
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 5, 2015 (May 5, 2015)**

GRAY TELEVISION, INC.

(Exact name of registrant as specified in its charter)

Georgia
(State of incorporation or organization)

1-13796
(Commission File Number)

58-0285030
(IRS Employer
Identification No.)

4370 Peachtree Road, NE,
Atlanta, GA 30319
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(404) 504-9828**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On May 5, 2015, Gray Television, Inc. (the “Company”) issued a press release reporting its financial results for the three-month period ended March 31, 2015. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

The information set forth under this Item 2.02 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure.

In connection with various meetings that management of the Company expects to hold with analysts or investors on or after the date hereof, the Company has prepared a slide presentation. A copy of the slides to be used in connection with such analyst or investor meetings is furnished as Exhibit 99.2 to this Form 8-K and incorporated herein by reference.

The information set forth under this Item 7.01 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Number	Exhibit
99.1	Press release issued by Gray Television, Inc. on May 5, 2015
99.2	Investor Presentation Slides

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GRAY TELEVISION, INC.

Date: May 5, 2015

By: /s/ James C. Ryan
James C. Ryan
Senior Vice President and Chief Financial Officer

Exhibit index

Number	Exhibit
99.1	Press release issued by Gray Television, Inc. on May 5, 2015
99.2	Investor Presentation Slides



NEWS RELEASE

Gray Reports Record Operating Results for the Three Month Period Ended March 31, 2015

Atlanta, Georgia – May 5, 2015. . . **Gray Television, Inc. (“Gray,” “we,” “us” or “our”)** (NYSE: GTN) today announced results from operations for the three-month period ended March 31, 2015, including record first quarter revenues, net income and broadcast cash flow (a non-GAAP measure). During such period, Gray achieved free cash flow of \$0.37 and net income of \$0.10 per diluted weighted average share outstanding.

Highlights:

- *Record Revenue* – Our revenue for the first quarter of 2015 was \$133.3 million, which was the highest for any first quarter in our history. Moreover, total revenue increased \$42.0 million, or 46%, for the first quarter of 2015 compared to the first quarter of 2014. Excluding revenue received in the first quarter of 2014 that was related to the Olympic Games, our total revenue in the first quarter of 2015 compared to the first quarter of 2014 increased \$45.8 million, or 50.1%.
- *Record Broadcast Cash Flow* - Our broadcast cash flow was \$46.7 million, which was also the highest for any first quarter in our history.
- *Record Net Income* – Our net income was \$5.6 million, which was also the highest for any first quarter in our history.
- *Record Retransmission Revenue* – Our retransmission revenue increased significantly to \$36.3 million in the first quarter of 2015, which was also the highest for any first quarter in our history.
- *Successful Equity Offering* – On March 31, 2015, we completed an underwritten public offering of 13.5 million shares of our common stock resulting in net proceeds, after discounts and expenses, of approximately \$167.5 million.
- *Cash* – As of March 31, 2015, our total cash was \$224.6 million.
- *Total Leverage Ratio* – As of March 31, 2015, we have lowered our total leverage ratio to 5.9 times on a trailing eight quarter basis (calculated under the terms of our senior credit facility); netting all cash on our balance sheet improves this ratio to 4.9 times.
- *Pending Acquisitions* – We announced agreements to acquire television stations KMVT (CBS) and KSVT (FOX) in Twin Falls, Idaho (the “Twin Falls Acquisition”) and television station WAGM-TV, a CBS/FOX affiliate in Presque Isle, Maine (the “Presque Isle Acquisition”). We anticipate completing these acquisitions in the third quarter of 2015.
- *Digital* – On March 5, 2015, NBCUniversal and Gray announced an agreement that expands NBCUniversal’s “TV Everywhere” offering of local NBC linear streams beyond the NBC-owned stations for the first time. This deal authorizes the live linear simulcasts of Gray’s 24 NBC affiliated television stations. On April 22, 2015, we announced that we had launched five of our CBS affiliated stations on *CBS All Access*, CBS’s subscription video on-demand and live-streaming service. Gray’s launch expanded CBS’s direct-to-consumer service into mid-sized markets for the first time.

Select Operating Data:

	As Reported Basis				
	Three Months Ended March 31,				
	2015	2014	% Change 2015 to 2014	2013	% Change 2015 to 2013
	(dollars in thousands, except per share data)				
Revenue (less agency commissions):					
Total	\$ 133,303	\$ 91,297	46%	\$ 78,169	71%
Political	\$ 1,159	\$ 2,792	(58)%	\$ 641	81%
Operating expenses (1):					
Broadcast	\$ 86,847	\$ 60,384	44%	\$ 53,494	62%
Corporate and administrative	\$ 6,847	\$ 6,499	5%	\$ 3,824	79%
Net income	\$ 5,595	\$ 1,277	338%	\$ 870	543%
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow	\$ 46,724	\$ 30,619	53%	\$ 24,509	91%
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 40,627	\$ 25,473	59%	\$ 20,821	95%
Free Cash Flow	\$ 21,991	\$ 7,453	195%	\$ 2,795	687%
Free Cash Flow Per Share:					
Basic	\$ 0.38	\$ 0.13		\$ 0.05	
Diluted	\$ 0.37	\$ 0.13		\$ 0.05	

	Combined Historical Basis				
	Three Months Ended March 31,				
	2015	2014	% Change 2015 to 2014	2013	% Change 2015 to 2013
	(dollars in thousands, except per share data)				
Revenue (less agency commissions):					
Total	\$ 133,303	\$ 120,788	10%	\$ 108,194	23%
Political	\$ 1,159	\$ 3,524	(67)%	\$ 721	61%
Broadcast Operating Expenses (1)	\$ 86,847	\$ 77,832	12%	\$ 73,149	19%
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow	\$ 46,724	\$ 43,892	6%	\$ 36,337	29%
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 40,627	\$ 36,728	11%	\$ 32,219	26%
Operating Cash Flow as defined in the Gray senior credit facility	\$ 43,028	\$ 37,714	14%	\$ 32,720	32%
Free Cash Flow	\$ 21,991	\$ 16,530	33%	\$ 7,185	206%
Free Cash Flow Per Share Data:					
Basic	\$ 0.38	\$ 0.29		\$ 0.12	
Diluted	\$ 0.37	\$ 0.28		\$ 0.12	

(1) Excludes depreciation, amortization and loss on disposal of assets.

(2) See definition of non-GAAP terms and a reconciliation of the non-GAAP amounts to net income included elsewhere herein.

Comments on Results of Operations for the First Quarter of 2015 Compared to the First Quarter of 2014:

Revenue (less agency commissions) by Category:

The table below presents our revenue (less agency commissions) or “net revenue” by category for the three month periods ended March 31, 2015 and 2014, respectively:

	Three Months Ended March 31,			
	2015		2014	
	Amount	Percent of Total	Amount	Percent of Total
Revenue (less agency commissions)		(in thousands except for percentages)		
Local	\$ 68,331	51.3%	\$ 51,044	55.9%
National	17,767	13.3%	13,348	14.6%
Internet	6,534	4.9%	6,039	6.6%
Political	1,159	0.9%	2,792	3.1%
Retransmission consent	36,251	27.2%	16,117	17.7%
Other	3,261	2.4%	1,957	2.1%
Total	\$ 133,303	100.0%	\$ 91,297	100.0%

Revenue on As Reported Basis.

Total revenue increased \$42.0 million, or 46%, to \$133.3 million for the first quarter of 2015 compared to the first quarter of 2014. For the first quarters of 2015 and 2014, revenue from the stations we acquired in the various transactions in 2014 (the “2014 Acquired Stations”) accounted for approximately \$32.6 million and \$0.0 million, of our total revenue, respectively.

The components of our revenue for the first quarter of 2015 compared to the first quarter of 2014 were as follows:

- Local advertising revenue increased \$17.3 million, or 34%, to \$68.3 million.
- National advertising revenue increased \$4.4 million, or 33%, to \$17.8 million.
- Internet advertising revenue increased \$0.5 million, or 8% to \$6.5 million.
- Political advertising revenue decreased \$1.6 million, or 58%, to \$1.2 million.
- Retransmission consent revenue increased \$20.1 million, or 125%, to \$36.3 million.
- Other revenue increased \$1.3 million, or 67%, to \$3.3 million.

Our revenues increased primarily due to the revenue of the 2014 Acquired Stations and increases in retransmission consent revenue at all of our stations. Our local advertising revenue increased primarily due to increased spending in an improving economy. Local and national advertising revenue in the first quarter of 2014 benefited from approximately \$3.8 million earned from the broadcast of the 2014 Winter Olympic Games on our then-14 NBC affiliated stations. There was no corresponding Olympic Games advertising revenue during the first quarter of 2015. Local and national advertising revenue included approximately \$1.5 million of revenue from the broadcast of the 2015 Super Bowl on our 24 NBC channels, an increase of approximately \$1.3 million compared to the \$0.2 million of revenue from the broadcast of the 2014 Super Bowl on our then-five FOX channels. Political advertising revenue decreased due to 2015 being the “off year” of the two-year election cycle. Retransmission consent revenue increased due to increased retransmission consent rates.

Within our local and national advertising revenue categories, and excluding the 2014 Acquired Stations, our five largest customer categories experienced the following changes during the first quarter of 2015 compared to the first quarter of 2014:

- Automotive decreased 1%;
- Medical decreased 2%;
- Communications decreased 1%;
- Restaurant decreased 3%; and
- Furniture and appliances increased 13%.

Revenue on a Combined Historical Basis.

In order to provide more meaningful period over period comparisons, we are also presenting herein certain historical revenue and broadcast expense information on a "Combined Historical Basis." Combined Historical Basis reflects financial results that have been prepared by adding Gray's historical revenue and broadcast expenses with the historical revenue and broadcast expenses of each of the 2014 Acquired Stations from January 1, 2014 (the beginning of the earliest period presented), but it does not include any adjustments for other events attributable to the acquisitions except that "Combined Historical Free Cash Flow" gives effect to financings related to the 2014 Acquired Stations as if the financing occurred at the beginning of the relevant period.

On a Combined Historical Basis, total revenue increased \$12.5 million, or 10%, to \$133.3 million in the first quarter of 2015 as compared to the first quarter of 2014. The Combined Historical Basis components of revenue for the first quarter of 2015 compared to the first quarter of 2014, were approximately as follows:

- Local advertising revenue increased \$1.0 million, or 2%, to \$68.3 million;
- National advertising revenue increased \$0.4 million, or 2%, to \$17.8 million;
- Combined local and national advertising revenue increased \$1.4 million, or 2%, to \$86.1 million;
- Internet advertising revenue decreased \$0.1 million, or 2%, to \$6.5 million;
- Political advertising revenue decreased \$2.4 million, or 67%, to \$1.2 million, reflecting the off-year of the two-year election cycle;
- Retransmission consent revenue increased \$15.3 million, or 73%, to \$36.3 million; and
- Other revenue decreased \$1.6 million, or 33%, to \$3.3 million.

Within our local and national advertising revenue categories, and including the 2014 Acquired Stations, our five largest customer categories experienced the following changes during the first quarter of 2015 compared to the first quarter of 2014:

- Automotive decreased 1%;
- Medical decreased 1%;
- Furniture and appliances increased 10%;
- Communications increased 2%; and
- Restaurant decreased 4%.

