Gray
Television, Inc.

NEWS RELEASE

Gray Reports Operating Results

for the Three Months and Year ended December 31, 2003

Atlanta, Georgia – March 8, 2004 . . . Gray Television, Inc. (the "Company") (NYSE: GTN) today announced its results for the three months ("fourth quarter") and year ended December 31, 2003.

The Company's reported results for 2003 reflect the impact of the acquisition of Stations Holding Company, Inc., on October 25 2002, comprising 15 network affiliated television stations serving 13 television markets and the acquisition on December 18, 2002 of KOLO-TV, the ABC affiliate serving Reno, Nevada. Both acquisitions are collectively referred to as the "2002 Acquisitions". The Company has also provided information on its operating results on a "pro forma" basis which gives effect to the 2002 Acquisitions as if they had occurred on January 1, 2002 (see Note 1).

Fourth quarter of 2003 Compared to the Fourth quarter of 2002

Revenues. Total revenues for the three months ended December 31, 2003 increased 6% to $80.4 million as compared to the corresponding period of the prior year primarily reflecting the impact of the 2002 Acquisitions. Broadcasting revenues increased 7% to $66.5 million. The stations acquired in 2002 had revenue of $35.1 million in the fourth quarter of 2003 compared to $25.4 million from the respective acquisition date in 2002 through December 31, 2002. For the television stations that were owned continuously for the quarters ended December 31, 2003 and 2002, total revenue for 2003 decreased $5.3 million, or 14%. This decrease primarily reflects the net result of increases in local and national advertising revenue of approximately 7% and 8%, respectively, offset by a decrease in political advertising revenue of 88% or $6.9 million. On a pro forma basis, total broadcasting revenues decreased 12% from the pro forma results of the fourth quarter of 2002. Broadcasting local and national revenues increased approximately 9% and 6% respectively from the pro forma results of 2002 while political advertising revenue decreased $12.8 million to $2.3 million from the pro forma results for the fourth quarter of 2002.

Operating expenses. Operating expenses before depreciation, amortization and certain other non-cash charges increased 13% to $51.5 million primarily reflecting the impact of the 2002 Acquisitions. Broadcasting expenses increased 18% to $39.4 million. The stations acquired in 2002 had broadcast expense of $20.2 million in the fourth quarter of 2003 compared to $13.2 million from the respective acquisition date in 2002 through December 31, 2002. For the television stations that were owned continuously for the quarters ended December 31, 2003 and 2002, broadcast expenses decreased 4% from the prior period. On a pro forma basis, broadcasting operating expenses decreased 2% from the prior period.

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Year ended December 31, 2003 Compared to the Year ended December 31, 2002

Revenues. Total revenues for the year ended December 31, 2003 increased 49% to $295.4 million as compared to the same period of the prior year primarily reflecting the impact of the 2002 Acquisitions. Broadcasting revenues increased 66% to $243.1 million. The stations acquired in 2002 had revenue of $127.9 million for 2003 compared to $25.4 million from the respective acquisition date in 2002 through December 31, 2002. For the television stations that were owned continuously for the years ended December 31, 2003 and 2002, total revenue for 2003 decreased $6.2 million, or 5%. This decrease primarily reflects the net result of increases in local and national advertising revenue of 5% and 4%, respectively, offset by a decrease in political advertising revenue of 82% or $10.8 million. On a pro forma basis total broadcasting revenues decreased 4% from the pro forma results for the full year of 2002. Broadcasting local and national revenue increased approximately 5% and 4%, respectively from the pro forma results of 2002 while political advertising revenue decreased $19.7 million to $5.7 million from the pro forma results for the full year of 2002.

Operating expenses. Operating expenses before depreciation, amortization and certain other non-cash charges increased 53% to $191.7 million primarily reflecting the impact of the 2002 Acquisitions. Broadcasting expenses increased 78% to $145.7 million. The stations acquired in 2002 had broadcast expense of $76.4 million for 2003 compared to $13.2 million from the respective acquisition date in 2002 through December 31, 2002. For the television stations that were owned continuously for the years ended December 31, 2003 and 2002, broadcast expenses increased 1%. On a pro forma basis broadcasting operating expenses decreased 1% from the prior year.

Balance Sheet

Total debt outstanding at December 31, 2003 was $655.9 million compared to $658.2 million at December 31, 2002. The Company's cash balance was $11.9 million at December 31, 2003 compared to $12.9 million at December 31, 2002.

