

GRAY TELEVISION INC

Form 8-K

August 08, 2011

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 8, 2011 (August 8, 2011)

Gray Television, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Georgia

(State or Other Jurisdiction of Incorporation)

1-13796

58-0285030

(Commission File Number)

(IRS Employer Identification No.)

4370 Peachtree Road, NE, Atlanta, Georgia

30319

(Address of Principal Executive Offices)

(Zip Code)

404-504-9828

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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SIGNATURES

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Item 2.02 Results of Operations and Financial Condition.

The information set forth under this Item 2.02 is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On August 8, 2011, Gray Television, Inc. issued a press release reporting its financial results for the three-month and six-month periods ended June 30, 2011. A copy of the press release is furnished as Exhibit 99 to this Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99 Press Release issued by Gray Television, Inc. on August 8, 2011

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Gray Television, Inc.

August 8, 2011

By: /s/ James C. Ryan

Name: James C. Ryan

Title: Chief Financial Officer and Senior
Vice President

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Exhibit Index

Exhibit No.	Description
99	Press release issued by Gray Television, Inc. on August 8, 2011

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2000

2001

2002

2003

2004

8.57%

7.97%

6.69%

5.65%

5.29%

Deposits

\$ Billions

[CHART]

Interest-Bearing Deposit Rates

2000	2001	2002	2003	2004
4.13%	3.51%	2.05%	1.34%	1.08%

Commercial Loans by State 2002 - 2004

[CHART]

	MA	ME	NH	State	VT	CT	NY
2004	46	17	13		11	10	4
2003	42	18	14		12	10	4
2002	41	19	15		13	7	5

Source: TD Banknorth 2004 10-K.

Loans by Type 2002 - 2004

[CHART]

	Commercial RE Mortgages	Consumer Loans and	Commercial Business Loans	Residential RE Mortgages
2004	34	29	21	17
2003	33	29	20	18
2002	32	28	20	20

Source: TD Banknorth 2004 10-K.

Deposits by Type 2002 - 2004

[CHART]

	Now and money markets accounts	Non-interest bearing deposits	Regular Savings	Certificates of deposits and
2004	41	21	14	25
2003	38	19	14	29
2002	38	18	12	33

Source: TD Banknorth 2004 10-K.

Other Income Growth and Improved Efficiency

Noninterest income

(excluding securities gains/(losses))

\$ Millions

[CHART]

Cash efficiency ratio

[CHART]

Cash Efficiency Ratio excludes securities gains/(losses), merger and consolidation costs, prepayment penalties on borrowings, and amortization of intangible assets.

Diversified Noninterest Income

Noninterest Income by Type as of 12/31/04

[CHART]

Source: TD Banknorth 2004 10-K.

Solid Earnings Growth

Cash Operating Earnings*

\$ Millions

[CHART]

* Earnings excluding merger and consolidation costs, deleveraging losses and the amortization of identifiable intangible assets.

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EPS Growth Per Diluted Share

[CHART]

* Earnings excluding merger and consolidation costs, deleveraging losses and the amortization of identifiable intangible assets.

21

Strong Asset Quality

NPA s as a % of Total Assets

[CHART]

NPA s as a % of Total Assets have remained relatively stable while Total Assets have increased by 57% from 2000-2004.

Net charge-offs as a % of Avg. Loans

[CHART]

History of Successful Acquisitions

Acquisitions are a core competency

TD Banknorth utilizes a disciplined and conservative acquisition model

Acquisitions must be accretive in the first full year

All acquisitions have met or exceeded financial targets

Completed 25 acquisitions since 1987

10 acquisitions completed since 2000 in higher growth markets of Massachusetts and Connecticut

11 insurance agency acquisitions since 1997.

Same integration team has been working together for the past 15 years

Note on Non-GAAP Financial Information

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (GAAP). The Company s management uses these non-GAAP measures in its analysis of the Company s performance. These measures typically adjust GAAP performance measures to exclude the effects of charges and expenses related to the consummation of mergers and acquisitions and costs related to the integration of merged entities, as well as the amortization of intangible assets in the case of cash basis performance measures. These non-GAAP measures also may exclude other significant gains or losses that are unusual in nature, such as security gains and prepayment penalties incurred in connection with deleveraging strategies. Because these items and their impact on the Company s performance are difficult to predict, management believes that presentations of financial measures excluding the impact of these items provide useful supplemental information that is essential to a proper understanding of the operating results of the Company s core businesses. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies.