Local and national advertising revenue in the first quarter of 2014 benefited from approximately \$5.1 million earned from the broadcast of the 2014 Winter Olympic Games on our then-20 NBC affiliated stations. There was no corresponding Olympic Games advertising revenue during the first quarter of 2015. Local and national advertising revenue included approximately \$1.5 million of revenue from the broadcast of the 2015 Super Bowl on our 24 NBC channels, an increase of \$1.2 million compared to the \$0.3 million of revenue from the broadcast of the 2014 Super Bowl on our then-seven FOX channels.

Broadcast Operating Expenses on As Reported Basis.

Broadcast operating expenses (before depreciation, amortization and gain or loss on disposal of assets) increased \$26.5 million, or 44%, to \$86.8 million for the first quarter of 2015 compared to the first quarter of 2014. For the first quarters of 2015 and 2014, the 2014 Acquired Stations accounted for approximately \$19.8 million and \$0.0 million of our total broadcast expenses, respectively.

- Compensation expense increased \$10.6 million due primarily to the net of the following:
 - Salary expense increased \$8.3 million resulting primarily from the addition of personnel at the 2014 Acquired Stations.
 - Healthcare costs increased \$1.0 million reflecting increased claims activity and the addition of personnel at the 2014 Acquired Stations.
 - Non-cash stock-based compensation decreased \$0.5 million, due to differences in the vesting of restricted stock grants in the 2015 period, compared to the 2014 period.
 - Pension expense increased \$0.9 million.
- Non-compensation expense increased \$15.9 million primarily due to network program fees that increased \$13.0 million reflecting in part, increased fees payable to networks related to our increased retransmission consent revenue under our affiliation agreements renewed in 2014, as well as the commencement of network program fees to CBS in the first quarter of 2015.

Broadcast Operating Expenses on a Combined Historical Basis.

On a Combined Historical Basis, broadcast expenses (before depreciation, amortization and gain or loss on disposal of assets) increased \$9.0 million, or 12%, to \$86.8 million in the first quarter of 2015 as compared to the first quarter of 2014. The increase reflects, in part, the net of the following:

- Compensation expenses increased approximately \$0.9 million, primarily as a result of increased employee benefit costs.
- Network program fees increased approximately \$11.1 million consistent with the growth of the related retransmission consent revenue under our network affiliation agreements renewed in 2014, as well as the commencement of network program fees to CBS in the first quarter of 2015.
- Music license fees decreased by approximately \$0.6 million.
- Professional fees decreased by approximately \$0.7 million.

Corporate and Administrative Operating Expenses on As Reported Basis.

Corporate and administrative expenses (before depreciation, amortization and gain or loss on disposal of assets) increased \$0.3 million, or 5%, to \$6.8 million in the first quarter of 2015 as compared to the first quarter of 2014. The increase reflects, in part, the following:

- Compensation expense increases of \$0.5 million primarily due to increases in incentive compensation, relocation costs and routine increases in salary expense.
- Non-compensation expense decreases of \$0.2 million primarily due to a decrease in professional fees related to acquisitions.

Detailed table of operating results:

Gray Television, Inc.
Selected Operating Data (Unaudited)
(in thousands except for per share data)

	Three Months Ended	
	March 31,	
	2015	2014
Revenue (less agency commissions)	\$ 133,303	\$ 91,297
Operating expenses before depreciation, amortization and (gain) loss on disposal of assets, net:		
Broadcast	86,847	60,384
Corporate and administrative	6,847	6,499
Depreciation	8,798	6,384
Amortization of intangible assets	2,771	289
(Gain) loss on disposals of assets, net	(18)	331
Operating expenses	105,245	73,887
Operating income	28,058	17,410
Other income (expense):		
Miscellaneous income, net	7	-
Interest expense	(18,530)	(15,274)
Income before income taxes	9,535	2,136
Income tax expense	3,940	859
Net income	<u>\$ 5,595</u>	<u>\$ 1,277</u>
Basic per share information:		
Net income	<u>\$ 0.10</u>	<u>\$ 0.02</u>
Weighted-average shares outstanding	<u>58,224</u>	<u>57,847</u>
Diluted per share information:		
Net income	<u>\$ 0.10</u>	<u>\$ 0.02</u>
Weighted-average shares outstanding	<u>58,737</u>	<u>58,286</u>
Political revenue (less agency commissions)	\$ 1,159	\$ 2,792

Other Financial Data:

	As of	
	March 31, 2015	December 31, 2014
(in thousands)		
Cash	\$ 224,613	\$ 30,769
Long-term debt	\$ 1,236,185	\$ 1,236,401
Borrowing availability under our revolving credit facility	\$ 50,000	\$ 50,000

	Three Months Ended March 31,	
	2015	2014
(in thousands)		
Net cash provided by operating activities	\$ 29,243	\$ 16,439
Net cash used in investing activities	(2,931)	(2,660)
Net cash provided by (used in) financing activities	167,532	(213)
Net increase in cash	<u>\$ 193,844</u>	<u>\$ 13,566</u>

Guidance for the Three Months Ending June 30, 2015

The guidance information presented herein does not include the anticipated results of the pending Twin Falls Acquisition or Presque Isle Acquisition. We currently anticipate that our results of operations for the second quarter of 2015 will be within the ranges presented in the table below:

Selected operating data:	Three Months Ending June 30,				
	Low End Guidance for the Second Quarter of 2015	% Change From Actual Second Quarter of 2014	High End Guidance for the Second Quarter of 2015	% Change From Actual Second Quarter of 2014	Actual Second Quarter of 2014
(in thousands except for percentages)					
OPERATING REVENUE:					
Revenue (less agency commissions)	\$ 141,000	31%	\$ 143,000	33%	\$ 107,249
OPERATING EXPENSES (before depreciation, amortization and gain or loss on disposals of assets):					
Broadcast	\$ 90,000	36%	\$ 92,000	39%	\$ 66,002
Corporate and administrative	\$ 6,100	(38)%	\$ 6,500	(34)%	\$ 9,848
OTHER SELECTED DATA:					
Political advertising revenue (less agency commissions)	\$ 1,500	(83)%	\$ 1,700	(80)%	\$ 8,616

Comments on Second Quarter 2015 Guidance:

Second Quarter of 2015 on As Reported Basis.

Based on our current forecasts for the second quarter of 2015, we anticipate the following changes from the quarter ended June 30, 2014 as outlined below. Our total revenue estimates for the second quarter of 2015 include approximately \$34.4 million of revenue estimated to be contributed collectively by the 2014 Acquired Stations. For the second quarter of 2014, the 2014 Acquired Stations contributed \$4.5 million of revenue.

Revenue on an As Reported Basis.

- We believe our second quarter of 2015 local advertising revenue, excluding political advertising revenue, will increase from the second quarter of 2014 by approximately 31% to 34%.
- We expect our second quarter of 2015 national advertising revenue, excluding political advertising revenue, will increase from the second quarter of 2014 by approximately 27% to 29%.
- Consistent with the “off year” of the two-year election cycle, we anticipate our second quarter of 2015 political advertising revenue will decrease from the second quarter of 2014 by approximately 80%.
- We believe our second quarter of 2015 retransmission consent revenue will increase from the second quarter of 2014 by approximately 110% to \$37.0 million.

Broadcast Operating Expenses (before depreciation, amortization and gain or loss on disposal of assets, net) on As Reported Basis.

For the second quarter of 2015, we anticipate our broadcast operating expenses will increase from the second quarter of 2014, reflecting anticipated increases in payroll and related employee benefits. We anticipate that our broadcast operating expenses will also reflect increases in network fees and national sales commission expense, as well as approximately \$20.3 million of operating expenses expected to be incurred collectively by the 2014 Acquired Stations in the second quarter of 2015.

For the second quarter of 2015, we anticipate our corporate and administrative operating expense will decrease from the second quarter of 2014, reflecting anticipated reductions of approximately \$3.5 million in expenses incurred in the second quarter of 2014 related to the 2014 Acquired Stations.

Second Quarter of 2015 on Combined Historical Basis.

Based on our current forecasts for the second quarter of 2015, we anticipate the following changes from the Combined Historical Basis second quarter of 2014 as outlined below.

Revenue on Combined Historical Basis:

- We believe our second quarter of 2015 total revenue will increase by approximately 5% to 7%.
- We believe our second quarter of 2015 local advertising revenue, excluding political advertising revenue, will increase by approximately 5% to 6%.
- We expect our second quarter of 2015 national advertising revenue, excluding political advertising revenue, will increase by approximately 3% to 5%.
- Consistent with the “off year” of the two year election cycle, we anticipate our second quarter of 2015 political advertising revenue will decrease from the second quarter of 2014 by approximately 84%.
- We believe our second quarter of 2015 retransmission consent revenue will increase by approximately 70%, or \$15.2 million, to approximately \$37.0 million.

Broadcast Operating Expenses (before depreciation, amortization and gain or loss on disposal of assets) on Combined Historical Basis:

Our total broadcast operating expenses for the second quarter of 2015 are anticipated to increase from the second quarter of 2014 on a Combined Historical Basis by approximately \$10.0 million. This increase primarily reflects expected increases of \$11.5 million in network affiliation expense to \$17.3 million for the second quarter of 2015.

Non-GAAP Terms

From time to time, Gray supplements its financial results prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) by disclosing the non-GAAP financial measures Broadcast Cash Flow, Broadcast Cash Flow Less Cash Corporate Expenses, operating cash flow as defined in Gray’s credit facility (“Operating Cash Flow”) and Free Cash Flow. These non-GAAP amounts are used by us to approximate the amount used to calculate a key financial performance covenant contained in our debt agreements. These non-GAAP amounts may also be provided on an As Reported Basis as well as a Combined Historical Basis.

Broadcast Cash Flow is defined as net income plus corporate and administrative expenses, broadcast non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations and network compensation revenue.

Broadcast Cash Flow Less Cash Corporate Expense is defined as net income plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations and network compensation revenue.

Operating Cash Flow as defined in Senior Credit Agreement is defined as net income plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations, network compensation revenue, plus pension expense but less cash contributions to pension plans.

Free Cash Flow is defined as net income plus non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, pension expense less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations, network compensation revenue, contributions to pension plans, interest expense (net of amortization of deferred financing costs and amortization of original issue discount on our debt), capital expenditures (net of any insurance proceeds) and the payment of income taxes (net of any refunds received).

These non-GAAP terms are not defined in GAAP and our definitions may differ from, and therefore not be comparable to, similarly titled measures used by other companies, thereby limiting their usefulness. Such terms are used by management in addition to and in conjunction with results presented in accordance with GAAP and should be considered as supplements to, and not as substitutes for, net income and cash flows reported in accordance with GAAP.

