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Gray Television, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Marci Ryvicker – Wachovia Capital Markets.

Marci Ryvicker – Wachovia Capital Markets

I have a couple of questions, the first I know you said auto is 16% of your revenue. Is that still the largest ad category?

James C. Ryan

Yes, yes it is.

Marci Ryvicker – Wachovia Capital Markets

What's your exposure to Chrysler and GM?

James C. Ryan

Our accounts receivable exposure to Chrysler at the end of April, now when I say Chrysler I'm talking about corporate, I'm talking about the dealer associations and I'm talking about the local dealers, all combined is about \$1.7 million. The direct exposure to Chrysler corporate, it was less than \$200,000. We had a little over \$100,000 direct exposure to local dealers in accounts receivable. The bulk of the money is in the dealer group and as you know those are funded in part by the dealers and in part by corporate contribution so the dealer groups accounted for about \$1.4 million of the total exposure.

Marci Ryvicker – Wachovia Capital Markets

There's been tremendous amount of cost cutting I think across most media industries, broadcast media in particular. How should we think about expenses in a recovery. Are you going to have the same type of growth that you had before, is it just a different expense base, how should we be thinking about this?

Robert S. Prather, Jr.

Marci, we want to continue to ideally zero growth or less in expenses going forward. We really believe that in the future we've got to operate these stations more efficiently, we've got to learn better ways. We're doing [inaudible] we're doing more things that will allow us to be more efficient going forward,

we're buying smaller cameras and doing video journalists in most of our markets. A lot of these things are ways we can get the same services to cover the news with less expense.

We're looking for example at Skype and [Streambox] and other technologies like. Being able to do live shots in the field with little small cameras and with a laptop computer as opposed to a big live truck or a sat truck. All these things are ways we can cover the news as efficiently as we have in the past but from a cost standpoint much less expensive so this is really going to be an ongoing effort for us in the years ahead.

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