

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		
	September 30,		
	2010	2009	% Change
Net income (loss)	\$ 5,508	\$ (5,520)	
Adjustments to reconcile to Broadcast Cash Flow Less			
Cash Corporate Expenses:			
Depreciation	7,495	8,025	
Amortization of intangible assets	120	145	
Amortization of non-cash stock based compensation	57	346	
Gain on disposals of assets, net	(85)	(1,835)	
Miscellaneous expense (income), net	15	(13)	
Interest expense	16,671	19,400	
Income tax expense (benefit)	2,456	(3,237)	
Amortization of program broadcast rights	3,733	3,822	
Common stock contributed to 401(k) plan			
excluding corporate 401(k) contributions	8	8	
Network compensation revenue recognized	(172)	(172)	
Network compensation per network affiliation agreement	(60)	30	
Payments for program broadcast rights	(3,862)	(3,827)	
Broadcast Cash Flow Less Cash Corporate Expenses	31,884	17,172	86 %
Corporate and administrative expenses excluding			
amortization of non-cash stock-based compensation	3,312	2,962	
Broadcast Cash Flow	\$ 35,196	\$ 20,134	75 %

	As Reported		
	Nine Months Ended		
	September 30,		
	2010	2009	% Change
Net income (loss)	\$ 1,299	\$ (21,088)	
Adjustments to reconcile to Broadcast Cash Flow Less			
Cash Corporate Expenses:			
Depreciation	23,401	24,538	
Amortization of intangible assets	362	440	
Amortization of non-cash stock based compensation	274	1,044	
Gain on disposals of assets, net	(609)	(4,455)	
Miscellaneous income, net	(43)	(26)	
Interest expense	53,713	49,520	
Loss on early extinguishment of debt	349	8,352	
Income tax expense (benefit)	(592)	(12,364)	
Amortization of program broadcast rights	11,438	11,353	
Common stock contributed to 401(k) plan			
excluding corporate 401(k) contributions	23	(26)	
Network compensation revenue recognized	(389)	(482)	
Network compensation per network affiliation agreement	(136)	30	
Payments for program broadcast rights	(11,590)	(11,483)	
Broadcast Cash Flow Less Cash Corporate Expenses	77,500	45,353	71 %
Corporate and administrative expenses excluding			
amortization of non-cash stock-based compensation	9,854	9,902	
Broadcast Cash Flow	\$ 87,354	\$ 55,255	58 %