Reconciliation on an As Reported Basis:

Reconciliation of net income to the non-GAAP terms:

	As Reported Basis		
	Three Months Ended		
	March 31,		
	2015	2014	2013
	(in thousands)		
Net income	\$ 5,595	\$ 1,277	\$ 870
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash			
Corporate Expenses:			
Depreciation	8,798	6,384	5,800
Amortization of intangible assets	2,771	289	19
Non-cash stock-based compensation	993	2,071	136
(Gain) loss on disposals of assets, net	(18)	331	(28)
Miscellaneous income, net	(7)	-	(1)
Interest expense	18,530	15,274	12,540
Income tax expense	3,940	859	1,651
Amortization of program broadcast rights	3,607	2,913	2,837
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	6	6	7
Network compensation revenue recognized	-	(108)	(157)
Payments for program broadcast rights	(3,588)	(3,823)	(2,853)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	6,097	5,146	3,688
Broadcast Cash Flow	46,724	30,619	24,509
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	(6,097)	(5,146)	(3,688)
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 40,627	\$ 25,473	\$ 20,821
Pension expense	2,401	1,573	2,154
Contributions to pension plans	-	(962)	(1,517)
Interest expense	(18,530)	(15,274)	(12,540)
Amortization of deferred financing costs	799	692	411
Amortization of net original issue premium on 7 1/2% senior notes due 2020	(216)	(216)	69
Purchase of property and equipment	(2,849)	(3,802)	(6,460)
Income taxes paid, net of refunds	(241)	(31)	(143)
Free Cash Flow	\$ 21,991	\$ 7,453	\$ 2,795

Reconciliation on a Combined Historical Basis:

Reconciliation of net income to the non-GAAP terms:

	Combined Historical Basis		
	Three Months Ended		
	March 31,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	(in thousands)		
Net income	\$ 5,595	\$ 6,947	\$ 1,525
Adjustments to reconcile from net income to Broadcast Cash Flow Less Cash			
Corporate Expenses:			
Depreciation	8,798	8,112	7,896
Amortization of intangible assets	2,771	345	171
Non-cash stock-based compensation	993	2,071	136
(Gain) loss on disposals of assets, net	(18)	682	(7)
Miscellaneous income, net	(7)	313	697
Interest expense	18,530	18,808	18,754
Income tax expense	3,940	1,501	1,982
Amortization of program broadcast rights	3,607	2,913	2,837
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	6	6	7
Network compensation revenue recognized	-	(108)	(157)
Payments for program broadcast rights	(3,588)	(3,823)	(2,853)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	6,097	7,164	4,118
Other	-	(1,039)	1,231
Broadcast Cash Flow	\$ 46,724	\$ 43,892	\$ 36,337
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	(6,097)	(7,164)	(4,118)
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 40,627	\$ 36,728	\$ 32,219
Pension expense	2,401	1,573	2,154
Contributions to pension plans	-	(962)	(1,517)
Other	-	375	(136)
Operating Cash Flow as defined in Senior Credit Agreement	\$ 43,028	\$ 37,714	\$ 32,720
Interest expense	(18,530)	(18,808)	(18,754)
Amortization of deferred financing costs	799	692	411
Amortization of net original issue premium on 7 1/2% senior notes due 2020	(216)	(216)	69
Purchase of property and equipment	(2,849)	(2,821)	(7,180)
Income taxes paid, net of refunds	(241)	(31)	(81)
Free Cash Flow	\$ 21,991	\$ 16,530	\$ 7,185

The Company

We are a television broadcast company headquartered in Atlanta, Georgia, that owns and operates television stations and leading digital assets in markets throughout the United States. As of March 31, 2015, we owned and operated television stations in 44 television markets broadcasting a total of 140 programming streams, including 26 affiliates of the CBS Network (“CBS”), 24 affiliates of the NBC Network (“NBC”), 16 affiliates of the ABC Network (“ABC”) and ten affiliates of the FOX Network (“FOX”).

In addition to our primary broadcast channels we can also broadcast secondary digital channels within a market. Our secondary digital channels are generally affiliated with networks different from those affiliated with our primary broadcast channels, and are operated by us to make better use of our broadcast spectrum by providing supplemental and/or alternative programming in addition to our primary channels. Certain of our secondary digital channels are affiliated with more than one network simultaneously. In addition to affiliations with ABC, CBS and FOX, our secondary channels are affiliated with the following networks: the CW Network or the CW Plus Network, MyNetworkTV, the MeTV Network, This TV Network, Antenna TV, Telemundo, Heroes and Icons, and MOVIES! Network. We also broadcast ten local news/weather channels in certain of our existing markets. Our combined TV station group encompasses markets that comprise approximately 8.0% of total United States television households.

Cautionary Statements for Purposes of the “Safe Harbor” Provisions of the Private Securities Litigation Reform Act

This press release contains statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and the federal securities laws. These “forward-looking statements” are not statements of historical facts, and may include, among other things, statements regarding our current expectations and beliefs of operating results for the second quarter of 2015 or other periods, internet strategies, future expenses, the completion of pending acquisitions and other future events. Actual results are subject to a number of risks and uncertainties and may differ materially from the current expectations and beliefs discussed in this press release. All information set forth in this release is as of May 5, 2015. We do not intend, and undertake no duty, to update this information to reflect future events or circumstances. Information about certain potential factors that could affect our business and financial results and cause actual results to differ materially from those expressed or implied in any forward-looking statements are included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in our Annual Report on Form 10-K for the year ended December 31, 2014 and may be contained in reports subsequently filed with the U.S. Securities and Exchange Commission (the “SEC”) and available at the SEC’s website at www.sec.gov.

Conference Call Information

Gray Television, Inc. will host a conference call to discuss its first quarter operating results on May 5, 2015. The call will begin at 10:00 AM Eastern Time. The live dial-in number is 1-888-539-3612 and the confirmation code is 5109335. The call will be webcast live and available for replay at www.gray.tv. The taped replay of the conference call will be available at 1-888-203-1112, Confirmation Code: 5109335 until June 4, 2015.

For information contact:

Web site: www.gray.tv

Hilton Howell
President and
Chief Executive Officer
(404) 266-5512

Kevin Latek
Senior Vice President,
Business Affairs
(404) 266-8333

Jim Ryan
Senior Vice President and
Chief Financial Officer
(404) 504-9828

Certain statements in this presentation constitute “forward-looking statements” within the meaning of and subject to the protections of the Private Securities Litigation Reform Act of 1995 and other federal and state securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such “forward-looking statements.” Factors that could cause our actual results to differ materially from those expressed or implied by any forward-looking statements are described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014 and may be contained in our other reports subsequently filed with the SEC.

See the appendix to this presentation for the definition of certain capitalized terms used herein. Reconciliations of the Company’s non-GAAP measures of broadcast cash flow, broadcast cash flow less cash corporate expenses, operating cash flow as defined in the credit agreement, and free cash flow are contained in the appendix



gray

Television • Digital • Mobile

Overview

An Industry Leading Power



Recent Acquisition Announcements



Twin Falls, Idaho (DMA 192)

- KMVT-TV (CBS/CW) and KSVT-TV (FOX)
- Announced March 12, 2015
- KMVT-TV is highest rated station in DMA
- Closing expected third quarter 2015
- Approximately \$17.5 million in cash
- Multiple of less than six times a blended average of 2014-2015 anticipated pro forma broadcast cash flow of the station including expected synergies
- Immediately free cash flow accretive



Presque Isle, Maine (DMA 205)

- WAGM-TV (CBS/FOX)
- Announced April 23, 2015
- Highest rated station in DMA
- Closing expected third quarter 2015
- Approximately \$10.25 million in cash
- Multiple of less than six times a blended average of 2014-2015 anticipated pro forma broadcast cash flow of the station including expected synergies
- Immediately free cash flow accretive

**These Acquisitions are EXCLUDED
from all disclosures in this presentation.**

Significant Scale Poised for Long-Term Success



	Net Revenue	BCF	OCF	FCF
2014 PF (in millions)	\$572	\$251	\$229	\$123

140 program streams

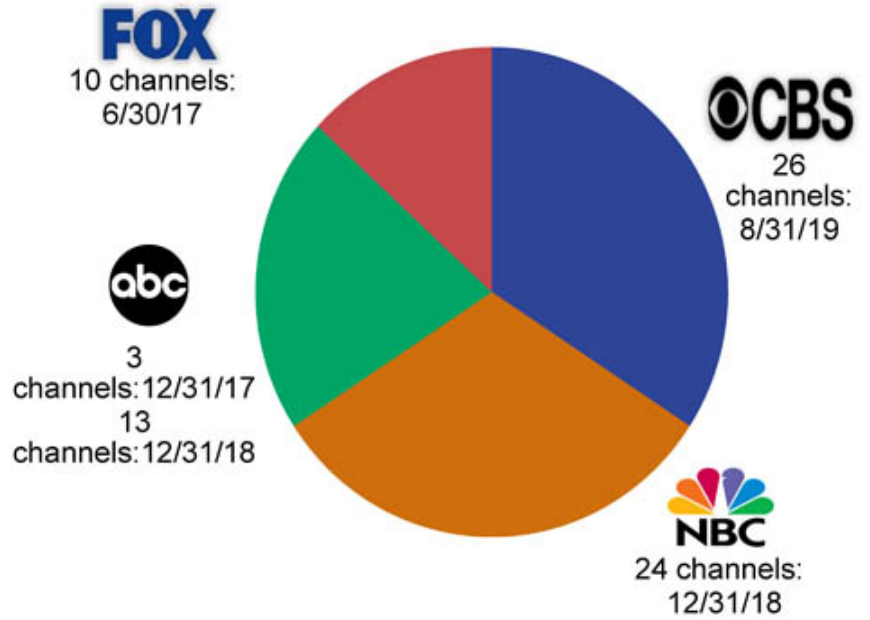
76 "Big 4" network affiliations

77 stations

44 markets

14 markets with two "Big 4" network affiliations

2 markets with three "Big 4" network affiliations



The Importance of Being #1



- Dominate local and political revenue with highly-rated news platforms
- #1 Stations Can secure more than half of a market's political ad buys
- Greater purchasing power and leverage with MVPDs, programmers, and other vendors
- Deliver higher margins
- Maximize free cash flow
- Exploit best practices
- Attract and retain high quality talent
- Leverage new Washington DC Bureau

Gray Dominates the Industry with the Highest Quality Portfolio of Local Television Stations

- ✓ **41** of 44 markets with stations ranked #1 or #2
- ✓ **28** of 44 markets with #1 news ranking
- ✓ **Only** pure-play TV broadcaster with a full-time Washington DC Bureau



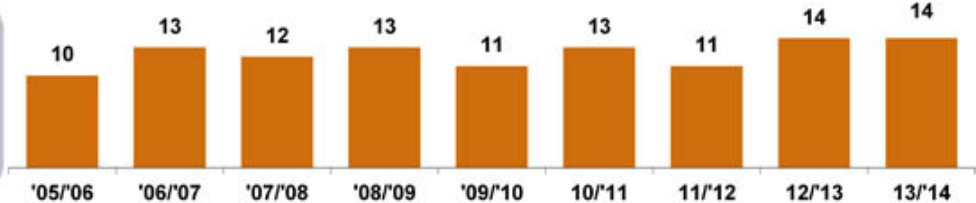
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Washington
News Bureau

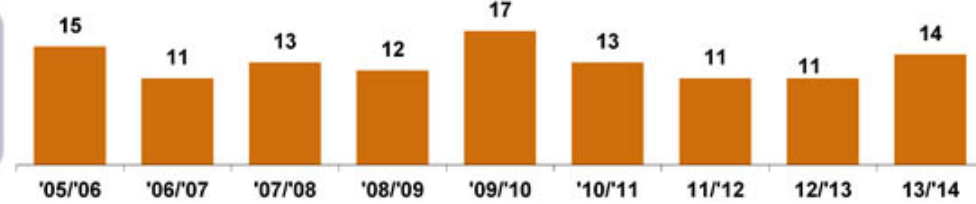
The Importance of Being #1



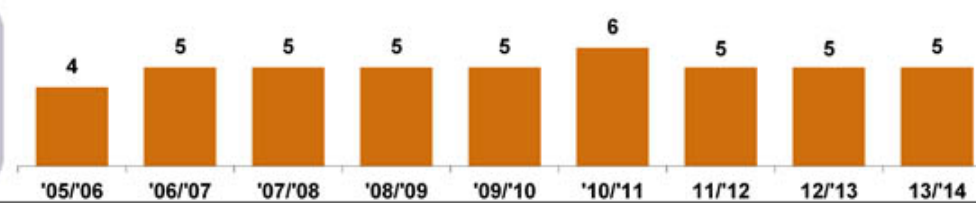
Long History of Being #1 in the Market



CBS National Ranking	'05/'06	'06/'07	'07/'08	'08/'09	'09/'10	'10/'11	'11/'12	'12/'13	'13/'14
Ranking	1	1	2	1	1	1	1	1	1