Settlement of IRS Litigation

In January 2004, the Company settled its litigation with the IRS relating to the acquisition of certain television assets in 1996. The settlement requires no cash payments from the Company. The Company agreed in the settlement to forego certain claimed depreciation and amortization deductions relating to the 1996 through 1999 tax years, which in turn resulted in a reduction of the Company's current federal income tax net operating loss carryforwards by approximately $16.3 million. After giving effect to the settlement, the Company's federal net operating loss carryforwards approximate $190 million. During the three months ended December 31, 2003, the Company recorded a non-cash charge to decrease its deferred tax assets by approximately $5.8 million to reflect this settlement. As a result of the settlement, the Company is also entitled to collect a previously claimed federal tax cash refund from 1996 of approximately $1.2 million, plus statutory interest.

Restatement of 2002 Transitional Impairment Charge

The Company has restated its 2002 and 2001 consolidated financial statements for the items discussed below. These restatements had no impact on cash or on income (loss) before cumulative effect of accounting change.

Reclassification Between Broadcast Licenses and Goodwill for Acquisitions Prior to 2002

Broadcast licenses of television stations acquired by the Company prior to January 1, 2002 were valued using a residual value methodology where the excess of the purchase price over the fair value of all identified tangible and intangible assets was attributed to the broadcast license. In applying this methodology, the Company previously reported deferred tax liabilities for the excess of book over tax basis of assets acquired with a corresponding increase in goodwill. The Company has determined that, instead of recognizing that amount as additional goodwill, the amount should have been included with the residual amount attributed to the broadcast license. Accordingly, the Company has restated its December 31, 2002 balance sheet to reflect the reclassification of approximately $36.4 million of amounts previously reported as "goodwill" to "broadcast licenses". This reclassification, in turn, created additional book over tax basis of the broadcast licenses, requiring recognition of additional deferred tax liabilities and recognition of a corresponding increase in the amount of broadcast licenses. This grossing up effect resulted in an additional increase to broadcast licenses and an increase to deferred tax liabilities of approximately $29.0 million at December 31, 2002.

Revision of the Initial Transition Impairment Charge Calculation Upon Adoption of SFAS 142

The adjustment mentioned above and the correction of certain other computational errors in the initial transition impairment calculation caused the pre-tax impairment charge as of January 1, 2002 to increase from $39.5 million to $39.9 million and caused the related tax benefit to increase from $8.9 million to $13.2 million. Therefore, the cumulative effect of accounting change of $30.6 million previously reported in the statement of operations for the year ended December 31, 2002 has been restated and is now reduced to $26.6 million. This net adjustment was recorded as an increase in broadcast licenses of $6.4 million, an increase in deferred taxes of $2.4 million and a decrease in the cumulative effect of accounting change of $4.0 million.

The following table summarizes the effects of the restatements discussed above. These restatements had no impact on cash or on income (loss) before cumulative effect of accounting change. (Dollars in thousands except per share data):

	Balance Sheet As of December 31, 2002	
	As Previously Reported	As Restated
Assets:		
Broadcast licenses	$ 878,631	$ 950,321
Goodwill	$ 173,341	$ 136,969
Other intangible assets, net	$ 8,900	$ 8,905
Total assets	$ 1,296,724	$ 1,332,048
Liabilities:		
Deferred income taxes	$ 174,765	$ 206,143
Total liabilities	$ 888,114	$ 919,492
Stockholders' equity:		
Retained deficit	$ 28,176	$ 24,230
Total stockholders' equity	$ 369,420	$ 373,366

	Statement of Operations For the Year Ended December 31, 2002	
	As Previously Reported	As Restated
Cumulative effect of accounting change, net	$ (30,592)	$ (26,646)
Net loss	$ (27,887)	$ (23,941)
Net loss available to common stockholders	$ (34,317)	$ (30,371)
Net loss per share available to common stockholders		
Basic	$ (1.55)	$ (1.37)
Diluted	$ (1.53)	$ (1.37)

For the year ended December 31, 2001 the Company has restated its intangible asset amortization expense and its income tax benefit increasing each by $958,000 to reflect, in that period, the impact of the reclassification between broadcast licenses and goodwill plus the related "tax-on-tax" gross-up mentioned above.

Reclassifications

Certain prior year amounts have been reclassified to conform with the 2003 presentation. Specifically, the Company has reclassified amounts relating to the loss on disposal of assets from miscellaneous income (expense) to a separate line item entitled "Loss on disposal of assets, net" included in operating expenses.

