

NEWS RELEASE

Gray Reports Operating Results for the Quarter Ended September 30, 2000

Atlanta, Georgia – October 24, 2000 . . . Gray Communications Systems, Inc. (NYSE: GCS.B and GCS) today announced that revenues increased 24% to \$41.6 million for the quarter ended September 30, 2000 from \$33.5 million for the same quarter of the prior year. Media Cash Flow increased 56%, to \$17.2 million for the quarter ended September 30, 2000 from \$11.0 million for the same quarter of the prior year. Gray reported a net loss available to common stockholders of \$1.4 million for the third quarter of 2000 compared to a net loss available to common stockholders of \$2.2 million for the third quarter of 1999.

For the nine months ended September 30, 2000, revenues increased 24% to \$123.9 million from \$100.0 million for the same period of the prior year. For the nine months ended September 30, 2000, Media Cash Flow increased 39%, to \$47.3 million from \$34.1 million for the same period of the prior year. Gray reported a net loss available to common stockholders of \$7.1 million for the first nine months of 2000 compared to a net loss available to common stockholders of \$5.4 million for the first nine months of 1999.

On a pro forma basis, revenues increased 5% to \$41.6 million for the quarter ended September 30, 2000 from \$39.6 million for the same quarter of the prior year. Pro forma Media Cash Flow increased 25% to \$17.2 million for the quarter ended September 30, 2000 from \$13.7 million for the same quarter of the prior year.

On a pro forma basis for the nine months ended September 30, 2000, revenues increased 5% to \$123.9 million from \$118.0 million for the same nine month period of the prior year. Pro forma Media Cash Flow for the nine months ended September 30, 2000 increased 14% to \$47.3 million from \$41.6 million for the same period of the prior year.

Gray generated increased revenue and Media Cash Flow from improved operating results at its existing operations and from its acquired properties. Gray acquired KWTX-TV, KBTX-TV and KXII-TV on October 1, 1999 and The Goshen News on March 1, 1999. Pro forma operating results for the quarter and the year to date period reflect increases in Media Cash Flow for all three of Gray's business segments.

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Conference Call Information

Gray Communications Systems, Inc. will be hosting a conference call to discuss its third quarter operating results on Tuesday, October 24, 2000. The call will begin at 11:00 AM EDT, and it will be available for replay via telephone until October 31, 2000. The live dial-in number is (800) 260-0718. The call will be webcast live at www.graycommunications.com in the Investor Relations Section. The taped replay will be available at (800) 475-6701 and the access code for the taped replay is 544669. A replay of the conference call will also be available on-line at www.streetfusion.com and it will be available for replay at this web site until October 31, 2000.

* Gray Communications Systems, Inc. (“Gray” or the “Company”) acquired the outstanding capital stock of KWTX Broadcasting Company operating KWTX-TV, Brazos Broadcasting Company operating KBTX-TV and the assets of KXII-TV on October 1, 1999. In addition, Gray acquired the assets of The Goshen News on March 1, 1999. The results of operations of these acquired businesses have been included in the Company’s historical financial statements since their respective acquisition dates. The pro forma results of operations of these acquired businesses have been included in the Company’s pro forma financial statements since the first day of the respective reporting period.

** Media Cash Flow is defined as operating income, plus depreciation, non-cash compensation, amortization (including amortization of program license rights), and corporate overhead, less payments for program license liabilities. The Company has included Media Cash Flow data because such data is commonly used as a measure of performance for media companies and is also used by investors to measure a company’s ability to service debt. Media Cash Flow is not, and should not, be used as an indicator or alternative to operating income, net income or cash flow as reflected in the Company’s consolidated financial statements. Media Cash Flow is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

Gray Communications Systems, Inc. is a communications company headquartered in Atlanta, Georgia, and operates ten CBS-affiliated television stations, three NBC-affiliated television stations, four daily newspapers, an advertising weekly shopper, a satellite uplink and production business and a paging business. Gray’s current operations are concentrated in the Southeast, Southwest and Midwest United States.