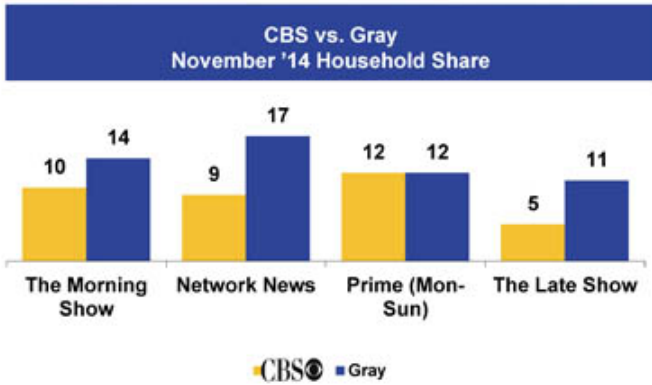
NBC National Ranking	'05/'06	'06/'07	'07/'08	'08/'09	'09/'10	'10/'11	'11/'12	'12/'13	'13/'14
Ranking	3	3	4	4	4	4	4	3	3



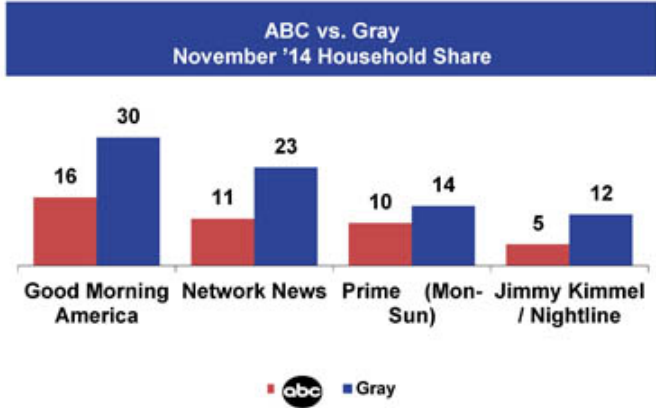
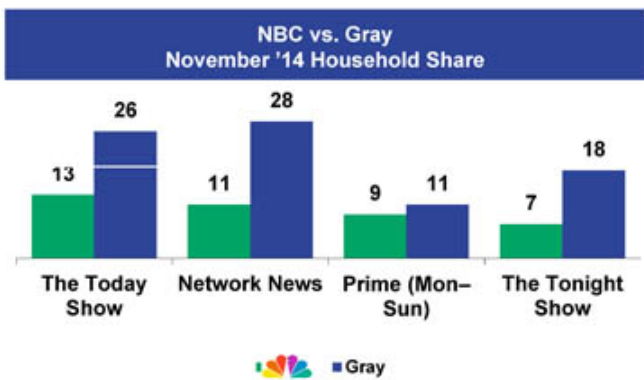
ABC National Ranking	'05/'06	'06/'07	'07/'08	'08/'09	'09/'10	'10/'11	'11/'12	'12/'13	'13/'14
Ranking	2	2	2	3	2	2	2	2	2

Source: Nielsen Media Research

Gray's Stations Over-Index Every Major Network



CBS, NBC, and ABC perform far better on Gray's stations than national averages across all key day-parts



Source: Nielsen Media Research, November 2014

Gray Dominates Local News and Information



+73%

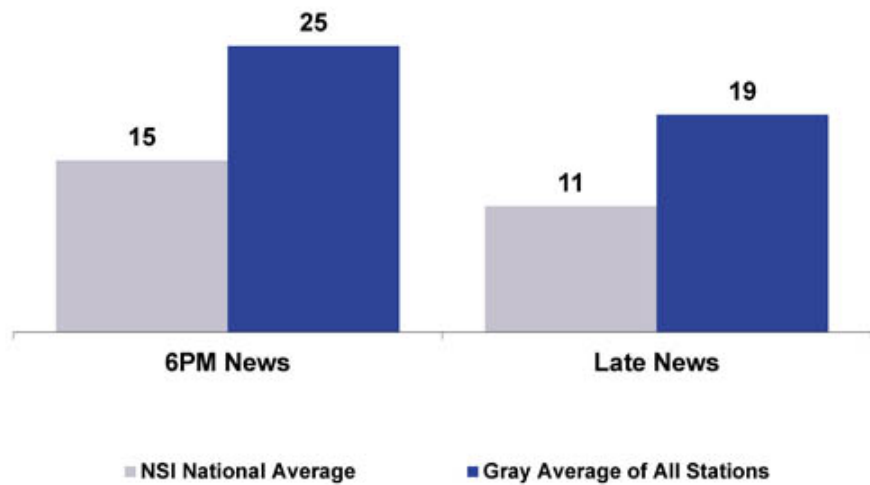
Amount by which Gray's late local newscasts **outperform** the national average...

+66%

Amount by which Gray's 6PM newscasts **outperform** the national average...

Gray's national Household Share average exceeds all major affiliate news programs

National Average vs. Gray November '14 Household Share



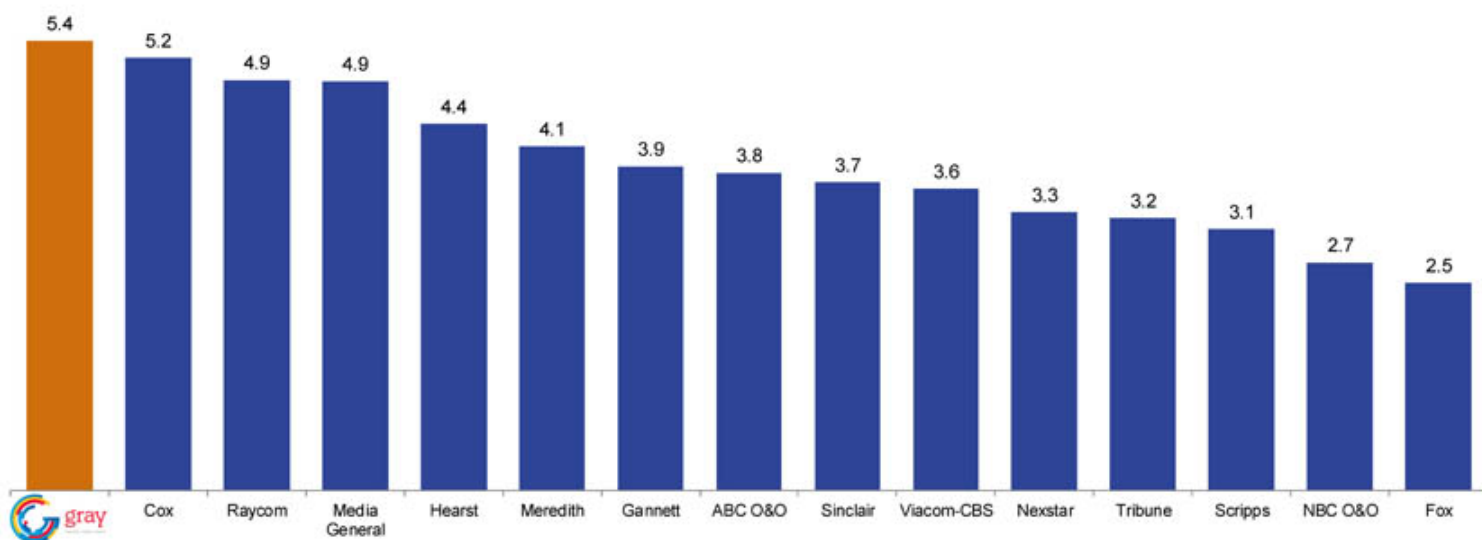
Source: Nielsen Media Research, November 2014

Gray Television, Inc.

Gray Leads the Industry in Ratings



Household Rating Analysis – November 2014

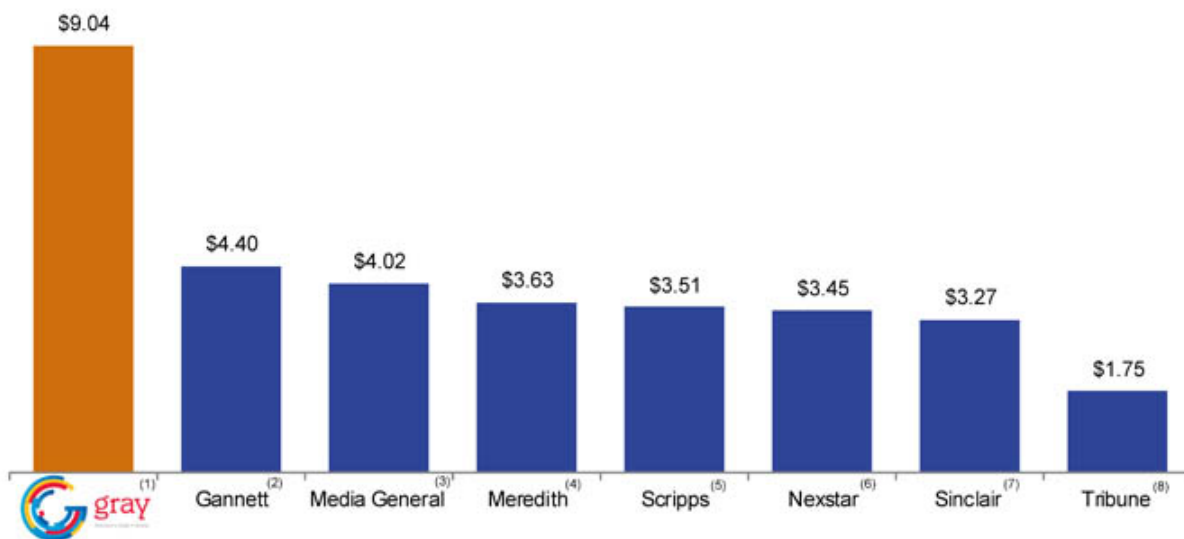


Source: Nielsen Media Research, November 2014; M-Sun/6a-2a

Gray Leads the Industry in Political Ad Revenues



2014 Political Revenue Per TV Household



2014 Political Revenue (\$mm)

2014 TV Households (mm)

\$85	\$160	\$111	\$46	\$76	\$56	\$147	\$90
9.4	36.4	27.6	12.7	21.6	16.2	45.0	51.7

Source: Company filings, Investor presentations, BIA data

(1) Pro Forma for all 2014 Acquisitions

(2) Pro Forma for Belo and London transactions

(3) Media General pro forma for LIN; Reported in Media General's Investor Presentation dated 3/12/2015

(4) Based on Calendar year ending 12/31/14; Fiscal year ends 6/30

(5) Scripps pro forma for Journal; Reported in Scripps' and Journal's 2014 10-Ks

(6) Political revenue on gross "as reported basis" net of implied % agency commission; TV Households incorporate closed acquisitions only; Reported in Nexstar's 2014 10-K

(7) On a Pro Forma basis; Reported in Sinclair's March 2015 Investor Presentation

