GRAY TELEVISION INC
Form 424B5
October 18, 2002

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Filed pursuant to Rule 424(B)5
Registration No. 333-88694

PROSPECTUS SUPPLEMENT
(To prospectus dated September 5, 2002)

30,000,000 Shares

GRAY TELEVISION, INC.

Common Stock

Gray is selling all of the shares.

The shares trade on the New York Stock Exchange under the symbol GTN. On September 16, 2002, our stockholders approved a change in the name of the stock offered pursuant to this prospectus supplement to Common Stock from class B common stock. On October 16, 2002, the last sale price of the shares as reported on the New York Stock Exchange was $8.28 per share.

Investing in the Common Stock involves risks that are described in the Risk Factors section beginning on page 3 of the accompanying prospectus.

	Per Share	Total
Public offering price	$8.250	$247,500,000
Underwriting discount	$0.495	$14,850,000
Proceeds, before expenses, to Gray	$7.755	$232,650,000

The underwriters may also purchase up to an additional 4,500,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about October 22, 2002.

Joint Book-Running Managers

Deutsche Bank Securities
Merrill Lynch & Co.

Bear, Stearns & Co. Inc.

Allen & Company LLC

Wachovia Securities

SunTrust Robinson Humphrey

The date of this prospectus supplement is October 16, 2002.

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Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of stock being offered, which we refer to as the offered stock. The second part, the base prospectus, gives more general information, some of which may not apply to the offered stock. Generally, when we refer to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of the offered stock varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in the prospectus supplement.

In this prospectus supplement and the documents incorporated by reference, we rely on and refer to market information regarding the television industry from BIA Financial Network, Inc. s MEDIA Access Pro Version 3.1, updated as of July 1, 2002, which we refer to as BIA. We also rely on and refer to market information regarding the television industry from Nielsen Station Index, Viewers in Profile, dated May 2002, as prepared by A.C. Nielsen Company, which we refer to as Nielsen. Although we believe that the information obtained from third parties is reliable, we have not independently verified the accuracy and completeness of the information. To the extent this information contains forward-looking statements, readers of this prospectus supplement are cautioned that these statements involve risks and uncertainty and that actual results may differ materially from those in these statements, similarly to that described in Forward-Looking Statements. All statements as to station ranking in this prospectus supplement are based on Nielsen data for the 6:00 a.m. to 2:00 a.m. Sunday through Saturday time period, except that data in the tables titled Competitive Landscape is based on BIA data for the 9:00 a.m. to midnight Sunday through Saturday time period.

When we refer in this prospectus supplement to our markets, we include Hazard, Kentucky as a separate market. Hazard, Kentucky is a special 16 county trading area defined by Nielsen and is part of the Lexington, Kentucky designated market area. We pay Nielsen to conduct the special Hazard, Kentucky trading area study.

FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this prospectus supplement, the words believes, expects, anticipates, estimates and similar words and expressions are generally intended to identify forward-looking statements. Statements that describe our future strategic plans, goals or objectives, including our plans, goals and objectives with respect to our merger with Stations Holding Company, Inc., which we refer to as Stations, are also forward-looking statements. Readers of this prospectus supplement are cautioned that any forward-looking statements, including those regarding the intent, belief or current expectations of our management or us, are not guarantees of future performance, results or events and involve risks and uncertainties, and that actual results and events may differ materially from those in the forward-looking statements as a result of various factors including, but not limited to:

- the factors described in Risk Factors beginning on page 3 of the accompanying prospectus;
- general economic conditions in the markets in which we and Stations operate;
- competitive pressures in the markets in which we and Stations operate;
- the effect of future legislation or regulatory changes on our operations;
- high debt levels; and
- other factors described from time to time in our filings with the Securities and Exchange Commission, which we sometimes refer to as the SEC.

