**Company:** **GRAY TELEVISION, INC.**

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**Moderator:** **Hilton Howell**

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Operator: Good day ladies and gentlemen and thank you for standing by. Welcome to the Gray Television's Third Quarter 2017 Earnings conference call. Today's conference is being recorded. At this time I'd like to turn the conference over to Mr. Hilton Howell, President and Chief Executive Office. Please go ahead sir.

Hilton Howell: Thank you operator and good morning everyone. Thank you for joining Gray Television's Third Quarter 2017 Earnings Call. As usual I'm joined today by our Chief Legal and Development Office, Kevin Latek, and our Chief Financial Officer, Jim Ryan. We will begin this morning with a brief disclaimer that Kevin will provide.

Kevin Latek: Thank you Hilton and good morning everyone. Certain matters discussed on this call may include forward-looking statements regarding among other things, future operating results. Those statements are subject to a number of risks and uncertainties.

Actual results in the future could differ from those described in the forward-looking statement as the result of various important factors. Such factors have been set forth in the Company's most recent reports filed with the FCC and included in today's Earnings Release. The Company undertakes no obligation to update these forward-looking statements.

Gray uses its Web site as a key source of Company information. The Web site address is www.gray.tv. We will post an audio recording and a transcript of this call to our Web site.

Included on the call will be a discussion of non-GAAP financial measures. And in particular, broadcast cash flow, broadcast cash flow less corporate expenses, operating cash flow, free cash flow and certain leverage ratios.

These metrics are not meant to replace GAAP measurements, but are provided as supplements to assist the public in their analysis and evaluation of our company.

We include reconciliations of the non-GAAP financial measures to the GAAP measures in our financial statements that are made available on our Web site. Now I'll return the microphone to Hilton.

Hilton Howell: Thank you Kevin. We are thrilled to welcome you to another Earnings Call about a recently completed quarter with record revenue and record net income.

As you saw from our release this morning, our total advertising revenue for the third quarter was at the high end of our guidance range. A stronger than expected political advertisement environment allowed us to comfortably exceed the high end of our guidance for political revenue as well.

For the third quarter we posted fully diluted net income per share of 21 cents a share. The quarter finished better than expected, and we are going into the fourth quarter with a great deal of momentum.

It was four years ago this week that we announced our acquisition of The Yellowstone Television Stations. That was our first acquisition in seven years, and it was the start of an extraordinary streak.

Over the past four years we have completed 23 acquisition transactions and three divestiture transactions. After more than $1.5 billion in acquisitions in less than four years, we expanded our footprint by a total of 51 television stations in 31 television markets including 26 new television markets.

We also, at the same time, bought our net leverage down considerably. We closed the third quarter of 2017 with our total leverage ratio, net of all cash, at 4.99 times on a trailing eight quarter basis. And without any significant deals, we are on track to be well into the three's by later 2018. By comparison, this ratio stood at 5.52 times at the end of the third quarter of 2013.

A few weeks ago, Gray reached another milestone. On October the 2nd, CBS and Gray jointly announced a multi-year deal that renews all of Gray's CBS station affiliation agreements that otherwise would have expired at various times over the next couple of years.

These agreements cover all 32 DMAs in which Gray owns and operates its 39 CBS affiliated television stations. Our CBS portfolio ranges from Knoxville, Tennessee to North Platt, Nebraska. And collectively, includes approximately 5.9 million television households.

Our new long-term agreement with CBS, along with other long-term affiliation renewals announced by some of our peers recently, serves to confirm that the broadcast network affiliate continues to be, and will continue to be, the best content distribution partnership in existence.

Looking forward, this month will finally bring regulatory relief from the FCC. You know, it's simply incredible that the SEC imposed the one to a market rule that still governs midsize and small television markets, before the bombing of Pearl Harbor.

No one can sincerely dispute that the world has changed considerably in the past few years, let alone in the last 76 years. We are grateful that the FCC finally will begin to take some long overdue steps that permit local stations to take the steps necessary to be competitive in the world in which we live.