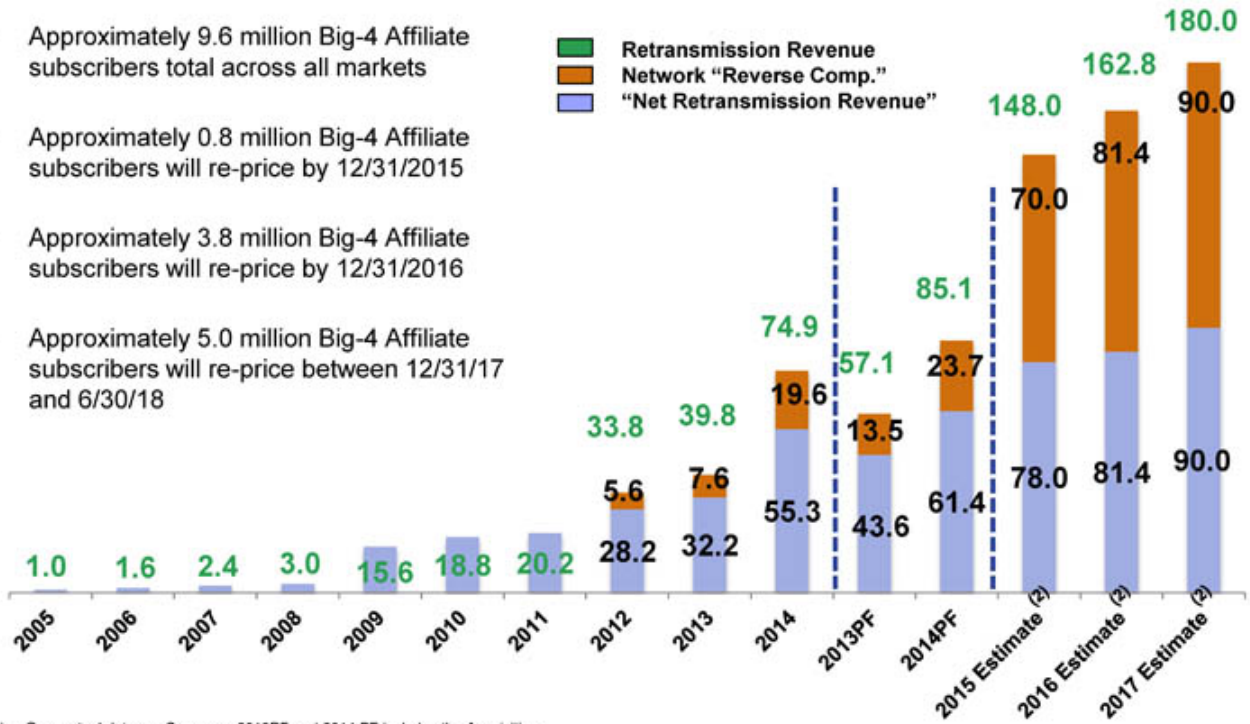
(8) As reported in Tribune Media Company's 2014 Earnings Presentation and Earnings Call

Gray Excels at Retrans



Gray TV Retransmission Revenue in Millions

- Approximately 9.6 million Big-4 Affiliate subscribers total across all markets
- Approximately 0.8 million Big-4 Affiliate subscribers will re-price by 12/31/2015
- Approximately 3.8 million Big-4 Affiliate subscribers will re-price by 12/31/2016
- Approximately 5.0 million Big-4 Affiliate subscribers will re-price between 12/31/17 and 6/30/18

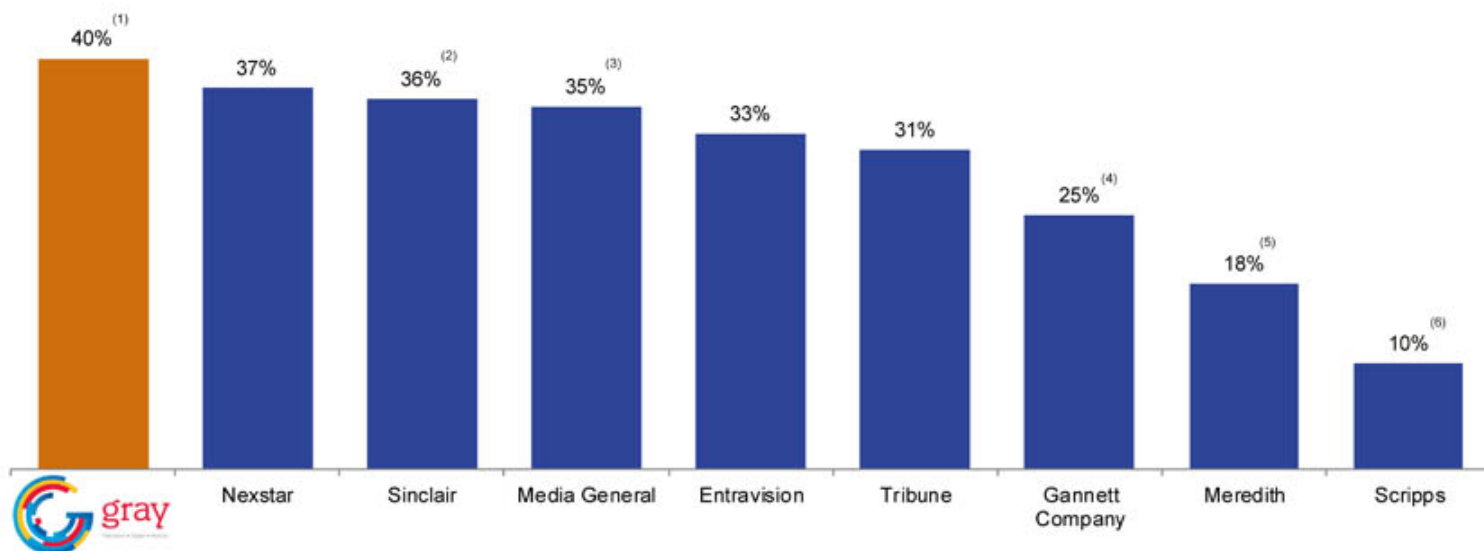


(1) Gray actual data per Company; 2013PF and 2014 PF includes the Acquisitions
 (2) 2015 per current Company estimate. 2016 & 2017 assume 10% per annum growth in Retransmission Revenue and Network Affiliation fees (a.k.a. "Network Reverse Compensation") equal to 50% of retransmission revenue. Actual results may vary from current estimates.

Gray TV Leads Industry In Operating Margins



2014 EBITDA Margins



Source: Company filings, Investor presentations

Note: Based on "as-reported" financials for all companies except Gray TV and Media General, which are reported on a "combined historical" basis

(1) Based on 2014 pro forma Operating Cash Flow

(2) Based on Non-GAAP reconciliation available on Sinclair Broadcasting's website

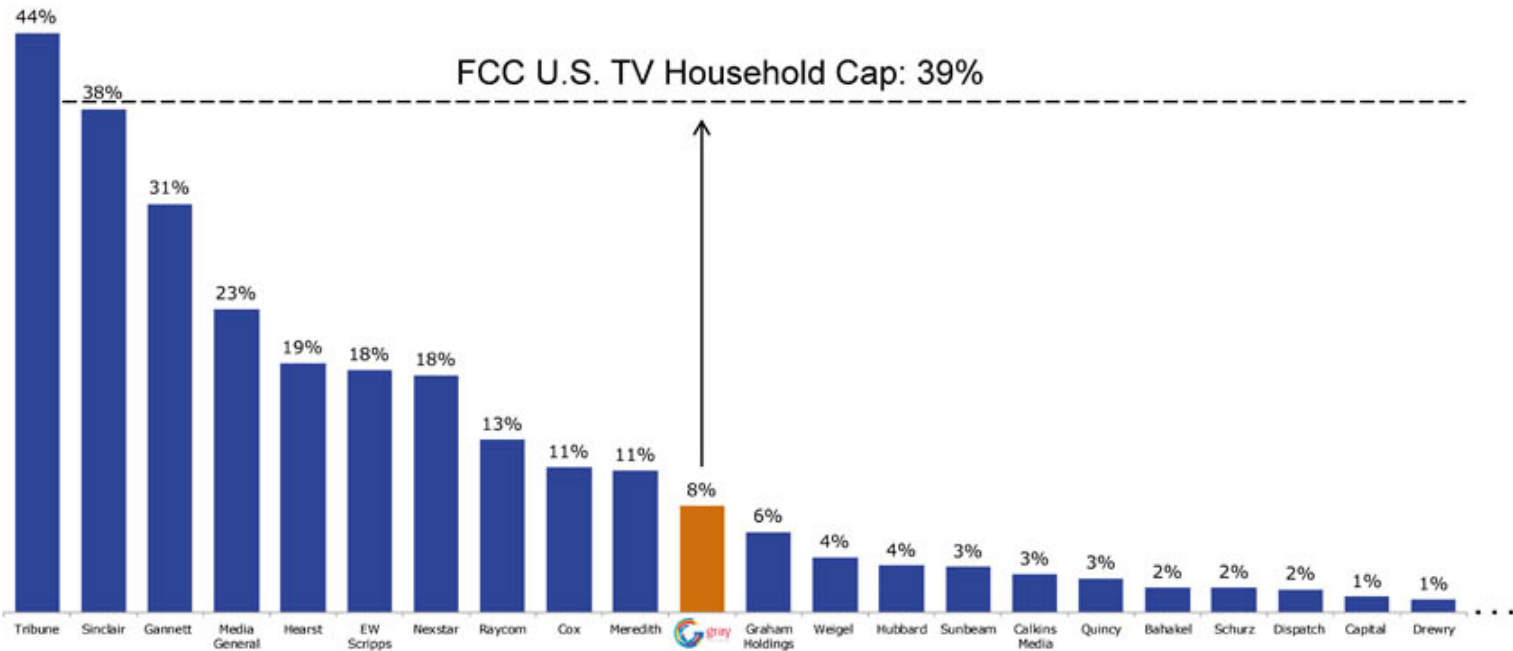
(3) Media General pro forma for LIN, including \$16 million in Young synergies and \$35 million in LIN run rate synergies; Reported in Media General's Investor Presentation dated 3/12/2015

(4) Based on consolidated revenue and EBITDA

(5) Based on consolidated revenue and EBITDA and calendar year ending 12/31/14; Fiscal year ends 6/30

(6) Based on consolidated revenue and EBITDA, Calculated as segment profits less corporate and pension plan expense; Reported in Scripps' 2014 10-K

Significant Opportunity for Continued Growth



Source: Company filings, BIA, company websites
 Note: Excludes Big Four networks

Investment Highlights



- ✓ A Leading Television Broadcaster in Diverse Mid-Markets with Dominant Market Positions
- ✓ Improving Advertising Market and Diversification of Revenue Mix
- ✓ Large Political Upside in Presidential Election Years with Presence in Key States
- ✓ Strong Growth in Net Retransmission Revenue and Increasing Leverage With Networks
- ✓ Successful New Media Initiatives and Spectrum Upside
- ✓ Robust Free Cash Flow Generation Over a Two Year Cycle
- ✓ Experienced Management with a Track Record of Accretive Transactions and Successful Integrations