The forward-looking statements included in this prospectus supplement are made only as of the date hereof. We undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

PROSPECTUS SUPPLEMENT SUMMARY

In this prospectus supplement, unless otherwise indicated, the words Gray, our, us and we refer to Gray Television, Inc. (formerly known as Gray Communications Systems, Inc.) and its subsidiaries. Our discussion of the television stations that we own and operate does not include our interest in the stations owned by Sarkes Tarzian, Inc., which we refer to as Tarzian.

On July 25, 2002, we changed our name to Gray Television, Inc. from Gray Communications Systems, Inc. On August 30, 2002, we changed our ticker symbols to GTN from GCS.B for our common stock and to GTN.A from GCS for our class A common stock. On September 16, 2002, our stockholders approved a change in the name of the stock offered pursuant to this prospectus supplement to Common Stock from class B common stock.

This summary highlights selected information from this document and the materials incorporated by reference and does not contain all of the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement, the accompanying prospectus and the documents to which we have referred you.

Our Business

We currently own and operate 13 network affiliated television stations in 11 medium-sized markets in the Southeast, Southwest and Midwest United States. Eleven of our 13 stations are ranked first in total viewing audience and news audience, with the remaining two stations ranked second in total viewing audience and second or third in news audience. Ten of our stations are affiliated with CBS Inc., or CBS, and three are affiliated with National Broadcasting Company, Inc., or NBC.

Since 1993, we have grown primarily through strategic acquisitions. Our significant historic acquisitions have included 12 television stations, three newspapers and a paging business. As a result of our acquisitions and in support of our growth strategy, we have added experienced members to our management team and have greatly expanded our operations in the television broadcasting business.

On June 4, 2002, we executed a merger agreement with Stations, the parent company of Benedek Broadcasting Corporation, which we refer to as Benedek. We plan to acquire 15 television stations from Stations in a transaction that we refer to as the merger. Stations is required under the merger agreement to sell its additional nine designated television stations to third parties prior to the merger. In consideration for Stations, we will pay an estimated consideration of $502.5 million, a substantial portion of which will be used to satisfy, in full, certain outstanding indebtedness of Stations. We expect the merger to be completed on or about October 22, 2002.

We believe that the merger represents an excellent opportunity for us to acquire complementary television stations that will create significant operational and financial benefits. These benefits include increased economies of scale, greater geographic and network diversification, access to additional operating cash flow, cross-promotion opportunities and the potential to increase and enhance our local franchises. Upon the completion of the proposed merger, we will own and operate 28 television stations serving 24 markets with a strong presence in the Southeast, Southwest, Midwest and Great Lakes regions of the United States. The combined station group will include 15 CBS affiliates, seven NBC affiliates and six American Broadcasting Corporation, or ABC, affiliates. In addition, our 15 CBS affiliates will make us the largest independent owner of CBS affiliated stations in the country. Pro forma for the acquisition, 25 of our 28 television stations will rank first or second in viewing audience and 23 of our 28 television stations will rank first or second in local news within their respective markets. In addition, our station group will reach approximately 5% of total U.S. TV households.

We also own and operate four daily newspapers, three located in Georgia and one in Goshen, Indiana, with a total daily circulation of approximately 126,000. In addition, we own and operate a paging business located in the Southeast that had approximately 68,000 units in service at June 30, 2002.

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For the year ended December 31, 2001, pro forma for the Stations acquisition, our television stations would have produced $214.0 million of net revenue and $84.7 million of broadcast cash flow. Including our publishing and other operations, we would have produced $263.9 million of net revenue and $97.0 million of media cash flow, on a pro forma basis in 2001.

We are a Georgia corporation formed in 1891. Our principal offices are located at 4370 Peachtree Road, NE, Atlanta, Georgia 30319, and our telephone number is (404) 504-9828.

