

## 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 measures 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 contained 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 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 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 and cash flows reported in accordance with GAAP.

	As Reported		
	Three Months Ended		
	June 30,		
	2010	2009	% Change
Net income (loss)	\$ 534	\$ (6,648)	
Adjustments to reconcile to Broadcast Cash Flow Less			
Cash Corporate Expenses:			
Depreciation	7,931	8,253	
Amortization of intangible assets	120	145	
Amortization of non-cash stock based compensation	62	345	
Gain on disposals of assets, net	(480)	(1,098)	
Miscellaneous (income) expense, net	(19)	(1)	
Interest expense	17,431	20,007	
Income tax expense (benefit)	190	(4,360)	
Amortization of program broadcast rights	3,852	3,761	
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	8	7	
Network compensation revenue recognized	(173)	(172)	
Network compensation per network affiliation agreement	(60)	(30)	
Payments for program broadcast rights	(3,853)	(3,801)	
<b>Broadcast Cash Flow Less Cash Corporate Expenses</b>	<b>25,543</b>	<b>16,408</b>	56 %
Corporate and administrative expenses excluding amortization of non-cash stock-based compensation	3,775	3,247	
<b>Broadcast Cash Flow</b>	<b>\$ 29,318</b>	<b>\$ 19,655</b>	49 %

	<b>As Reported</b>		
	<b>Six Months Ended</b>		
	<b>June 30,</b>		
	<b>2010</b>	<b>2009</b>	<b>% Change</b>
Net loss	\$ (4,209)	\$ (15,568)	
Adjustments to reconcile to Broadcast Cash Flow Less			
Cash Corporate Expenses:			
Depreciation	15,906	16,514	
Amortization of intangible assets	242	294	
Amortization of non-cash stock based compensation	217	698	
Gain on disposals of assets, net	(524)	(2,620)	
Miscellaneous (income) expense, net	(58)	(13)	
Interest expense	37,042	30,120	
Loss on early extinguishment of debt	349	8,352	
Income tax benefit	(3,048)	(9,127)	
Amortization of program broadcast rights	7,705	7,531	
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	15	(34)	
Network compensation revenue recognized	(217)	(310)	
Network compensation per network affiliation agreement	(76)	-	
Payments for program broadcast rights	(7,728)	(7,656)	
<b>Broadcast Cash Flow Less Cash Corporate Expenses</b>	<b>45,616</b>	<b>28,181</b>	62 %
Corporate and administrative expenses excluding amortization of non-cash stock-based compensation	6,542	6,940	
<b>Broadcast Cash Flow</b>	<b>\$ 52,158</b>	<b>\$ 35,121</b>	49 %