Guidance for the First Quarter of 2004

The Company currently anticipates that its results of operations for the three months ended March 31, 2004 will approximate the ranges presented in the table below.

Dollars in Thousands	Three Months Ended March 31, 2004 Estimated Range	
	Low	High
OPERATING REVENUES		
Broadcasting (less agency commissions)	$ 59,000	$ 60,000
Publishing	10,500	10,700
Paging	1,700	1,800
TOTAL OPERATING REVENUES	71,200	72,500
OPERATING EXPENSES		
Operating expenses before depreciation and amortization		
Broadcasting	37,000	37,250
Publishing	8,000	8,100
Paging	1,425	1,450
Corporate	2,000	2,500
Depreciation and amortization	6,000	6,100
Amortization of restricted stock award	75	100
Loss on disposal of assets	50	100
TOTAL OPERATING EXPENSES	54,550	55,600
OPERATING INCOME	$ 16,650	$ 16,900

The Company currently estimates that net political revenue for the three months ended March 31, 2004 will range between $2.3 million and $2.5 million compared to $741,000 earned in the three months ending March 31, 2003. Such estimate for 2004 is included in the broadcast operating revenue estimates presented above. In addition the Company currently estimates that non-cash 401(k) plan expense will range between $475,000 and $550,000 for the three months March 31, 2004 and such estimate is included in the operating expense estimates presented above.

For the full year of 2004, the Company currently anticipates that total operating expenses before depreciation, amortization and certain other non-cash charges will increase approximately 3% over the results for 2003. The Company currently anticipates that broadcast operating expenses for the full year of 2004 will increase approximately 3.5% over the results for 2003. These increased operating costs primarily reflect general increases in payroll and related employee benefit costs as well as sales commissions on political revenue sold by national sales representatives.

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Conference Call Information

Gray Television, Inc. will host a conference call to discuss its fourth quarter operating results on March 8, 2004. The call will begin at 11:00 AM Eastern Time. The live dial-in number is (877) 888-3855 and the reservation number is T485854G. The call will be webcast live and available for replay at www.graytvinc.com. The taped replay of the conference call will be available at (888) 509-0081 until March 22, 2004.

The Company

Gray Television, Inc. is a communications company headquartered in Atlanta, Georgia, and currently owns 29 television stations serving 25 television markets. The stations include 15 CBS affiliates, seven NBC affiliates and seven ABC affiliates. Gray Television, Inc. has 22 stations ranked #1 in local news audience and 22 stations ranked #1 in overall audience within their respective markets based on the results of the Nielsen November 2003 ratings reports. The TV station group reaches approximately 5.3% of total U.S. TV households. The Company also owns four daily newspapers, three in Georgia and one in Indiana.

Gray Television, Inc.

(in thousands, except per share data and percentages)

Selected operating data:	As Reported(1) Three Months Ended December 31, 2003	2002	% Change	Pro Forma(1) Three Months Ended December 31, 2002	% Change
OPERATING REVENUES					
Broadcasting (less agency commissions)	$ 66,537	$ 62,173	7 %	$ 75,404	(12)%
Publishing	11,831	11,583	2 %	11,583	2 %
Paging	2,029	2,070	(2)%	2,070	(2)%
TOTAL OPERATING REVENUES	80,397	75,826	6 %	89,057	(10)%
OPERATING EXPENSES					
Operating expenses before depreciation and amortization					
Broadcasting	39,422	33,374	18 %	40,167	(2)%
Publishing	8,176	8,373	(2)%	8,373	(2)%
Paging	1,551	1,684	(8)%	1,684	(8)%
Corporate and administrative	2,301	2,322	(1)%	2,706	(15)%
Depreciation and amortization	6,178	6,663	(7)%	5,503	12 %
Amortization of restricted stock award	454	-0-	NA	-0-	NA
Loss on disposal of assets	1,075	592	82 %	592	82 %
TOTAL OPERATING EXPENSES	59,157	53,008	12 %	59,025	0 %
Operating income	21,240	22,818	(7)%	30,032	(29)%
Miscellaneous income (expense), net	(192)	141	(236)%	141	(236)%
Interest expense	(10,637)	(10,759)	(1)%	(11,654)	(9)%
Loss on early extinguishment of debt	-0-	(5,563)	(100)%	(5,563)	(100)%
INCOME BEFORE INCOME TAXES	10,411	6,637	57 %	12,956	(20)%
Income tax expense	9,146	2,682	241 %	5,084	80 %
NET INCOME	1,265	3,955	(68)%	7,872	(84)%
Preferred dividends	822	858	(4)%	858	(4)%
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	$ 443	$ 3,097	(86)%	$ 7,014	(94)%
Diluted per share information:					
Net income per share available to common stockholders	$ 0.01	$ 0.08	(88)%	$ 0.14	(94)%
Weighted average shares outstanding	50,210	41,232	22 %	50,281	(0)%
Other Selected Data					
Political revenue	$ 2,251	$ 11,213	(80)%	$ 15,062	(85)%