We also welcome the imminent approval by the FCC of the ATSC 3.0 broadcast standard. By granting broadcasters the freedom to evolve technically, the FCC enables us to embrace a new standard that should open new opportunities for broadcasters, as well as, new and better ways to serve our viewers and customers.

Finally, we're now less than 100 days away from Super Bowl LI and the Winter Olympics. As you know, Gray owns 29 NBC television stations which skew towards our larger markets. We're always thrilled to host the Super Bowl and the Olympics.

America's love for sports has not waned. And that was just proven again with the passionate viewership we saw for this year's World Series.

We are therefore quite excited about the sales prospects for hosing both of these major events on our strong NBC stations beginning next February.

As always, we appreciate your support for Gray Television as we continue to build for the future. At this point I will turn the call over to Kevin Latek, and then to Jim Ryan. And after their remarks we will open the line for questions. Kevin.

Kevin Latek: Good morning again. As you know we have several hundred retransmission consent agreements expiring this quarter. Those agreements represent about 58% of our total Big 4 subscriber universe.

Historically these negotiations tend to pick up around the same time as holiday shopping. And we do not expect that timing to change this year. Nevertheless, we have concluded a small handful of retransmission negotiations. And we're very pleased with the results.

It is clear that we no longer need to explain how broadcasters in our stations in particular, deliver the most value to pay TV operators, and deserve to be compensated accordingly. This retransmission cycle will move us closer to our goals. We are certainly encouraged from the early returns of what will be a long and busy season.

Next year is also looking to be a good political year. Sixty-five percent of our markets will see a Senate race next year. Eighty-one percent of our markets will have a Governor's race. And of course, 100% of our markets will see at least one House race next year.

While we are not providing guidance on political revenue for 2018, we can tell you that we see many reasons to be optimistic. First, we believe that the struggles within both the Republican and the Democratic parties that are playing out in public will lead to more contested primary races at all levels of government.

Indeed, the Federal Election Commission has received a record number of candidates filing for next year's mid-term federal elections.

Second, we are encouraged by poetical ad revenue this year. Issue in candidate spending throughout 2017 have been stronger than we have seen in recent off years. And this spending is not limited to the very few elections that take place in 2017.

Rather, as are already seeing notable spending for next year's Gubernatorial and Congressional races, more than one year out from Election Day 2018.

On a combined historical basis, political revenue for the first three quarters of 2017 is 14% ahead of the comparable period in 2015. Importantly, this very strong growth came despite the fact that we did not receive any of the quite significant Iowa and New Hampshire Presidential Primary money that our stations collected in 2015.

One final source of optimism is that we continue to see growth in our already leading share of political ad spending. As you know, we faced some doubts two years ago when we announced that we would bring national sales which includes most political revenue, in-house instead of using third-party rep agencies.

A year ago we told you that we saw growth in our political revenue shares in 2016 versus 2014. We see that same trend this off year. Specifically, third-party revenue audits in 31 of our markets show that our share of the total political add dollars in these markets grew from 46% through the first three quarters of 2015 to just over 49% for the comparable period this year.

I can be difficult to push share when you're already taking nearly half of all the market's political revenue. We therefore are especially thrilled that our excellent Sales staff managed to grow share and to grow share so significantly.

We cannot know at this time how the 2018 political ad market will turn out. Nevertheless, we have good reasons to be optimistic about the market as a whole and about our ability to capitalize in candidate and issue spending over the next 12 months. Thank you for your time. I turn the call now to Jim Ryan.

Jim Ryan: Thank you Kevin. Good morning everyone. Our Earnings Release in 10Q will be filed today. Also with the Earnings Release filing we've updated our combined historical basis, select operating results through the third quarter of '17. And that's available also on our Web site at www.gray.tv.

A few brief comments on Q3 and the year-to-date. We knew we had very difficult comps going against the $8.2 million of ad revenue associated with the 2016 Olympic Games telecast.

