stations have grown their news operations, ratings, revenue, and income at very impressive levels. With Gray's backing and the strong teams already in place in Flint and Toledo, WJRT-TV and WTVG-TV will enhance their leading local positions even further," he added.

Brian Lilly, President of SJL, commented, "We are pleased that our dedicated employees will have the opportunity to work with Gray, a company that shares our commitment to quality journalism and service to the community."

The transaction purchase price represents a multiple of approximately 7.0 times a blended average of 2012-2013 pro forma broadcast cash flow of the stations including expected synergies. As such, Gray's acquisition of WJRT-TV and WTVG-TV will be immediately free cash flow accretive to Gray. Gray expects to finance the transaction with new term loans, cash on hand and/or by accessing the capital markets.

The transaction is subject to receipt of regulatory and other approvals and is expected to close in the third or fourth quarter of 2014. Cooley LLP served as legal counsel for Gray. Proskauer served as legal counsel for SJL.

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 44 television markets broadcasting 142 program streams including 77 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, sixteen 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 29 of those 44 markets and the number-one or number-two ranked television station operations in 40 of those 44 markets. We will reach approximately 8.1 percent of total United States television households.

SOURCE Gray Television, Inc.

www.gray.tv, Hilton H. Howell, Jr., President and Chief Executive Officer, 404-266-5512, or Jim Ryan, Senior Vice President and Chief Financial Officer, 404-504-9828, or Kevin P. Latek, Senior Vice President, Business Affairs, 404-266-8333