Additional Information about the Transaction

*This presentation may be deemed to be solicitation material in respect of the proposed merger of TD Banknorth and Hudson United. In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. **Shareholders of TD Banknorth and shareholders of Hudson United are encouraged to read the registration statement and any other relevant documents filed with the SEC, including the joint proxy statement/prospectus that will be part of the registration statement, because they will contain important information about the proposed merger.** The final joint proxy statement/prospectus will be mailed to shareholders of TD Banknorth and shareholders of Hudson United. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov, from TD Banknorth, Two Portland Square, P.O. Box 9540, Portland, Maine 04112-9540, Attention: Investor Relations, or from Hudson United, 1000 MacArthur Boulevard, Mahwah, New Jersey 07430, Attention: Investor Relations.*

TD Banknorth, Hudson United and their respective directors and executive officers and other members of management and employees may be deemed to participate in the solicitation of proxies in respect of the proposed transaction. Information regarding TD Banknorth's directors and executive officers is available in TD Banknorth's proxy statement for its 2005 annual meeting of shareholders, which was filed with the SEC on April 20, 2005, and information regarding Hudson United's directors and executive officers is available in Hudson United's proxy statement for its 2005 annual meeting of shareholders, which was filed with the SEC on March 23, 2005. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.

TD Banknorth Inc. and Subsidiaries Reconciliation Table Non-GAAP Financial Information

(In thousands, except per share data)	2000	2001	2002	2003	2004	YTD June 05
Net income before extraordinary item and cumulative effect of accounting change	\$ 191,734	\$ 242,982	\$ 298,638	\$ 350,759	\$ 304,643	\$ 129,671
Add back merger and consolidation costs, net of tax						
Merger related	27,305	2,460	7,486	5,710	40,765	26,865
Securities restructuring	10,331				51,560	41,453
Change in unrealized loss on derivatives						(4,332)
Branch closings	902	1,272	(260)	(35)		
Charter consolidation		633	2,340			
Write-down (adjustment) of auto lease residuals	2,405	580		(400)	(370)	
Contract termination - merchant processing	2,009					
Excluding merger and consolidation costs, securities restructuring, and change in unrealized loss on derivatives	\$ 234,686	\$ 247,927	\$ 308,204	\$ 356,034	\$ 396,598	\$ 193,657
Amortization of intangibles, net of tax	17,423	18,434	4,220	5,815	5,608	27,241
Cash basis, excluding merger and consolidation costs, securities restructuring, change in unrealized loss on derivatives, and amortization of intangibles.	\$ 252,109	\$ 266,361	\$ 312,424	\$ 361,849	\$ 402,206	\$ 220,898
Diluted earnings per share, before extraordinary item and cumulative effect of accounting change	\$ 1.32	\$ 1.68	\$ 1.99	\$ 2.15	\$ 1.75	\$ 0.72
Effects of merger and consolidation costs, net of tax	0.30	0.07	0.07	0.03	0.23	0.15
Excluding merger and consolidation costs	\$ 1.62	\$ 1.75	\$ 2.06	\$ 2.18	\$ 1.98	\$ 0.87
Effects of change in unrealized loss on derivatives						(0.02)
Effects of deleveraging, net of tax					0.30	0.23
Excluding merger and consolidation costs, securities restructuring, and change in unrealized loss on derivatives	\$ 1.62	\$ 1.75	\$ 2.06	\$ 2.18	\$ 2.28	\$ 1.08
Amortization of intangibles, net of tax	0.12	0.13	0.03	0.03	0.03	0.15
Cash basis, excluding merger and consolidation costs, securities restructuring, change in unrealized loss on derivatives, and amortization of intangibles.	\$ 1.74	\$ 1.88	\$ 2.09	\$ 2.21	\$ 2.31	\$ 1.23
Non Interest Income	\$ 211,188	\$ 240,505	\$ 274,508	\$ 367,159	\$ 339,799	\$ 142,891
Net gains(losses) on sales of securities	(15,456)	1,329	7,282	42,460	(7,701)	(49,036)
Lower of cost or market adjustments						(7,114)
Change in unrealized loss on derivatives						6,664
Excluding net securities gains (losses)	\$ 226,644	\$ 239,176	\$ 267,226	\$ 324,699	\$ 347,500	\$ 192,377
Efficiency Ratio	61.67%	55.34%	54.10%	53.09%	60.09%	68.41%
	1.15%	-0.08%	-0.37%	-0.69%	-5.16%	-6.02%