We were pleased with our overall Q3 core Local and National results which were up 3% on a combined historical basis, excluding the $8.2 million of the Olympic ad revenue. And I'd remind everybody that of that $8.2 million, $6 million was local and $2.2 million was national.

As we discussed on our last call, our Q3 national revenue benefitted significantly from a large MVPD spending in our markets to support product rollout. They were up about $900,000 in the quarter. We were very pleased to see that.

Unfortunately, that spend and that rollout doesn't look like it will be continuing. They started Q4 last year and it looks like it ran through Q3 this year. But, we were pleased to get that additional spend in our Communications segment during the third quarter.

Kevin already comment upon our audited share of our market's political revenue. Expanding on that, our aggregate Local and National market shares for the 31 markets, we have independent audits for both the third quarter and year-to-date results has consistently been in a share range in the very high 30s to 40%. And that's been consistent since 2015.

We're very pleased with that very strong market share growth in core local - share percentages in Local and National over a multi-year basis.

We're also very pleased that our leverage ratio, net of all cash at September 30, was a record low 4.99 times.

As we've commented before, we expect that the leverage ratio by December of this year will be even lower, somewhere in the high four's.

A few comments on our fourth quarter.  While an off year for political revenue, we were very pleased that our Q4 political is expected to range between $5 million and $5-1/2 million.

As Kevin was commenting about the strength of the off-year races, actually our expectations for Q4 poetical revenue have increased by a full million dollars in just this past week, reflecting last minute buys as we head into Election Day tomorrow.  We think the overall results for 2017 bodes very well for 2018.

As far as our core growth goes, in Local and National we expect low single digit percentage growth in aggregate Local and National revenue.

Actually, if you break it down by categories and look over the course of the year, we're very pleased.  Except for Communications which I've already mentioned, and Auto which I'll get to in a minute, all other categories are in the green and pacing positive, including ones that lagged all year such as retail and fast food from time to time.  So, we're very pleased with the overall trend.

Auto currently is pacing slightly down at about minus 1.5%.  But, it's actually been improving consistently, week after week for the last four weeks.  So, we are cautiously optimistic that our Q4 Auto might finish stronger if there's additional ad buying for the year-end holiday season.

As we commented on our last call, we believe the relative softness in Auto reflects many of our local dealers modestly adjusting their ad spend in the near-term, as they adjust to their respective, slightly lower SAR rates.

Our Q4 combined historical Expense growth of plus 4 to plus $7 million is entirely attributable to the $6 million growth in Reverse Comp which was anticipated.

Two other items to note in fourth quarter Expenses, first of all we will be making a discretionary contribution to our 401K Plan of approximately $4.1 million. That's a fourth quarter event, and the number is consistent with the same number from last year.

The other expense to note in Q4, Broadcast Expense, is that it can - is increasing by about $2.6 million in non-cash stock comp to reflect a total non-cash stock comp of $2.9 million. And that reflects stock grant awards given to non-executive management employees in October of 2017. And again, that's a non-cash charge.

At this point I'll turn the call back to Hilton.

Hilton Howell: Thank you Jim. And operator at this time I'd like to open up the call to any questions that anyone may have.

Operator: Thank you. If you would like to ask a question, please signal by pressing star 1 on your telephone keypad. If you are using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. Again, it is star 1 at this time. And we'll take our first question from Aaron Watts with Deutsche Bank.

Aaron Watts: Hi guys. You talked about the FCC and some of the changes that are going to be coming down the pipe, or presumably might be coming down the pipe.

You have very strong positions in the market you already play in. So, as you think about the opportunity going forward, do you see a greater opportunity to increase your presence or enhance your existing portfolio in existing market? Or do you see more consolidation to grow your national footprint?

Hilton Howell: Well, this is Hilton. So Aaron, let me start and I'll let Kevin follow-up with that. One of the things that people may or may not realize about Gray Television is that we already operate an average of 3.9 streams in each of our markets. That's an average.

And so we feel we know that we already have the benefits of really strong, a duopoly operations in our markets.

