

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 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 (loss) and cash flows reported in accordance with GAAP.

	Three Months Ended		% Change
	December 31,		
	2010	2009	
Net income (loss)	\$ 21,864	\$ (1,959)	
Adjustments to reconcile to Broadcast Cash Flow Less			
Cash Corporate Expenses:			
Depreciation	7,229	8,057	
Amortization of intangible assets	117	137	
Amortization of non-cash stock based compensation	58	344	
Gain on disposals of assets, net	(1,300)	(3,173)	
Miscellaneous expense (income), net	(1)	(28)	
Interest expense	16,332	19,568	
Income tax expense	14,039	1,104	
Amortization of program broadcast rights	3,972	3,777	
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	7	7	
Network compensation revenue recognized	(173)	(171)	
Network compensation per network affiliation agreement	(60)	-	
Payments for program broadcast rights	(3,883)	(3,804)	
Broadcast Cash Flow Less Cash Corporate Expenses	58,201	23,859	144 %
Corporate and administrative expenses excluding amortization of non-cash stock-based compensation	3,359	2,878	
Broadcast Cash Flow	\$ 61,560	\$ 26,737	130 %

	Year Ended December 31,		% Change	Year Ended
	2010	2009		December 31,
	2010	2009		2006
Net income (loss)	\$ 23,163	\$ (23,047)		\$ 11,711
Adjustments to reconcile to Broadcast Cash Flow Less				
Cash Corporate Expenses:				
Depreciation	30,630	32,595		34,073
Amortization of intangible assets	479	577		2,453
Amortization of non-cash stock based compensation	332	1,388		1,092
Gain on disposals of assets, net	(1,909)	(7,628)		1,021
Miscellaneous income, net	(44)	(54)		(677)
Interest expense	70,045	69,088		66,787
Loss on early extinguishment of debt	349	8,352		347
Income tax expense (benefit)	13,447	(11,260)		9,823
Amortization of program broadcast rights	15,410	15,130		14,234
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	30	(19)		2,234
Network compensation revenue recognized	(562)	(653)		(1,089)
Network compensation per network affiliation agreement	(196)	30		2,216
Payments for program broadcast rights	(15,473)	(15,287)		(14,839)
Broadcast Cash Flow Less Cash Corporate Expenses	135,701	69,212	96 %	129,386
Corporate and administrative expenses excluding amortization of non-cash stock-based compensation	13,213	12,780		14,005
Broadcast Cash Flow	\$ 148,914	\$ 81,992	82 %	\$ 143,391