

Gray Television, Inc.

Certain Non-GAAP Measures Disclosures

The Company has used certain terms that are not measures recognized under generally accepted accounting principles (“GAAP”). The Company defines each of these terms below and discusses why it believes the terms may be meaningful. Other companies in the broadcast industry may use similar terms which may or may not be comparable to the terms used by Gray. These non-GAAP measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Non-GAAP Terms

This press release includes the non-GAAP financial measure of Broadcast Cash Flow and Broadcast Cash Flow Less Cash Corporate Expenses. These non-GAAP amounts are used by us to approximate the amount used to calculate a key financial performance covenant as defined in our senior credit facility. Broadcast Cash Flow is defined as operating income, plus corporate expense, depreciation and amortization (including amortization of program broadcast rights), impairment, non-cash compensation and (gain) loss on disposal of assets and cash payments received or receivable under network affiliation agreements, less payments for program broadcast obligations and less network compensation revenue, net of income taxes. Corporate expenses (excluding depreciation, amortization and non-cash stock-based compensation) are deducted from Broadcast Cash Flow to calculate “Broadcast Cash Flow Less Cash Corporate Expenses.” These non-GAAP terms are used 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 loss calculated in accordance with GAAP.

	Three Months Ended	
	March 31,	
	2009	2008
	(in thousands)	
Net loss	\$ (8,920)	\$ (3,850)
Adjustments to reconcile from net loss to Broadcast Cash Flow Less		
Cash Corporate Expenses:		
Depreciation and amortization of intangible assets	8,410	9,084
Non-cash stock-based compensation	353	294
Gain on disposals of assets, net	(1,522)	(921)
Miscellaneous (income) expense, net	(12)	(27)
Interest expense	10,113	15,799
Loss on early extinguishment of debt	8,352	-
Income tax benefit	(4,767)	(2,641)
Amortization of program broadcast rights	3,770	3,851
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	(41)	626
Network compensation revenue recognized	(138)	(174)
Network compensation per network affiliation agreement	30	30
Payments for program broadcast rights	(3,856)	(3,775)
Broadcast Cash Flow Less Cash Corporate Expenses	11,772	18,296
Corporate and administrative expenses excluding amortization of non-cash stock-based compensation	3,693	3,245
Broadcast Cash Flow	\$ 15,465	\$ 21,541