That doesn't mean to say that there are a great deal more opportunities that we will have within our existing markets. But, we're going to continue to look at other transactions to grow a broader scale throughout the United States.

Things have been relatively slow on the M&A front. We finished four acquisitions at the beginning of this year, and haven't had a lot to follow-up with it after that. But we expect things to pick up fairly rapidly after the SEC comes to a final conclusion on their rules.

And it is our intention to take advantage of that whenever we have an appropriate and a financially appropriate opportunity to do so.

I'd also like to say that Gray is always looking at broader transactions and potentially broader opportunities to dramatically increase the scale and coverage of the television company that we currently run or running. Kevin, do you have anything else.

Kevin Latek: No, the only thing I would add Aaron is, as you know, we try to be patient yet opportunistic. So, we don't have a preference for, you know, one particular type of transaction. A new market versus in-market, right. But, we look at everything on its own. And if it's a transaction that is good for our shareholders and an appropriate price, we'll pursue it. Whether that means it's adding another Four 4 to our current stable, or going into a new market. Everything stands on its own.

Aaron Watts: Okay great. Thanks for the thoughts.

Operator: We'll go next to Dan Kurnos with Benchmark Company.

Dan Kurnos: Great, thanks. Good morning. You know Kevin, I don't want to be reading the tea leaves too much here. I know you guys are not giving retrans guidance for next year. But, can you just help us think about, you know, your thought process.

Doing CBS early was, I think, it came as a positive surprise to most of us. And you know, I think, a lot of us are thinking you guys must have either increased confidence in your ability to get the numbers that you want, knowing that CBS is fix annual.

So, can you just help us, you know, with your thought process on that front as we head into this big renewal period for you?

Kevin Latek: Sure. CBS and NBC our two biggest partners by far. We have more CBS affiliates than NBC. But NBC's tend to be in larger markets. They're both extremely important to us.

In 2014 we had a group of stations that were coming up for renewal. And we struck a deal with CBS. I believe at the time was the first network group deal where a broadcaster renewed not just what was on its plate with the network at that time, but all of its affiliates across the platform, regardless of when they expired.

And at that time we had some stations that were already under contract to go out to 2018 and 2019. But we did in fact, then took that model and went to ABC, NBC, FOX and CW and did the exact same thing. So we would have visibility in taking these end dates out as far as we could.

This year we approached CBS, frankly early on. It's - again it's a very important relationship and we had a couple of CBS contracts that were not on our 2019 expiration because of acquisitions. And we wanted to get those extended to '19. And we thought it made sense to discuss our larger relationship with CBS and what we deliver for them and what they deliver for us, and find a path to not just taking the new stations out to 2019, but taking all of our stations out to the end of 2021.

I think a testament to our relationship with CBS and the stations that we have and the ratings that we deliver, that CBS was willing to again, not just renew a couple of deals but, renew all of them with us and take us out a couple of more years.

So, you know, there's a lot of things that we talk about in these affiliation agreements. Term is incredibly important. Rate is incredibly important. But, there's a lot of other items in there that also I think, reflected our close relationship with them and how much we value them and they value us. So, all in all I think it's a very positive announcement for us.

And as you're right, as we go into this retrans cycle, we certainly have visibility now on all of our CBS affiliates through this entire cycle and beyond.

Dan Kurnos: Can you just then maybe just give a sense on what it means for net retrans and your thoughts going forward?

And then, shifting over to the OTT side, whether or not you're starting to see, you know, OTT penetration in some of your smaller markets. And if you're getting any VMVP money yet.

Kevin Latek: On retrans, as you all know, CBS has a flat fee, and it has since it started charging retrans - started charging programming fees from its affiliates many, many years ago.

So, what that net retrans margin will be depends entirely on what our gross is. And since we have 58% of our base up now, and a little bit more the year after, I can't tell you what our gross is going to be on our CBS with any certainty in the future years. Therefore, I can't calculate the margin.

I think we remain comfortable that this is a long-term partnership that works well between us and CBS. And ii continue to feel very strongly about retrans. As we've talked about many times, there's significant runway ahead of broadcasters on getting paid what we should be getting paid.