Selected balance sheet data:	December 31, 2003	2002
Cash and cash equivalents	$ 11,947	$ 12,915
Total Debt (2)	655,902	658,220
Total debt net of cash	643,955	645,305

Gray Television, Inc.

(in thousands, except per share data and percentages)

Selected operating data:	As Reported[1] Twelve Months Ended December 31, 2003	Restated 2002	% Change	Pro Forma[1] Twelve Months Ended December 31, 2002	% Change
OPERATING REVENUES					
Broadcasting (less agency commissions)	$ 243,061	$ 146,714	66 %	$ 253,824	(4)%
Publishing	44,366	43,657	2 %	43,657	2 %
Paging	7,944	8,269	(4)%	8,269	(4)%
TOTAL OPERATING REVENUES	295,371	198,640	49 %	305,750	(3)%
OPERATING EXPENSES					
Operating expenses before depreciation and amortization					
Broadcasting	145,721	81,996	78 %	146,648	(1)%
Publishing	31,781	31,583	1 %	31,583	1 %
Paging	5,785	5,798	(0)%	5,798	(0)%
Corporate and administrative	8,460	5,607	51 %	9,010	(6)%
Depreciation and amortization	27,337	17,728	54 %	22,152	23 %
Amortization of restricted stock award	454	-0-	NA	-0-	NA
Loss on disposal of assets	1,155	699	65 %	699	65 %
TOTAL OPERATING EXPENSES	220,693	143,411	54 %	215,890	2 %
Operating income	74,678	55,229	35 %	89,860	(17)%
Miscellaneous income, net	20	303	(93)%	303	(93)%
Appreciation in value of derivatives, net	-0-	1,581	(100)%	1,581	(100)%
Interest expense	(43,337)	(35,674)	21 %	(49,731)	(13)%
Loss on early extinguishment of debt	-0-	(16,838)	(100)%	(16,838)	(100)%
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	31,361	4,601	582 %	25,175	25 %
Income tax expense	17,337	1,896	814 %	9,715	78 %
NET INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	14,024	2,705	418 %	15,460	(9)%
Cumulative effect of accounting change, net of $13,215 income tax benefit	-0-	(26,646)	(100)%	(26,646)	(100)%
NET INCOME (LOSS)	14,024	(23,941)	(159)%	(11,186)	(225)%
Preferred dividends	3,287	2,461	34 %	2,461	34 %
Preferred dividends associated with the redemption of preferred stock	-0-	3,969	(100)%	3,969	(100)%
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	$ 10,737	$ (30,371)	(135)%	$ (17,616)	(161)%
Diluted per share information:					
Net income (loss) before cumulative effect of accounting change available to common stockholders	$ 0.21	$ (0.17)	(226)%	$ 0.18	19 %
Cumulative effect of accounting change, net of income taxes	-0-	(1.20)	(100)%	(0.53)	(100)%
Net income (loss) per share available to common stockholders	$ 0.21	$ (1.37)	(115)%	$ (0.35)	(161)%
Weighted average shares outstanding	50,535	22,127	128 %	50,462	0 %
<u>**Other Selected Data**</u>					
Political revenue	$ 5,668	$ 16,612	(66)%	$ 25,349	(78)%

Notes:

Note 1. "As Reported" and "Pro forma"

Information in this earnings release has been presented under two different methods: as reported and pro forma. The as reported basis of presentation gives effect to the acquisitions as of their respective acquisition dates. The pro forma presentation gives effect to the acquisitions of Stations Holding Company, Inc. which occurred on October 25, 2002 and KOLO-TV which occurred on December 18, 2002 as if each had occurred on January 1, 2002. Accordingly, the pro forma presentation combines the Company's historical results of operations with the respective acquired operation's historical pre-acquisition operating results. Certain amounts of corporate overhead were eliminated in the pro forma presentation. Depreciation and amortization expense in the pro forma presentation give effect to accounting for the respective acquisitions. Pro forma income tax expense or benefit assumes an effective tax rate of 38% on the pro forma incremental net pre-tax income or loss. Pro forma interest expense and shares outstanding give effect to the Company's issuance of additional debt and common equity to finance, in part, the acquisitions. An unaudited reconciliation between the as reported and the pro forma condensed consolidated statements of operations for the three months and year ended December 31, 2002 follows:

Data in Thousands	Three Months Ended December 31, 2002		
	As Reported	Effect of Acquisitions	Pro forma
Operating revenues			
Broadcasting (less agency commissions)	$ 62,173	$ 13,231	$ 75,404
Publishing	11,583	-0-	11,583
Paging	2,070	-0-	2,070
Total operating revenues	75,826	13,231	89,057
Operating expenses before depreciation and amortization			
Broadcasting	33,374	6,793	40,167
Publishing	8,373	-0-	8,373
Paging	1,684	-0-	1,684
Corporate and administrative	2,322	384	2,706
Depreciation and amortization	6,663	(1,160)	5,503
Loss on disposal of assets	592	-0-	592
Total operating expenses	53,008	6,017	59,025
Operating income	22,818	7,214	30,032
Miscellaneous income, net	141	-0-	141
Interest expense	(10,759)	(895)	(11,654)
Loss on early extinguishment of debt	(5,563)	-0-	(5,563)
Income before income tax	6,637	6,319	12,956
Income tax expense	2,682	2,402	5,084
Net income	3,955	3,917	7,872
Preferred dividends	858	-0-	858
Net income available to common stockholders	$ 3,097	$ 3,917	$ 7,014
Diluted weighted average shares outstanding	41,232	9,049	50,281
Other Selected Data:			
Broadcast Revenue			
Local	$ 31,760	$ 6,351	$ 38,111
National	15,193	2,427	17,620
Network compensation	2,441	251	2,692
Political	11,213	3,849	15,062
Other	1,566	353	1,919
Total Broadcast Revenue	$ 62,173	$ 13,231	$ 75,404

Data in Thousands	Year ended December 31, 2002		
	As Restated	Effect of Acquisitions	Pro forma
Operating revenues			
Broadcasting (less agency commissions)	$ 146,714	$ 107,110	$ 253,824
Publishing	43,657	-0-	43,657
Paging	8,269	-0-	8,269
Total operating revenues	198,640	107,110	305,750
Operating expenses before depreciation and amortization			
Broadcasting	81,996	64,652	146,648
Publishing	31,583	-0-	31,583
Paging	5,798	-0-	5,798
Corporate and administrative	5,607	3,403	9,010
Depreciation and amortization	17,728	4,424	22,152
Loss on disposal of assets	699	-0-	699
Total operating expenses	143,411	72,479	215,890
Operating income	55,229	34,631	89,860
Miscellaneous income, net	303	-0-	303
Appreciation in value of derivatives, net	1,581	-0-	1,581
Interest expense	(35,674)	(14,057)	(49,731)
Loss on early extinguishment of debt	(16,838)	-0-	(16,838)
Income (loss) before income tax and cumulative effect of accounting change	4,601	20,574	25,175
Income tax expense (benefit)	1,896	7,819	9,715
Net income (loss) before cumulative effect of accounting change	2,705	12,755	15,460
Cumulative effect of accounting change, net of $13,215 income tax benefit	(26,646)	-0-	(26,646)
Net income (loss)	(23,941)	12,755	(11,186)
Preferred dividends	6,430	-0-	6,430
Net income (loss) available to common stockholders	$ (30,371)	$ 12,755	$(17,616)
Diluted weighted average shares outstanding	22,127	28,085	50,462
Other Selected Data:			
Broadcast Revenue			
Local	$ 79,631	62,663	142,294
National	39,288	28,528	67,816
Network compensation	6,422	2,917	9,339
Political	16,612	8,737	25,349
Other	4,761	4,265	9,026
Total Broadcast Revenue	$146,714	$107,110	$253,824

Note 2. Debt

Total debt as of December 31, 2003 and December 31, 2002 does not include $1.2 million and $1.3 million, respectively, of unamortized debt discount on the Company's 9¼% Senior Subordinated Notes due March 2011.

Cautionary Statements for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act

The preceding comments on Gray's current expectations of operating results for the first quarter of 2004 are "forward looking" for purposes of the Private Securities Litigation Reform Act of 1995. Actual results of operations are subject to a number of risks and may differ materially from the current expectations discussed in this press release. See the Company's annual report on Form 10K for a discussion of risk factors that may affect the Company.