



Gray To Acquire WAGM-TV In Presque Isle, Maine

April 23, 2015

ATLANTA, April 23, 2015 /PRNewswire/ -- **Gray Television, Inc. ("Gray" or "we" or "our") (NYSE: GTN and GTN.A)** announced today that it has reached an agreement with NEPSK, Inc. to acquire WAGM-TV in Presque Isle, Maine, for \$10.25 million in cash. WAGM-TV's two digital channels are affiliated with the CBS Network and the FOX Network.

WAGM-TV is not only the highest rated television station in the Presque Isle DMA, it is also one of the most-watched local television stations in the United States. Its CBS "NewsSource 8" 6 p.m. local newscasts had the highest average ratings across all television stations in the United States in the last four major non-Olympics "sweeps" periods (February 2015, November 2014, May 2014, and November 2013). And the station's CBS channel's average all-day ratings (5am-5pm) across those sweeps periods were the second-highest among all local television stations, following only WTOK-TV (ABC) in Meridian, Mississippi, which is also owned by Gray Television.

WAGM-TV serves an expansive DMA that is geographically larger than the states of Connecticut and Rhode Island combined, as well as the western portion of the Canadian province of New Brunswick outside of the Nielsen-defined DMA boundaries.

"This transaction presents us with a rare opportunity to acquire a television station with the demonstrated track record of localism and service that WAGM-TV has achieved," said Kevin Latek, Gray's Senior Vice President of Business Affairs. "We are honored to be trusted with this fine institution, and we look forward to working with the dedicated employees to further enhance its success."

Carole Kozloski, the President and Chief Operating Officer of NEPSK, Inc. explained, "The decision to sell WAGM has been a difficult one for us. We have been part of this community for over 30 years, and many of our employees have been with us since the beginning. Gray is a broadcast company with similar beliefs to ours, and we are confident they will follow in our footsteps, having the resources to better serve our employees and our local communities."

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

The transaction purchase price represents a multiple of less than six times a blended average of 2014-2015 anticipated pro forma broadcast cash flow of the station including expected synergies. As such, Gray's acquisition of WAGM-TV will be immediately free cash flow accretive to Gray. Gray expects to finance the transaction with cash on hand. The transaction is subject to receipt of regulatory and other approvals and is expected to close in the third quarter of 2015.

About Gray Television

Gray Television, Inc. (NYSE: GTN and GTN.A) is a television broadcast company headquartered in Atlanta, Georgia, that owns and operates television stations and leading digital assets in markets throughout the United States. We currently own and operate television stations in 44 television markets broadcasting 140 program streams including 76 affiliates of the Big Four networks (ABC, CBS, NBC and FOX). Our owned and operated stations include 26 channels affiliated with the CBS Network, 24 channels affiliated with the NBC Network, 16 channels affiliated with the ABC Network and 10 channels affiliated with the FOX Network. We own and operate the number-one ranked television station in 31 of those 44 markets and the number-one or number-two ranked television station operations in 41 of those 44 markets. We reach approximately 8.0 percent of total United States television households.

www.gray.tv

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SOURCE Gray Television, Inc.

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