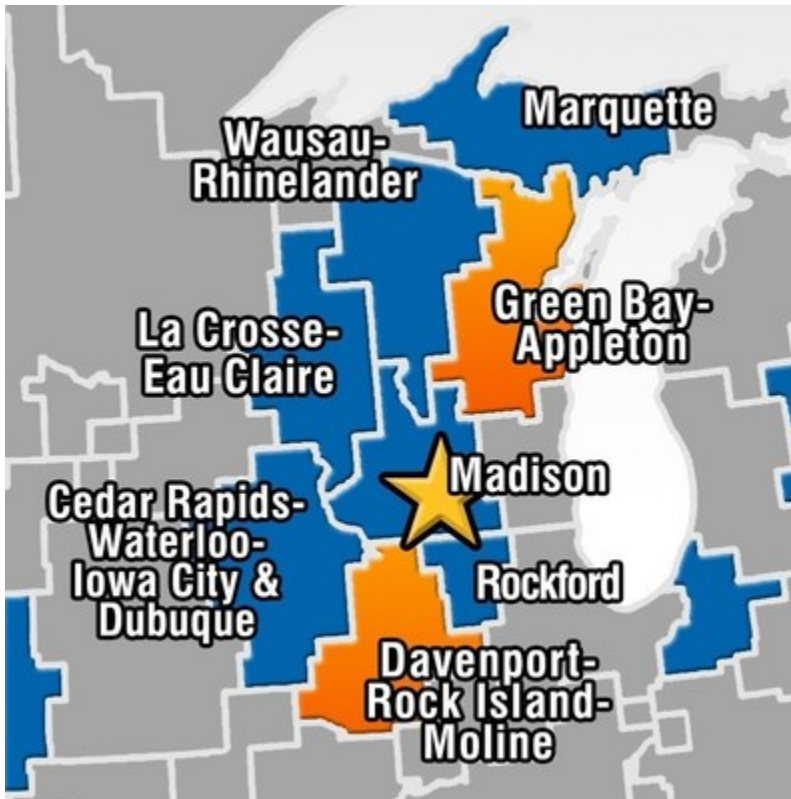




Gray To Acquire #1 Ranked Television Stations In Green Bay And Davenport Markets

June 3, 2016

ATLANTA, June 3, 2016 /PRNewswire/ -- Gray Television, Inc. ("Gray," "we," "us" or "our") (NYSE: GTN and GTN.A) announced today that it has reached an agreement with Nexstar Broadcasting Group, Inc. ("Nexstar") to acquire, for \$270 million in cash, two television stations that Nexstar will divest upon its merger with Media General, Inc.: WBAY (ABC), in Green Bay, Wisconsin, and KWQC (NBC) in Davenport, Iowa, both currently owned and operated by Media General.



The addition of these two mid-market television stations will be immediately free cash flow accretive while also allowing Gray to further deleverage its balance sheet. Gray will acquire WBAY and KWQC concurrently with the closing of the Nexstar/Media General merger, which the parties anticipate will occur in the fourth quarter of 2016.

According to Nielsen and BIA data, WBAY is the highest rated and top-grossing television station in the Green Bay DMA, which is the 68th largest market. WBAY will cement Gray's presence in Wisconsin and the Upper Peninsula, where Gray owns the top-grossing television stations serving Madison (WMTV/NBC), Eau Claire-Lacrosse (WEAU/NBC), Wausau-Rhinelanders (WSAW/CBS and WZAW/Fox), and Marquette, Michigan (WLUC/NBC/FOX).

Likewise, Nielsen and BIA data identify KWQC as the highest rated and top-grossing television station in the Davenport-Rock Island-Moline DMA (also known as the Quad Cities DMA), which is the 101st largest market. KWQC, which has been the top-rated television station in its market for over 35 years, will be Gray's third television station serving Iowa, joining WOWT (NBC) in Omaha and KCRG (ABC) in Cedar Rapids. The Davenport station and Gray's Rockford station (WIFR/CBS) cover all of northwestern Illinois.

"We are thrilled to be selected as the new owners of WBAY and KWQC," said Hilton H. Howell, Jr., Gray's Chairman and CEO. "Gray came to admire these stations many years ago when we provided management consulting services to their former owner, Young Broadcasting, prior to its merger with Media General. The potential regional synergies between these two legacy institutions and our existing stations in Wisconsin and Illinois appear to be even more promising now that we have recently acquired the dominant television stations in the adjacent television markets of Cedar Rapids and Marquette. We are also delighted to add two strong market leading stations in the historically strong political revenue states of Iowa and Wisconsin."

Including expected operational synergies, the stations are expected to produce two-year blended broadcast cash flow margins greater than fifty percent. In addition, the acquisition will be immediately free cash flow accretive to Gray as well as allowing Gray to continue to de-lever to historic lows.

The transaction has been structured to deliver significant tax savings to Gray, including a step-up in the tax basis of the acquired assets. Including expected operational synergies, the transaction represents an attractive purchase price multiple of approximately 8.0 times blended 2015-2016 pro forma broadcast cash flow. The multi-year tax advantages to Gray further reduces our purchase multiple. The weighted average purchase price multiple of the WBAY/KWQC acquisition, the Schurz acquisition and related transactions consummated earlier this year, and the pending Clarksburg acquisition approximates 7.3 times the blended average of the 2015-2016 pro forma broadcast cash flow of the television stations covered by those transactions.

Gray has the capacity to close the transaction primarily through the use of cash on hand at closing and, if then necessary, availability under its existing senior credit facilities. In addition, Gray may also consider opportunistically accessing the debt markets. Expected strong free cash flow generation through the closing of the transaction and throughout 2016 should continue Gray's recent success in achieving considerable de-levering of its capital structure. Assuming a year-end closing of this transaction; no further acquisitions; no capital returns to shareholders; no receipt of FCC spectrum auction proceeds; and no increase in pro forma 2016 political advertising revenue over that of pro forma 2012, we anticipate ending 2016 with a historically low total leverage ratio, net of cash, in the range of 4.5 to 4.7 times on a trailing eight-quarter basis.

Cooley LLP served as legal counsel for Gray.

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/or operate television stations across 51 television markets that collectively broadcast over 180 program streams including 36 channels affiliated with the CBS Network, 26 channels affiliated with the NBC Network, 19 channels affiliated with the ABC Network and 14 channels affiliated with the FOX Network. Upon the closing of all announced transactions, Gray will own and/or operate 42 number-one ranked television stations, and 52 number-one or number-two ranked stations, across 53 markets. At that time, our stations collectively will cover approximately 10.1 percent of total United States television households.

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