Highly Experienced Senior Management



Name	Years at Gray TV	Years in Industry	Background and Notable Achievements
Hilton H Howell, Jr. <i>Director, Vice Chairman, President & CEO</i>	22	22	<ul style="list-style-type: none"> CEO since 2008, Vice Chairman since 2002 and director since 1993 Served as President and CEO of Atlantic American Corporation since 1995 Served as EVP and General Counsel of Delta Life Insurance Company and Delta Fire & Casualty Insurance Company since 1991
James C. Ryan <i>SVP & CFO</i>	16	30	<ul style="list-style-type: none"> CFO since 1998 and additionally serves as SVP of Finance Served as SVP since 2002 and as VP from 1998 to 2002 Served as the CFO of Busse Broadcasting Corporation from 1987 to 1998
Kevin P. Latek <i>SVP – Business Affairs</i>	3	18	<ul style="list-style-type: none"> Joined Gray in 2012, after spending 15 years representing television broadcasters in FCC regulatory and transactional matters with law firm Dow Lohnes Member of the CBS Affiliates Board; former member of, and previously counsel to, Fox Affiliate Board of Governors
Nick Waller <i>SVP – Mid-Atlantic & South</i>	13	13	<ul style="list-style-type: none"> Joined Gray in 2000, after spending 20 years with Datasouth Computer Corporation, first as CFO and eventually as President Director of the Florida Association of Broadcasters
Bob Smith <i>SVP – Midwest & West</i>	14	29	<ul style="list-style-type: none"> Started as an account executive at Gray TV in Eau Claire, Wisconsin in 1986 Served as SVP since July 2013 and served in various roles from 1986 – 2013 at Gray TV Has served on the Board of Directors of the Wisconsin Broadcaster Association, among others
Jason Effinger <i>SVP – Media & Technology</i>	14	24	<ul style="list-style-type: none"> Joined Gray TV in 2001 as a station manager Served as SVP since July 2013 and served as Regional VP prior to that Serves as Vice Chair of the Nebraska Broadcasters Association

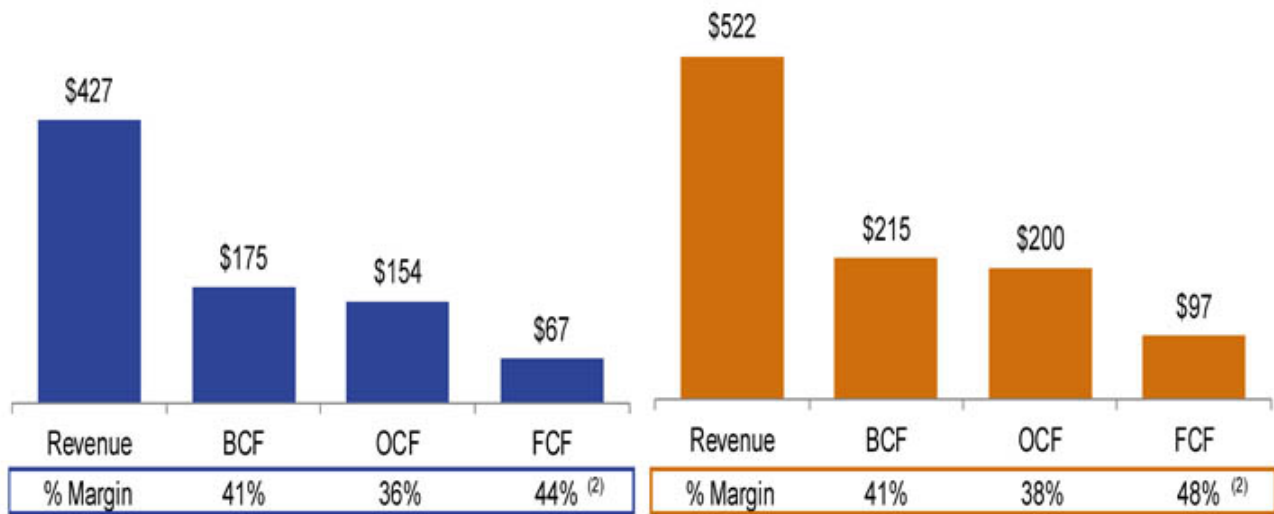
Acquisitions Announced and Closed in 2014 Significantly Increased Scale and Margins



Summary Financial Metrics '13A/'14A Blended 2-Year Averages In Millions

As Reported

Pro Forma For All 2014 Acquisitions



How Does Gray Grow...



- \$175.6 million⁽¹⁾ common equity raised March 31, 2015
 - 13.5 million shares of Gray Common Stock issued at \$13.00 per share
 - Intend to seek Free Cash Flow accretive acquisitions

	<u>March 31, 2015</u>
(\$ in millions)	<u>Actual \$</u>
Cash	<u>\$224.6</u>
Total Debt @ par	1,231.4
Market Equity	<u>999.9⁽²⁾</u>
Market Capitalization	<u>2,231.3</u>
Debt net cash	\$1,006.8

⁽¹⁾Gross proceeds; estimated net proceeds after underwriting discounts, fees and expenses \$167.5 million.

⁽²⁾Combined Common Stock and Class A Common Stock totaling 72.3 million shares outstanding at \$13.82 per share at 3/31/15.

Diversification Across Networks and Markets



Station Mix

140 Total Program Streams:

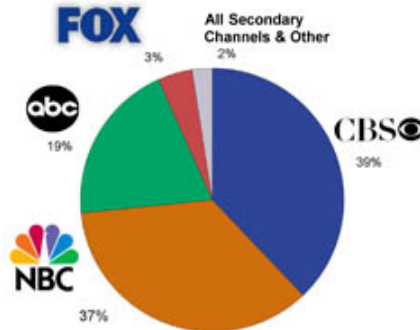
76 Big 4 Affiliates:

- 26 CBS
- 24 NBC
- 16 ABC
- 10 FOX

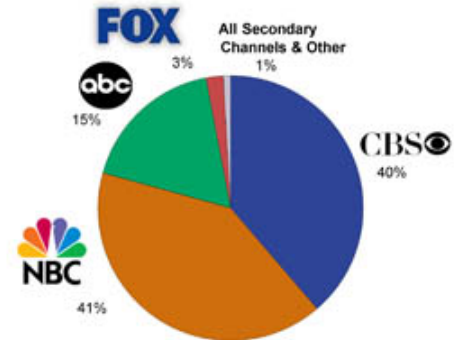
73 Additional Program Streams:⁽²⁾

- 17 CW
- 2 Telemundo
- 17 MyNetwork TV
- 17 MeTV Network
- 6 Antenna TV
- 2 This TV Network
- 1 MOVIES! Network
- 1 Heroes and Icons
- 10 Local News/Weather

2014PF Revenue by Affiliate: \$572mm ⁽¹⁾



2014PF BCF by Affiliate: \$251mm ^{(1), (3)}



No single market represents >10% of total revenue or BCF

(1) Pro forma for the Acquisitions
 (2) Certain program channels are affiliated with more than one additional network simultaneously
 (3) Excludes corporate expenses

Stable Markets – Concentration on DMAs 61-209 with Focus on State Capitals / Collegiate Presence



- Gray stations cover 12 state capitals and 24 university towns
- Enrollment of approximately 547,000 students
- Better demographics, more stable economies

Market	College(s)	Approximate Enrollment
Waco, TX		75
Topeka, KS		53
Lansing, MI		50
Tallahassee, FL		43
Madison, WI		43
Lexington, KY		30
Knoxville, TN		27
Lincoln, NE		25
Greenville, NC		22
Toledo, OH		21
Charlottesville, VA		21
Bowling Green, KY		21

Market	College(s)	Approximate Enrollment
Reno, NV		20
Harrisonburg, VA		20
Sioux Falls, SD		13
Cheyenne, WY		11
Charleston-Huntington, WV		10
Monroe, LA		9
Flint, MI		9
Colorado Springs, CO		9
South Bend, IN		8
Bismarck, ND		4
Great Falls, MT		2
Helena, MT		1

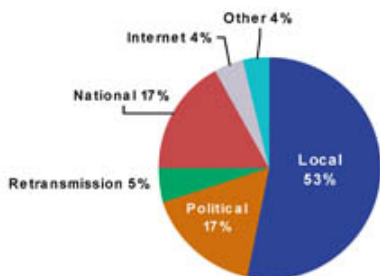
Source: College/University website
 Note: Shading indicates DMA includes state capital. Enrollment in thousands.

Revenue Mix Continues to Diversify

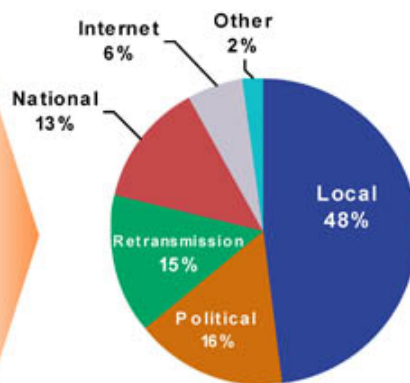


- Growth in net revenue, driven by increases in core revenue, political, retransmission and internet revenues
- Revenue mix continues to diversify from traditional ad-based sources to new media – internet and subscriber driven – and retransmission revenue
- Diversification lowers overall revenue volatility

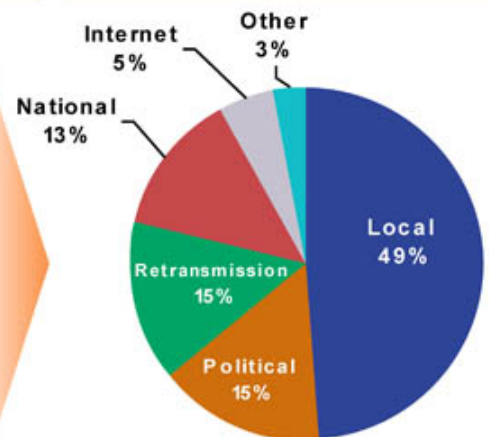
2010A Net Revenue Mix:
\$346mm ⁽¹⁾



2014A Net Revenue Mix:
\$508mm ⁽¹⁾



2014PF Net Revenue Mix:
\$572mm ⁽¹⁾

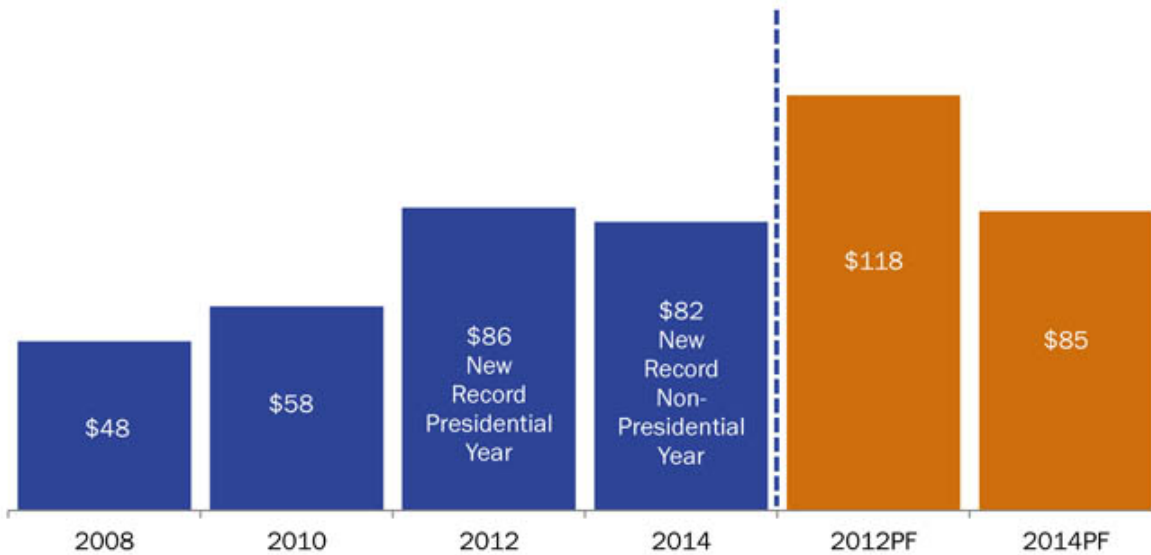


(1) 2010A and 2014A reflect Gray actual data per Company, 2014PF includes the Acquisitions