Operating & Growth Strategy

We attribute our success to date and our current opportunities to increase our revenue, media cash flow and audience share to the successful implementation of our core operating strategies, the principal components of which are to:

Focus on Local News and Programming to Maintain a Strong Local Franchise. We currently operate 13 network affiliated television stations serving 11 markets, with 12 of our 13 stations ranked first or second in local news. After completion of the merger, we will operate 28 network affiliated television stations serving 24 markets, with 23 of our 28 stations ranked first or second in local news. We endeavor to make each of our television stations a highly recognizable, local brand and believe that providing the leading source for local news and programming in our markets enables us to strengthen audience loyalty and increase viewership among attractive demographic audiences.

Continue to Develop Innovative Local Sales and Targeted Marketing Initiatives. We employ an experienced, high-quality local sales force at each station to increase advertising revenue by leveraging our local brand. We believe that a focused, tailored advertising solution is very attractive to local advertisers, who have historically been a more stable source of revenue than national advertisers. In 2001, approximately 59% of our net television advertising revenue was generated from our local advertisers and pro forma for the proposed merger with Stations, approximately 60% of our net television advertising revenue would have been generated from our local advertisers.

Capitalize on Leading Network Brands in Markets with Limited Competition. Currently, ten of our stations are affiliated with CBS and three are affiliated with NBC, representing approximately 81% and 19% of our total television revenue in 2001, respectively. Following the completion of the merger, we will have a broad and diverse portfolio of 28 affiliated television stations located in 24 markets, of which 15 are affiliated with CBS, seven are affiliated with NBC and six are affiliated with ABC, representing approximately 56%, 29% and 15% of our total pro forma net television revenue in 2001, respectively. Additionally, we will be the largest independent owner of CBS affiliated stations. We believe that our markets are less competitive than larger designated market areas, which we refer to as DMAs. Of our 24 markets, 18 markets are served by four TV stations or fewer, and seven markets are served by three or fewer television stations. Our markets also typically have fewer radio stations than larger DMAs.

Pursue Strategic Acquisitions to Expand and Enhance Regional Clusters. We have acquired and integrated successfully 12 of our 13 television stations since 1993, and have signed a definitive agreement to acquire an additional 15 television stations from Stations. After giving effect to the proposed merger, our television stations will be located in several distinct regions throughout the United States, diminishing potential adverse effects on our business caused by specific regional economic fluctuations. We believe that we are well positioned to participate in further consolidation of our industry, including opportunities that may arise as a result of regulatory changes, such as owning more than one television station in a market.

Attract and Retain High-Quality Management. We believe that high-quality management at both the corporate and station level is critical to the successful implementation of our strategy. We use equity incentives to attract and retain station general managers with proven track records. Members of our senior management team have extensive experience in operating, managing and acquiring

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television stations. Additionally, our station managers have an average of over 21 years of industry experience with individual industry experience ranging from 11 to 32 years.

Maintain Strict Financial Planning and Cost Controls. We employ a comprehensive ongoing strategic planning and budgeting process that enables us to continually identify and implement cost savings at each station, and is designed to increase our media cash flow. We believe that owning and operating 28 television stations will enable us to achieve economies of scale and reduce expenses for syndicated programming, capital equipment and vendor services.

Increase Advertising Revenue and Circulation at Our Newspaper Publishing Operations. We seek to increase advertising revenues and circulation at each of our four newspapers by creating a highly recognizable local brand by focusing on the depth and quality of our coverage of local news, sports and lifestyles and through community involvement. We believe we are able to differentiate our publications from larger competitors and build reader loyalty by becoming the primary source for local news and advertising information within each of our target markets. Our newspaper strategy is led by senior managers and publishers who have an average of over 32 years of experience in the newspaper business with individual industry experience ranging from 20 to 40 years.

Our senior management team has extensive experience in operating and managing our businesses, and is led by: J. Mack Robinson, Chairman and Chief Executive Officer; Robert Prather, President and Chief Operating Officer; James Ryan, Senior Vice President and Chief Financial Officer; and, following the completion of the merger, James Yager, President of Benedek, will be President of Gray MidAmerica Television, Inc. Our publishing operations are led by Thomas J. Stultz, Vice President and President-Publishing. As of July 2, 2002, our directors and executives as a group owned or controlled 59.3% of our combined voting common stock.