In terms of OTT, we've you know, level set here. When Vision Direct started local signals 17 years ago, they started off in the top ten markets, and then they moved to the top 20 ad 30 markets.

It took Dish Network about ten years to get down to the smallest markets in the country. DirecTV has never launched the last eleven or so markets in the country.

The OTT guys are trying to do what Direct and Dish did in the course of about two years. And technologically that's quite a challenge. They have - we have seen Hulu, Sony, and YouTube launch our markets this year. Sony was in there actually last year, in a couple of places where and there. But, they have rolled out ii think, all or virtually all of our markets already.

Hulu started up very, very end of this second quarter. They launched a market here or there. And YouTube launched the first of our markets just a few weeks ago.

So, we are you know, we're certainly the bleeding edge of what that looks like. It will be some number of months before we get subscriber reports and payments that, you know, give us a lot of visibility.

What we've so far and again, the very early returns is yes, there are certainly subscribers. But it is an infinitesimal number as you would expect, given that they're just rolling out. And they're trying to do a lot of things at the same time, launch in lots and lots of markets at once.

So, it will be a little time before we see those type numbers I think. And with any kind of - giver us any type of insight into what may become of these OTT providers.

Dan Kurnos: All right, got it. Thanks Kevin.

Operator: We'll go next to Kyle Evans with Stephens.

Kyle Evans: Hi, thanks for taking my questions. Fairly non-descript press release in a very small market. But curious, on dropping box in Fairbanks, if there is any kind of follow-in implications from that?

Kevin Latek: Hey Kyle. I would not read into it. Fairbanks is an incredibly small market. It's PMA 202 out of 210. In markets that size, you know, you're talking about almost an apartment building in New York City.

And we're trying to eke out a business there. So we have the dominant NBC station and a close Fox - I mean, a close CBS station in that market. We have a share between the two of them, that is - I don't have the numbers in front of me, but I'd be shocked if it wasn't north of 90%.

So, in order to make money with anything else in that market, is extremely difficult. That Fox station for us, was marginal. We've owned Fairbanks about nine months. We put a lot of effort into seeing if we couldn't turn that around. And it got to the point where we've concluded it was not worth ay more of our investment.

So, at the end of the day, since we're trying to make money even in little markets, it did not make sense to continue to have a Fox affiliate and put the time and effort into a channel that was not doing well, to say the least.

There is, as your saw from the press release or Trade Press Coverage, another broadcaster has a repeater station up there. Repeats all the signal out of Anchorage with no employees or local programming, community service up there.

So the programming will continue to be available on the station. But again, it's just the Anchorage station.

We flipped the programming - you know, we flipped the programming up there. The Fox hours were two hours a day. And so that's not my network. The rest of the syndicate cogent we have is still there.

But, and I go back to, you know, we have already with NBC and the CBS, probably 90% shared. And for that matter it might even be more. I mean there's just so few sales up there that we're going to the repeater station of Anchorage already.

So, I wouldn't read into it. It's a tick on the tail of a dog, if you will. Not even a tail wagging the dog.

Kyle Evans: Okay, thanks for that. You have high 50% renewing at the end of this year with the MPBDs. Your latest deck shows low - very low single renewals for '18. Could you give us some view as to '19 and 20'.

Kevin Latek: All of our contracts are on a three year cycle. So, if you take the numbers and add three, you'll see our cycle going forward.

Kyle Evans: Okay. And lastly, we've had some difference in the data coming in on the sub-counts. Could you give us any more granularity on what you're seeing in your retrans sub-count numbers>

Kevin Latek: I mean we've said for some, you know, there's seems to be a bit of - a little bit of erosion. But certainly, nothing that gives us concern. We've not adjusted our retrans guidance for this year. You can see out retrans from quarter to quarter is pretty stable. And you know, I don't really have much more to say than that.

I mean we - all we can do is point - you know, point to the umbers in our deck. Our retrans numbers are stable, quarter to quarter.