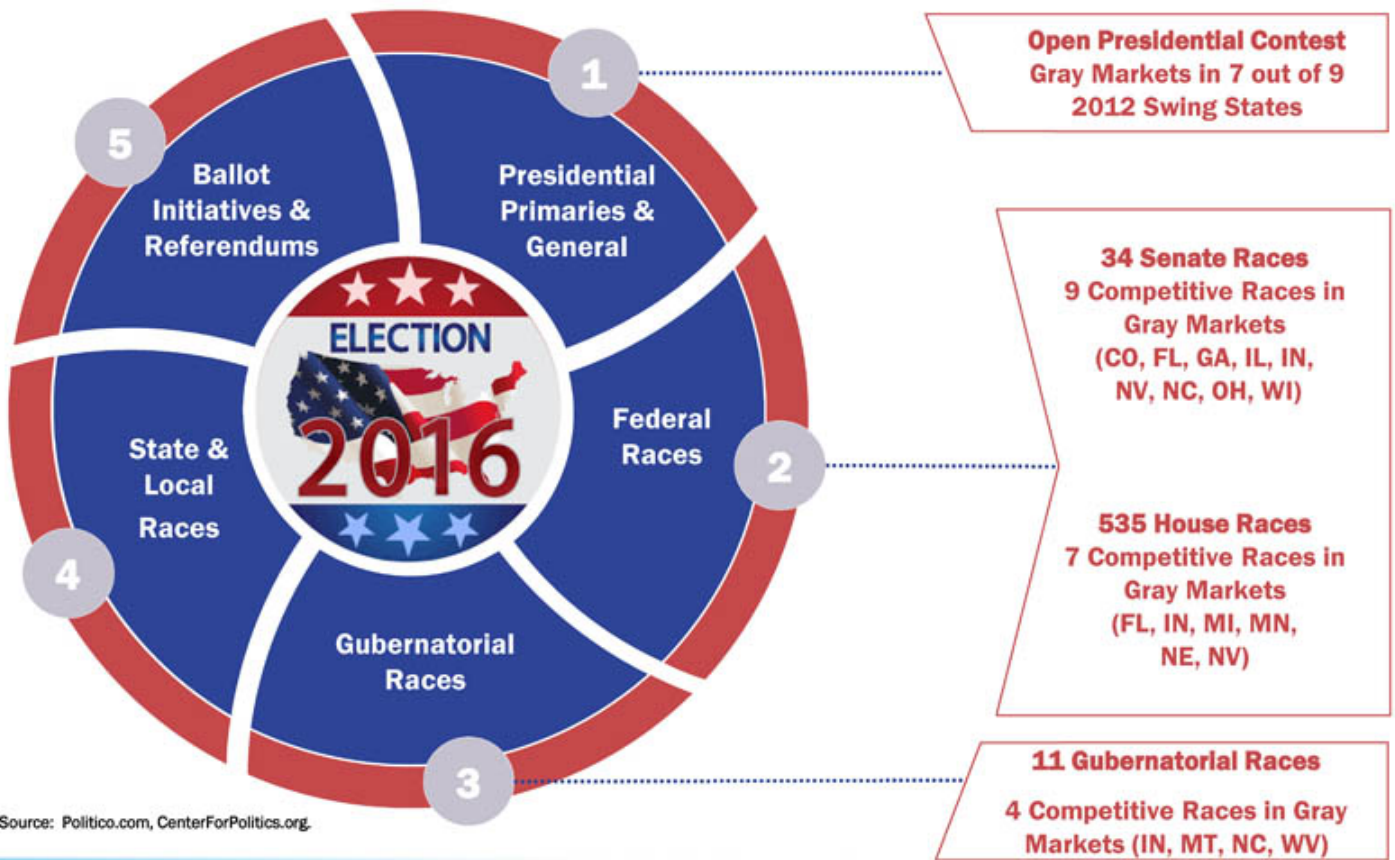
Gray is a Leading Beneficiary of Political Revenue with Large Upside in Presidential Years



Gray TV Political Revenue in Millions ^{(1), (2)}



2012PF and 2014PF includes Gray and the Acquisitions and assumes 15% agency commission discount on gross political revenues for the Acquisitions



Successful Digital Media Initiatives



- Operate web and mobile applications in all markets
- Focused on local content: news, weather, sports
- All sites have converted to responsive design
- "Moms Everyday" digital vertical; deployed in each Gray TV market and continues to expand to other markets



- Full service digital solutions



Gray TV Digital Media Revenue in Millions ⁽¹⁾



50% plus margin on digital revenue

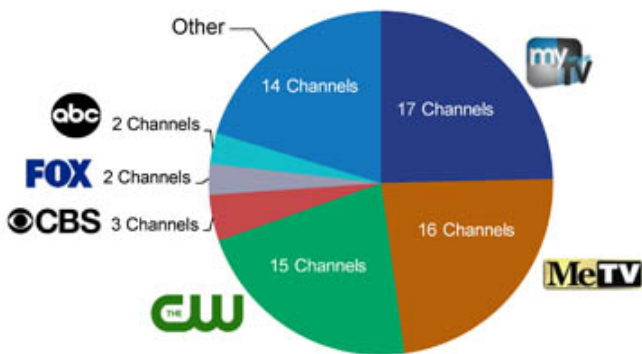
(1) Gray standalone data per company filings. 2013PF and 2014PF includes the Acquisitions

Significant Potential Upside from Spectrum Monetization Opportunities

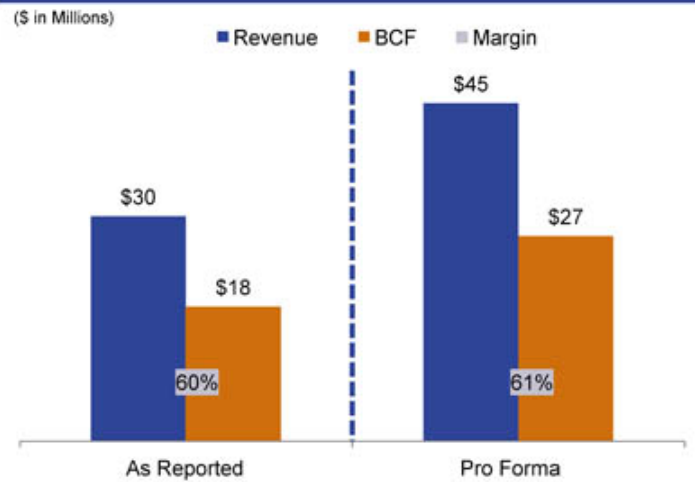


- One of first broadcasters to monetize digital spectrum
- 69 secondary channels of programming today
- Opportunities to benefit from the 2016 FCC Broadcast Incentive Auction
- Potential opportunities from future changes to new broadcast technical standard

Growing Secondary (D2) Channels (1)



Secondary Channel 2014 Financials



(1) Certain program channels are affiliated with more than one additional network simultaneously

Gray TV's Financial Scale Continues to Increase



Net Revenue (1)



L8QA Growth	3%	6%	9%	5%	14%	--	2%
LTM 2-Yr. Growth	6%	14%	17%	13%	25%	--	3%

Operating Cash Flow (1)

(\$ in millions)



L8QA Margin	34%	36%	38%	38%	36%	41%	38%
LTM Margin	39%	32%	43%	33%	38%	36%	40%

- (1) Gray actual data per Company; 2013PF and 2014PF include the Acquisitions
 (2) Gray standalone Capex as a percentage of Gray standalone Revenue
 (3) PF Capex as a percentage of PF Revenue

Capital Expenditures (1)

(\$ in millions)

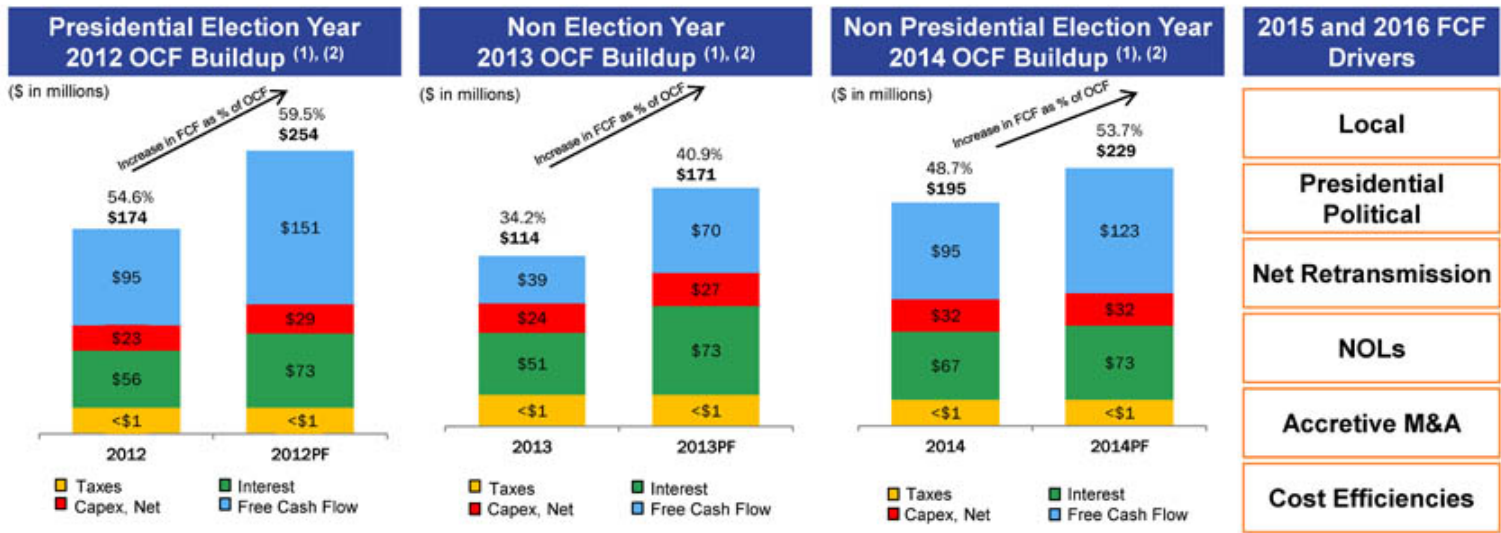


% of Revenue ⁽²⁾	6%	7%	6%	7%	6%
% of PF Revenue ⁽³⁾	-	-	5%	6%	6%

Robust Free Cash Flow Generation



- Gray realized record free cash flow of \$95 million in 2014; \$123 million pro forma FCF in 2014
- Gray's free cash flow is expected to increase with the Acquisitions due to the incremental OCF despite a moderate increase in capital and corporate expenditures
- Gray will also benefit from ~\$160 million in net operating loss carryforwards



(1) Pro Forma interest expense estimated with Pro Forma incremental indebtedness and estimated cash interest
 (2) Gray actual data per Company; 2012PF, 2013PF and 2014PF figures include the Acquisitions