Merger Summary

This section of the prospectus supplement describes certain material aspects of the proposed merger. This summary does not contain all of the information that is important to you. You should carefully read the entire registration statement, the accompanying prospectus and the other documents to which we refer you, including the merger agreement, which we refer to as the merger agreement, for a more complete understanding of the merger.

The Merger

On June 4, 2002, we executed a merger agreement with Stations, the parent company of Benedek. The merger agreement provides that we will acquire Stations by merging our newly formed wholly-owned subsidiary, Gray MidAmerica Television, Inc., which we refer to as Gray MidAmerica, into Stations. In consideration for Stations, we will pay an estimated consideration of $502.5 million in cash, a substantial portion of which will be used to satisfy, in full, certain outstanding indebtedness of Stations. We are financing the merger by incurring approximately $250 million of additional indebtedness and issuing approximately $248 million of equity.

The Merger Consideration

Under the merger agreement, each share of Stations senior preferred stock (excluding shares held by Stations or any of its subsidiaries, other than in a fiduciary capacity) issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive a cash payment equal to the quotient obtained by dividing (1) the total of $500,000,000, minus (A) the amount outstanding at the effective time under Stations debt instruments plus accrued interest thereon through the effective time, determined in accordance with Stations plan of reorganization, plus or minus (B) working capital

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adjustments and adjustments relating to amounts incurred by Stations and its subsidiaries with respect to the conversion of their television stations to digital broadcasting by (2) 100,000 (the number of outstanding shares of Stations senior preferred stock at the effective time).

Each share of Stations junior preferred stock (excluding shares held by Stations or any of its subsidiaries, other than in a fiduciary capacity) issued and outstanding immediately prior to the effective time will be converted into the right to receive a cash payment equal to the quotient obtained by dividing (1) $2,500,000 by (2) 450,000 (the number of outstanding shares of Stations junior preferred stock at the effective time).

Each share of Stations class A common stock and class B common stock and any options or warrants to acquire such shares issued and outstanding immediately prior to the effective time will be cancelled. We will not pay any cash consideration for such securities.

The Letter of Credit and the Escrow Shares

When the merger agreement was signed, we delivered to Stations a standby letter of credit in the amount of $12.5 million and deposited with an escrow agent 885,269 shares of our Common Stock. These escrow shares had an aggregate value of $12.5 million, based on the average price of our Common Stock for the 20 consecutive trading days on the New York Stock Exchange ending on June 2, 2002.

If the merger is not consummated because of a material default by us, and Stations has not materially defaulted due to a breach of any of its representations or warranties or any of its covenants or agreements under the merger agreement, then Stations may draw on the letter of credit and instruct the escrow agent to deliver to it the escrow shares pursuant to the escrow agreement. The aggregate proceeds of the drawing on the letter of credit and the escrow shares will total $25.0 million, but we may replace some or all of the escrow shares with a cash payment. Under all other circumstances, the letter of credit will be terminated and the escrow shares will be returned to us.

Conditions to the Merger

The parties obligations to consummate the merger and related transactions generally are subject to the satisfaction or waiver of the following conditions, after which we are required by the merger agreement to consummate the merger on the seventh business day:

- the bankruptcy court approving the order confirming Stations amended plan of reorganization and such confirmation order becoming a final bankruptcy court order;
- the Federal Communications Commission, FCC, approving the transactions contemplated by the merger agreement, without any condition or qualification materially adverse to us or our subsidiaries or Stations or its subsidiaries, or materially adverse to our acquisition of control of Stations and its subsidiaries;
- all regulatory waiting periods applicable to the merger agreement and the related transactions expiring or terminating;
- subject to limited exceptions, the sale by Benedek of nine television stations to third parties; and
- the satisfaction of other customary conditions specified in the merger agreement.