Kyle Evans: Great, thank you.

Operator: We'll go next to Marci Ryvicker with Wells Fargo.

Marci Ryvicker: Thanks. Just wanted to talk a little bit about Auto. Jim, at what point do you expect to see an inflection if Auto is in fact, going to get better? Is it around the Thanksgiving holiday? Is it the Christmas holiday?

Jim Ryan: I would anticipate it's probably more the Christmas holiday. There is, depending on the year, there's often a little uptick in especially that week between Christmas and New Year's. So that would be one week I'd be looking for. But in general, they call it, post-Thanksgiving, the Christmas season, we'll see if there's some add-ons, and if the local guys step it up a little bit.

Overall, you know, like I said, it's a little soft. But we're not really troubled by it. We don't see anything alarming. Just as we said in our last call, as we go through and look at account by account, it's not wholesale dropping out. It's the little guys taking a little bit off the table.

And so it's a lot of small dollars that just add up to a little bit of softness, is what it is looking like to us.

Marci Ryvicker: Okay. And then I don't know if you had some time to do this or have done the analysis, but any sense as to what the incremental is from Political at this point?

I know that we used to talk about 50% being incremental as a rule of thumb. And I guess the same thing can be asked about Olympics. Do you have any sense as to what is actually incremental?

Jim Ryan: On the Olympics, to be honest, we're not sure. It's very hard to try to get to that. I think in '16 it was much more incremental than we appreciated at the time. Our - to kind of put it in perspective, obviously in August you would expect our NBCs year-over-year would be down and, they were.

Our non-NBC's -- and they were down you know, 20 - mid 20s, just as you would expect. Because $8.2 million went away, or the best part of it. Our non-NBCs in the month of August core, we're up a healthy 4%. So that suggests to me that that Olympic sales from last year were much more incremental than we probably have been used to in the past.

Political is also extremely difficult. Yes, there was that old rule of thumb of 50/50. I'm not sure any more if that holds, and especially in super-hot markets, I think it weighs more towards incremental, simply because the pricing gets to be extreme and we get the advantage of that.

Marci Ryvicker: Got it. Thank you very much.

Operator: We'll go next to Barry Lucas with Gabelli & Company.

Barry Lucas: Thank you and good morning. I was hoping just to stay on the Political thing for a minute, if you could remind us what the baseline for 2014 would be on a, you know, a historical combined basis.

Jim Ryan: Yes Barry, give me half a second to - I want to say it was in '14, it was $143 million. That's combined historical for 2014. And as we've talked about several times on multiple calls, there was probably $ 25 million of activity between a Senate race and some ballot initiatives in Alaska that year. And Alaska is dead quiet in '18. So, you can factor that into whatever extent you think it needs to be factored in.

Barry Lucas: Okay.

Jim Ryan: But as Kevin mentioned, we have a very good slate of Senate and Governor's races in '18. And we do think it will be a good year.

Barry Lucas: Okay. And maybe for Kevin, I don't want to bet the sub count to death, but you did add a - I guess you completed CIX in August.

If you look at retrans in Q2 and Q3, on a same-station basis, even if it was nominal, was the third quarter down, flat, or up on retrans?

Jim Ryan: On a combined historical basis, it was in Q3 it was…

Kevin Latek: Seventy point two million.

Jim Ryan: Yes, it was $70.2 million in Q3. Our guidance for Q4 says, quote 70, because we don't usually round it to the hundred thousand.

And I have to look up Q2. Q2 is %70 million rounded. Q1 was $70 million rounded. So it's been very consistent using the combined historical numbers, which would factor the acquisition from the beginning of the respective years.

Barry Lucas: Okay, thanks for clearing that up. Appreciate it.

Operator: We'll go next to Davis Hebert with Wells Fargo.

Davis Hebert: Good morning everyone. Thanks for taking the questions. I just wanted to come back to the leverage commentary made earlier.

I couldn't quite understand the trajectory in 2018. I thought I heard, into the three's or, under the three's. Maybe if you could just provide some clarification on the glide path leverage.