Prudent Balance Sheet Management Leads to Deleveraging

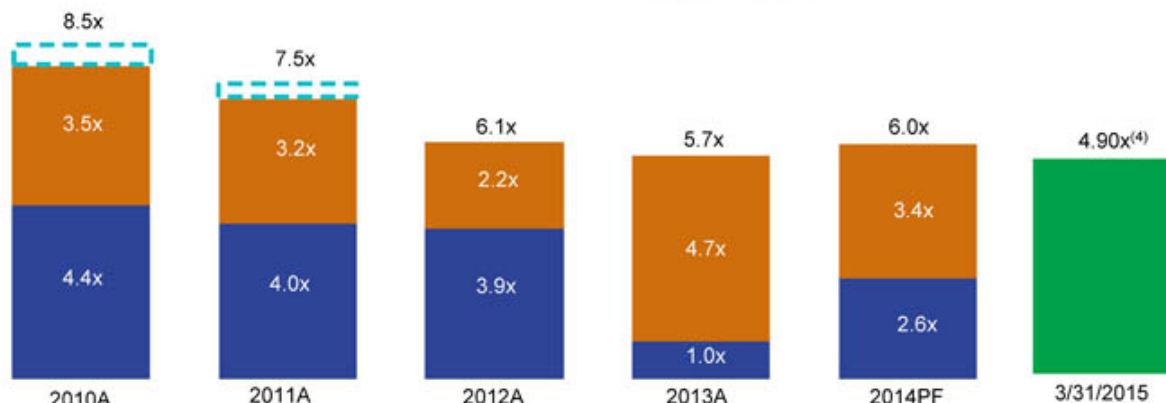


- Gray has significantly reduced secured and total leverage from historical levels
- Gray's strategic investments have diversified its revenue base, allowing for significant free cash flow in both political and non-political years

Net Financial Leverage ^{(1), (2)}

(\$ in millions)

■ Secured Net Debt / OCF ■ Net Debt / OCF ■ Preferred Stock / OCF



Net Debt ⁽³⁾	\$828	\$832	\$824	\$823	\$1,201	\$1,006.8 ⁽⁴⁾
Net Debt + Preferred Stock	\$881	\$872	\$824	\$823	\$1,201	\$1,006.8 ⁽⁴⁾
L8QA OCF	\$104	\$117	\$136	\$144	\$200	\$206

(1) Leverage shown on a two year blended basis to account for biennial shifts in political revenues

(2) Gray actual data per company filings; 12/31/14PF includes the Acquisitions

(3) Total debt less up to \$30 million of cash on hand

(4) Total debt less all cash on hand

Record Results Q1, 2015



	As Reported Basis Three Months Ended March 31,				% Change 2015 to 2013
	2015	2014	% Change 2015 to 2014	2013	
	(in thousands except per share data)				
Revenue (less agency commissions):					
Total	\$ 133,303	\$ 91,297	46 %	\$ 78,169	71 %
Political	\$ 1,159	\$ 2,792	(58)%	\$ 641	81 %
Operating expenses (1):					
Broadcast	\$ 86,847	\$ 60,384	44 %	\$ 53,494	62 %
Corporate and administrative	\$ 6,847	\$ 6,499	5 %	\$ 3,824	79 %
Net income	\$ 5,595	\$ 1,277	338 %	\$ 870	543 %
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow	\$ 46,724	\$ 30,619	53 %	\$ 24,509	91 %
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 40,627	\$ 25,473	59 %	\$ 20,821	95 %
Free Cash Flow	\$ 21,991	\$ 7,453	195 %	\$ 2,795	687 %
Free Cash Flow Per Share:					
Basic	\$ 0.38	\$ 0.13		\$ 0.05	
Diluted	\$ 0.37	\$ 0.13		\$ 0.05	

(1) Excludes depreciation, amortization and loss on disposal of assets

(2) See definition of non-GAAP terms and a reconciliation of the non-GAAP amounts to net income included elsewhere herein

Record Results Q1, 2015



	Combined Historical Basis Three Months Ended March 31,				% Change 2015 to 2013
	2015	2014	% Change 2015 to 2014	2013	
	(in thousands except per share data)				
Revenue (less agency commissions):					
Total	\$ 133,303	\$ 120,788	10 %	\$ 108,194	23 %
Political	\$ 1,159	\$ 3,524	(67) %	\$ 721	61 %
 Broadcast Operating Expenses(1)	 \$ 86,847	 \$ 77,832	 12 %	 \$ 73,149	 19 %
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow	\$ 46,724	\$ 43,892	6 %	\$ 36,337	29 %
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 40,627	\$ 36,728	11 %	\$ 32,219	26 %
Operating Cash Flow as defined in the					
Gray senior credit facility	\$ 43,028	\$ 37,714	14 %	\$ 32,720	32 %
Free Cash Flow	\$ 21,991	\$ 16,530	33 %	\$ 7,185	206 %
Free Cash Flow Per Share Data:					
Basic	\$ 0.38	\$ 0.29		\$ 0.12	
Diluted	\$ 0.37	\$ 0.28		\$ 0.12	

(1) Excludes depreciation, amortization and loss on disposal of assets

(2) See definition of non-GAAP terms and a reconciliation of the non-GAAP amounts to net income included elsewhere herein

Capitalization Overview



- No near-term debt maturities and ~\$275 million of liquidity as of 3/31/15

Current Capitalization

(\$ in millions)	3/31/2015		
	Actual \$	Cum. X L8QA OCF ⁽¹⁾	Cum. X LTM OCF ⁽²⁾
Cash & Equivalents	\$225		
Priority Revolver (\$50MM) due 2019	--	0.0x	0.0x
Term Loan B due 2021 (LIBOR + 3% with LIBOR Floor of 0.75%)	\$556	2.71x	2.37x
Secured Debt	\$556	2.71x	2.37x
7.5% Senior Notes due 10/2020, at par value	\$675	6.0x	5.25x
Total Debt	\$1,231	6.0x	5.25x
Net Debt ⁽³⁾	\$1,201	5.85x	5.12x
Debt Net All Cash⁽⁴⁾⁽⁵⁾	\$1,007	4.90x	4.29x

Source: Company financials and management estimates

⁽¹⁾Based on Gray's L8QA 12/31/14 Pro Forma OCF

⁽²⁾Based on Gray's LTM 12/31/14 Pro Forma OCF

⁽³⁾Total debt less up to \$30 million of cash on hand

⁽⁴⁾Total debt less all cash on hand

\$206

\$235



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Questions & Answers





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Appendix



Glossary



"Acquisitions":	The Hoak Acquisition and Gray's other previously completed acquisitions of Rapid Cities, Prime Cities, Lockwood, Yellowstone, KJCT, Montana and SJL unless otherwise specified; excludes the Pending 2015 Acquisitions
"Excalibur" (Excalibur Broadcasting, Inc.):	A television broadcaster with two stations (KJCT, KKHD) whose financial results were consolidated with those of Gray in accordance with GAAP from October 31, 2013 through December 15, 2014
"Gray" (Gray Television, Inc.):	A television broadcast company headquartered in Atlanta, Georgia, that owns and operates television stations and digital properties in markets throughout the United States; its results were consolidated with those of Excalibur under GAAP from October 31, 2013 through December 15, 2014
"Hoak Media" (Hoak Media, LLC):	A television broadcaster from which Gray acquired 12 television stations and the programming of an additional television station on June 13, 2014
"Hoak":	Hoak Media and Parker combined, excluding stations divested to Nexstar or Mission
"Hoak Acquisition":	Gray's acquisition or operation of 15 Hoak television stations, which closed on June 13, 2014
"KJCT":	Station acquired by Excalibur from News-Press and Gazette on October 31, 2013
"Lockwood":	CW affiliated station WQCW in Charleston, WV, acquired by Gray from Lockwood on April 1, 2014
"Montana":	Three stations acquired by Gray from Intermountain West Communications Company (two stations) and Rocky Mountains Broadcasting (one station) in Q4, 2014
"Operating Cash Flow" or "OCF":	Operating cash flow as defined in Gray's existing senior credit facility; includes Pro Forma adjustments for closed acquisitions. See appendix herein for definition and reconciliations of non-GAAP terms.
"Parker" (Parker Broadcasting, Inc.):	Certain operating agreements and non-license assets we acquired from Parker Broadcasting, Inc. relating to the Monroe, LA and Fargo, ND markets in September and December 2014, respectively
"Pending 2015 Acquisitions":	The Pending Acquisition of Twin Falls and Presque Isle
"Presque Isle":	Pending Acquisition of WAGM-TV, a CBS and Fox affiliated station in Presque Isle, Maine for \$10.25 million. The acquisition is subject to regulatory approval and is currently expected to close in the 3 rd quarter of 2015
"Prime Cities":	Two stations acquired by Gray from Prime Cities Broadcasting, Inc. on May 1, 2014
"Pro Forma" or "PF":	Reflects combined historical results, position, or statistics of Gray and the specified acquisitions; pro forma financial results give effect to the specified acquisitions as if they had occurred at the beginning of the relevant period including any financing related to the specified acquisitions

Glossary



"Rapid Cities":	Two stations acquired by Gray from Mission TV, LLC on May 1, 2014
"SJL":	Two ABC stations in Flint, MI and Toledo, OH, acquired by Gray from affiliates of SJL Holdings on September 15, 2014
"Twin Falls":	Pending acquisitions of two stations, a CBS station and a FOX station, in Twin Falls, Idaho for \$17.5 million. The acquisition is subject to regulatory approval and is currently expected to close in the 3rd quarter 2015

	Pro Forma Non-GAAP Reconciliation					
	Year Ended December 31,			Three Months Ended March 31,		
	2012	2013	2014	2013	2014	2015
	(in thousands)					
Net income	\$ 59,350	\$ 29,243	\$ 90,096	\$ 1,525	\$ 6,947	\$ 5,595
Adjustments to reconcile from net income to Free Cash Flow:						
Depreciation	31,838	32,202	33,794	7,896	8,112	8,798
Amortization of intangible assets	825	892	8,360	171	345	2,771
Non-cash stock-based compensation	878	1,974	5,012	136	2,071	993
(Gain) loss on disposals of assets, net	(69)	850	(28,854)	(7)	682	(18)
Miscellaneous expense (income), net	2,823	1,627	290	697	313	(7)
Interest expense	76,975	75,019	75,232	18,754	18,808	18,530
Loss from early extinguishment of debt	46,683	-	5,086	-	-	-
Income tax expense	26,468	16,906	34,837	1,982	1,501	3,940
Amortization of program broadcast rights	12,969	13,090	12,871	2,837	2,913	3,607
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	26	28	25	7	6	6
Network compensation revenue recognized	(687)	(615)	(456)	(157)	(108)	-
Payments for program broadcast rights	(13,727)	(13,156)	(15,087)	(2,853)	(3,823)	(3,588)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	17,631	21,073	27,135	4,118	7,164	6,097
Other	599	(550)	2,788	1,231	(1,039)	-
Broadcast Cash Flow	262,582	178,583	251,129	36,337	43,892	46,724
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	(17,631)	(21,073)	(27,135)	(4,118)	(7,164)	(6,097)
Broadcast Cash Flow Less Cash Corporate Expenses	244,951	157,510	223,994	32,219	36,728	40,627
Pension expense	7,874	8,626	6,126	2,154	1,573	2,401
Contributions to pension plans	(9,402)	(4,748)	(6,770)	(1,517)	(962)	-
Other	10,546	10,128	5,901	(136)	375	-
Operating Cash Flow as defined in Senior Credit Agreement	253,969	171,516	229,251	32,720	37,714	43,028
Interest expense	(76,975)	(75,019)	(75,232)	(18,754)	(18,808)	(18,530)
Amortization of deferred financing costs	2,723	1,903	2,970	411	692	799
Amortization of net original issue (premium) or discount on 7 1/2% senior notes, due 2020	1,127	(9)	(863)	69	(216)	(216)
Purchase of property and equipment	(28,882)	(27,374)	(32,215)	(7,180)	(2,821)	(2,849)
Income taxes paid, net of refunds	(836)	(519)	(401)	(81)	(31)	(241)
Free Cash Flow	\$ 151,126	\$ 70,498	\$ 123,510	\$ 7,185	\$ 16,530	\$ 21,991



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