The merger agreement further provides that we may, on one occasion, delay the effective time for up to 120 days if any of the following occurs: (1) any general suspension of trading in equity securities in the United States securities or financial markets for more than two consecutive trading days; (2) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States; (3) commencement of a war, armed hostilities or other national or international calamity directly involving the United States; (4) any limitation by any governmental authority on the extension of credit by banks or other lending institutions in the United States; or (5) if any of the

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foregoing existed on the date the merger agreement was signed, a material acceleration or worsening thereof.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the effective time by Stations and us by mutual consent. In addition, generally, either party may terminate the merger agreement:

in the event of an uncured material breach by the other party of any of its representations, warranties or covenants contained in the merger agreement;

if the merger is not consummated by March 31, 2003; or

if it is reasonably anticipated that any of the conditions precedent to the obligations of the terminating party to consummate the merger cannot be satisfied or fulfilled by March 31, 2003 and such failure was not the fault of the terminating party.

Effects of Termination

Subject to limited exceptions, if the merger agreement is terminated, as described above, it will become void and have no effect. However, certain provisions of the merger agreement will survive termination, including provisions relating to the letter of credit and the escrow shares, confidentiality and expenses.

If the closing does not occur due to a material default by us, and Stations has not materially defaulted due to a breach of any of its representations or warranties or any of its covenants or agreements under the merger agreement, then Stations may draw on the letter of credit and instruct the escrow agent to deliver to it the escrow shares pursuant to the escrow agreement. The aggregate proceeds of the drawing on the letter of credit and the escrow shares will total $25.0 million, but we may replace some or all of the escrow shares with a cash payment.

Bankruptcy Court and Regulatory Filings and Approvals

Bankruptcy Court. Stations has filed a voluntary petition under Chapter 11 of the federal bankruptcy code. Consequently, the merger is subject to the bankruptcy court s approval of Stations amended plan of reorganization, and all of Stations obligations under the merger agreement are subject to the approval of the bankruptcy court. The bankruptcy court held a hearing on September 25, 2002, and all matters related to the confirmation of the amended and restated plan of reorganization were resolved in favor of confirmation. Consequently, the bankruptcy court determined to confirm the amended and restated plan of reorganization. A confirmation order reflecting the September 25, 2002 hearing, including the confirmation of the amended and restated plan of reorganization, was entered on September 30, 2002. The order is now final and unappealable.

Federal Communications Commission. The merger is subject to approval by the FCC. Stations and its subsidiaries and we and our subsidiaries filed with the FCC the necessary application with respect to the change of control on June 10, 2002. On September 5, 2002, the FCC granted approval for the change of control. The FCC s grant for change of control became final on October 16, 2002.

Antitrust. The merger is subject to the requirements of the Hart-Scott Rodino Antitrust Improvements Act of 1976, which provides that certain transactions may not be consummated until required information and materials have been furnished to the Department of Justice and the Federal Trade Commission, which we sometimes refer to as the FTC, and certain waiting periods have expired or been terminated. Stations and we filed the required information and materials with the Department of Justice and the FTC on June 20, 2002. Early termination of the statutory waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976 was granted on July 1, 2002.

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Sale of Certain Designated Benedek Stations Prior to the Merger

Benedek has sold or plans to sell, prior to the effective time of the merger, a total of nine designated television stations, which we refer to as the excluded stations. Benedek plans to sell eight of the excluded stations to Chelsey Broadcasting Company, LLC, a Delaware limited liability company, which we refer to as Chelsey, or its affiliates pursuant to an asset purchase agreement. Benedek already has sold its television station in Wheeling, West Virginia to West Virginia Media Holding, LLC and one of its affiliates on April 30, 2002. Benedek intends to use the net proceeds of these sales to repay indebtedness under its senior secured credit facility. The sale of the nine designated television stations is a condition to the merger.

Recent Developments

KOLO-TV, Reno, Nevada

On September 3, 2002, Smith Television Group, Inc. and Smith Television License Holdings, Inc., which we refer to collectively as Smith, and we executed a definitive asset purchase agreement to acquire from Smith, in a transaction which we refer to as the Reno acquisition, all of the assets and business of KOLO-TV, a television station in Reno, Nevada, which we refer to as the Reno station, for $41.5 million in cash.