Jim Ryan: Into the three's Davis.

Davis Hebert: Into the three's.

Jim Ryan: Into the three's yes.

Davis Hebert: By the end of 2018?

Jim Ryan: Conservatively - by the - conservatively by the end of ’18 I would expect to be - again, conservatively, one full turn lower. So, if we we’re somewhere in the high 4s this year, at the end of this year, you know, it would be into the 3s by the end of next year.

And then depending on how we do ultimately, on the large retrans reset that we have at the end of this year, as well as, how well we do on Political. And again, we do believe it’s going to be a strong year. But we’re not going to put a number out there yet.

You know, it could be better. So if I say high 3s, I’m deliberately being conservative because we’ve got two big pieces of the puzzle that we won’t know for some time yet.

Davis Hebert: Okay, that’s good to hear. So that’s on two-year average basis, correct?

Jim Ryan: That’s correct.

Davis Hebert: Okay, helpful. Thank you.

Operator: And just a reminder, if you’d like to ask a question, please press star 1. At this time we’ll go next to Jim Goss with Barrington Research.

Jim Goss: Thanks. I have a couple of questions. One, CBS has discussed the notion that it actually fares a little better if an MVPD sub switches to its OTT service.

Now I know your involvement in the OTT service is going to be different from theirs. But I’m wondering, once it gets rolling, would you say you’re at least neutral if somebody switched and went to OTT or possibly better? Or, are you harmed?

Kevin Latek: Jim, we’ve said we’re generally agnostic as to where the subscriber is coming in.

Jim Gross: Okay. So it may be why. Then I was wondering too, if your - if you're looking at the programming charge versus retransmission fees, does your market size make any difference? Does it make it easier or harder to maintain a positive net trend in retrans less reverse count?

Kevin Latek: I don't know how to answer that question relative to our peers, because we're not - we don't see what they see. And again, we're in 10% of the U.S. mid-size small market. So I don't know what our- how our experience compares to folks who are mega markets in terms of maintaining their rate.

I know - we know our experience, but I don't know what their experience would be. So, I can't compare, unfortunately.

Jim Goss: Okay, and maybe lastly, if M&A does begin to pick up, are you likely to be trending to larger markets as a focus? Or do you think you want to stay in the sweet spot that you've been so good at over the years?

Kevin Latek: Sure, you know, it goes back to you know, why do you rob the bank? That's where the money is out.

And for the last four years since we started this little acquisition run, we have looked at stations in all market sizes. But there has only been one number one TV station offered for sale in the top 30 markets in the last four years.

And while we did participate in that process, the price became too high. And people always said, we're only doing deals that are accretive for our shareholders. So, we did not pursue that.

If we did that I think, you know, we clearly would have station in the top 30 that otherwise met our criteria being number one station.

But you know, don't take away that we've only been buying stations in mid-size market. But, that's all we're interested in. That's where the opportunity set is at. There is just - if you look at the top 50 markets, there's only one of two left that are not already owned by a large group.

In the bottom, markets 100 to 210 that are still - you know, that are still scores of stations that are number one or, strong number two. They're not owned by a group. So, there's just much - the field is much richer outside of the larger markets.

We have looked at and we will continue to look at stations that meet our criteria, regardless of market size. And if we can afford it and are comfortable with our ability to run it, we will pursue stations in larger markets.

Again, that comes back to the qualification, if we can afford it. And that's, you know, tie will tell what those opportunities might be.

Jim Goss: All right, thanks very much. Appreciate it

Kevin Latek: Certainly.

Operator: And just a reminder, if you would like to ask a question at this time it is start 1. And it appears there are no further questions in queue. I'd like to turn it back over to today's speakers for any additional of closing remarks.

Hilton Howell: Well, thank you very much operator. I just want to thank everyone for your time this morning. And we look forward to bringing you up to date at our next call when we cover all of this prior year. Thank you.

Operator: Ladies and gentlemen this does conclude today's conference. Thank you for your participation. You may now disconnect.