The Reno station is the number one rated station in the market for news and programming. For the ten month period commencing on March 1, 2001 (the date on which Smith acquired the Reno station) and the six month period ended June 30, 2002, the Reno station s net revenue approximated $7.8 million and $4.4 million, respectively.

Upon completion of the merger with Stations and the KOLO-TV acquisition, Gray will own a total of 29 stations serving 25 television markets. The stations will include 15 CBS affiliates, 7 NBC affiliates and 7 ABC affiliates. The combined Stations group will have 22 stations ranked first in viewing audience and 23 of 29 stations ranked first in local news audience within their respects markets. The combined station group will reach over 5% of total U.S. TV households.

The acquisition is subject to certain consents, including approval by the FCC of the assignment of 23 Reno station s licenses, permits and other authorizations issued by the FCC for the operation of the Reno station. In addition, on October 7, 2002, Tarzian filed with the FCC an informal objection to the Reno acquisition. Tarzian claims that because it owns a television station in the Reno market, and we own stock in Tarzian, the Reno acquisition would violate certain FCC restrictions against owning two or more television stations in a single market. On October 15, 2002, we filed with the FCC a response contesting Tarzian s informal objection. We cannot guarantee that all required consents and approvals will be obtained, or that the transaction will be consummated. However, we currently expect the transaction, if it closes, to be completed by December 31, 2002.

Commitment for Arrangement of Financing

On September 5, 2002, we executed a commitment letter, which we refer to as the commitment letter, with Wachovia Bank, National Association and Wachovia Securities, Inc., which we refer to, collectively, as Wachovia, under which Wachovia has agreed to arrange to provide us with an aggregate $450.0 million in financing. Pursuant to the commitment letter we will enter into a $375.0 million term loan facility, which we refer to as the term loan facility, and a $75.0 million revolving credit facility, which we refer to as the revolving credit facility. We refer to the term loan facility and the revolving credit facility collectively as the new credit facility.

Wachovia has completed marketing the new credit facility. Bank of America, N.A. is a co-lead arranger and syndication agent and Deutsche Bank Trust Company Americas is a documentation agent. We have received firm commitments in excess of the entire amount of the new credit facility.

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The term loan facility will mature on December 31, 2009 and the revolving credit facility will mature on December 31, 2010. In addition, under the commitment letter we will have the ability to borrow, for up to three years after closing, a maximum of $300.0 million of uncommitted incremental term loans at an interest rate that will be determined, subject to certain limitations, at the time of such borrowings.

We intend to use any borrowings under the facilities to finance a portion of the merger and the Reno acquisition consideration, to refinance certain existing indebtedness and for our ongoing working capital requirements and other general corporate purposes. The consummation of the transactions contemplated by the commitment letter are subject to numerous conditions precedent. We expect that the transactions contemplated by the commitment letter will be consummated contemporaneously with the closing of the merger.

9 1/4% Senior Subordinated Notes

On September 9, 2002, we sold $100.0 million principal amount of our 9 1/4% senior subordinated notes due 2011, which we refer to as the offered notes. The offered notes were issued under the same indenture and have the same terms as our outstanding $180.0 million 9 1/4% senior subordinated notes due 2011. The offered notes mature on December 15, 2011. The interest rate on the offered notes is 9.25% per year (calculated using a 360-day year) payable on June 15 and December 15 of each year, beginning on December 15, 2002. We used the proceeds of the sale of the offered notes primarily to repay approximately $100 million of the borrowings under our existing senior secured credit facility.

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The Offering

Common stock offered by us	30,000,000 shares of Common Stock
Common stock to be outstanding after this offering	38,911,454 shares of Common Stock
	6,848,467 shares of class A common stock
Voting rights	
Common Stock	Holders are entitled to 1 vote on all matters on which shareholders are permitted to vote.
Class A common stock	Holders are entitled to 10 votes on all matters on which shareholders are permitted to vote.
Use of proceeds	The net proceeds from the sale of securities offered by this prospectus are expected to be used to finance the merger and for general corporate purposes, including capital expenditures, to meet working capital needs, to refinance our senior debt, to finance one or more other acquisitions, including the Reno acquisition, or all or a combination of the above.
Risk factors	Investing in the Common Stock involves risks that are described in the Risk Factors section beginning on page 3 of the accompanying prospectus.
New York Stock Exchange symbol	
Common Stock	GTN
Class A common stock	GTN.A

The underwriters may also purchase up to an additional 4,500,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments.

We also have outstanding 4,000 shares of our Series C preferred stock, which we refer to as the Series C or Series C preferred stock. The Series C is convertible into shares of Common Stock at an initial conversion price of $14.39 per share, subject to certain adjustments. For a further description of the conversion rights and other rights attached to the Series C, see Description of Capital Stock Terms of Our Preferred Stock in the accompanying prospectus.

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Summary Historical Consolidated Financial Data

Set forth below is our summary historical consolidated financial data. The financial data for, and as of the end of, each of the years in the five-year period ended December 31, 2001 was derived from the audited consolidated financial statements included in our Annual Reports on Form 10-K and from other information in the Annual Reports. The financial data for, and as of the six month periods ended June 30, 2002 and 2001 was derived from our unaudited accounting records and have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of our management, include all normal and recurring adjustments and accruals necessary for a fair presentation of such information. More comprehensive financial information is included in the Annual Reports and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002 and June 30, 2002. The financial information that follows is qualified in its entirety by reference to, and should be read in conjunction with, the Annual Reports, the Quarterly Reports and all of the financial statements and related notes contained in the Annual Reports and the Quarterly Reports.

	Year Ended December 31,					Six Months Ended June 30,	
	1997(a)	1998(b)	1999(c)	2000	2001	2001	2002
	(dollars in thousands except per share data)						
Statements of Operations Data:							
Revenues							
Broadcast (less agency commissions)	$72,300	$91,007	$97,015	$120,640	$106,430	$52,575	$55,006
Publishing	24,536	29,330	37,808	41,499	41,189	19,927	21,216
Paging	6,712	8,553	9,130	9,074	8,725	4,405	4,083
Total revenues	103,548	128,890	143,953	171,213	156,344	76,907	80,305

Operating expenses							
Broadcast, publishing and paging	65,771	82,783	93,994	105,314	104,025	50,846	50,149
Corporate and administrative	2,528	3,063	3,448	3,594	3,615	1,829	2,116
Depreciation and amortization	14,519	18,117	24,451	31,207	30,824	15,696	7,433
Total operating expenses	82,818	103,963	121,893	140,115	138,464	68,371	59,698
Operating income	20,730	24,927	22,060	31,098	17,880	8,536	20,607
Gain on disposition of television stations		72,646					
Valuation adjustments of goodwill and other assets		(2,074)					

Appreciation (depreciation) in value of derivative, net					(1,581)	(961)	730
Miscellaneous income (expense), net	(31)	(242)	336	780	194	98	97
Income (loss) before interest expense, income taxes, extraordinary charge and cumulative effect of accounting change	20,699	95,257	22,396	31,878	16,493	7,673	21,434
Interest expense	21,861	25,454	31,021	39,957	35,783	18,167	16,866
Income (loss) before income taxes, extraordinary charge and cumulative effect of accounting change	(1,162)	69,803	(8,625)	(8,079)	(19,290)	(10,494)	4,568
Income tax expense (benefit)	240	28,144	(2,310)	(1,867)	(5,972)	(3,232)	1,616

Net income (loss) before extraordinary charge and cumulative effect of accounting change	(1,402)	41,659	(6,315)	(6,212)	(13,318)	(7,262)	2,952
Extraordinary charge on extinguishment of debt							