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Effects of securities gains and prepayment penalties on borrowings						
Effect of merger and consolidation costs	-7.48%	-0.67%	-0.64%	-0.69%	-3.88%	-5.52%
Effects of change in unrealized loss on derivatives						0.66%
Excluding securities gains, prepayment penalties on borrowings, change in unrealized loss on derivatives, and merger and consolidation costs	55.34%	54.59%	53.09%	51.71%	51.05%	57.53%
Effects of amortization of intangibles	-2.53%	-2.40%	-0.61%	-0.77%	-0.67%	-6.30%
Cash basis, excluding securities gains, prepayment penalties on borrowings, change in unrealized loss on derivatives, merger and consolidation costs, and amortization of intangibles	52.81%	52.19%	52.48%	50.94%	50.38%	51.23%

[LOGO]

[GRAPHIC]

Building on Strength

[GRAPHIC]

**Hudson United...A
Platform for Growth**

**Steve Boyle
Chief Financial Officer**

August 3, 2005

**Wendy Suehrstedt
EVP and Chief Retail Banking Officer**

Note on Forward-Looking Information

[LOGO]

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of TD Banknorth. Words such as expect, feel, believe, will, may, anticipate, plan, estimate, intend, should and similar expressions identify forward-looking statements. Forward-looking statements are subject to various factors which could cause actual results to differ materially from these estimates. These factors include, but are not limited to, changes in general economic conditions, interest rates, deposit flows, loan demand, competition, legislation or regulation and accounting principles, policies or guidelines, as well as other economic, competitive, governmental, regulatory and accounting and technological factors affecting TD Banknorth's operations. In addition, acquisitions may result in large one-time charges to income, may not produce revenue enhancements or cost savings at levels or within time frames originally anticipated and may result in unforeseen integration difficulties. Investors are encouraged to access TD Banknorth's periodic reports filed with the Securities and Exchange Commission for financial and business information regarding TD Banknorth, including information which could affect TD Banknorth's forward-looking statements. TD Banknorth does not undertake any obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

Hudson United More Than Just the Map!

	Deposits (\$MM)	Branches	ATMs
TD Banknorth	\$ 19,921	386	550
Hudson United	6,254	204	201
Pro Forma	\$ 26,175	590	751

[GRAPHIC]

But the map is pretty good!

What's Been Covered to Date

Great Markets

Wealth

Growth

Diversity

Break-out of New England creates more options

Organic growth existing locations

De Novo fill-in

Acquisitions small, large, north, south, east or west

Additional Detail on the Hudson Transaction

Solidly commercial franchise

Nominal mortgages

Lower than average CDs

Correct entry into a competitive market;

Cost saves achievable;

Franchise investment plan more than sufficient;

Significant revenue enhancements exist

C&I Loans Comprise 45% of Hudson United's Total Loan Portfolio

(\$ in millions)

	TD Banknorth		Hudson United		Combined	
	Loans	%	Loans	%	Loans	%
C&I	\$ 4,095	21%	\$ 2,174	45%	\$ 6,268	26%
Commercial Real Estate	6,559	33	1,131	24	7,690	31
Consumer	5,607	29	1,006	21	6,613	27
Residential Real Estate	3,389	17	119	2	3,508	14
Credit Cards			378	8	378	2
Total Loans	\$ 19,650	100%	\$ 4,807	100%	\$ 24,457	100%
Less: Loan Loss Reserves	(228)		(60)		(288)	
Net Loans	\$ 19,422		\$ 4,748		\$ 24,169	
Yield	5.60%		6.26%		5.73%	

Source: Company filings. Data as of or for the quarter ended March 31, 2005.

Note: Combined numbers do not include purchase accounting or pro forma adjustments.

Hudson United Has a Commercial Bank Deposit Base That is Similar to TD Banknorth s

(\$ in millions)

	TD Banknorth		Hudson United		Combined	
	Deposits	%	Deposits	%	Deposits	%
Non-Interest Bearing	\$ 4,216	21%	\$ 1,320	21%	\$ 5,535	21%
NOW, Savings & MMDA	10,871	55	3,220	51	14,092	54
Non-Brokered Time Deposits	4,753	24	1,286	21	6,039	23
Brokered Time Deposits	81	0	428	7	509	2
	\$ 19,921	100%	\$ 6,254	100%	\$ 26,175	100%
Cost	0.92%		1.10%		0.96%	

Source: Company filings. Data as of or for the quarter ended March 31, 2005.

Note: Combined numbers do not include purchase accounting or pro forma adjustments.

Hudson United Peer Analysis Deposit Base More Like a Commercial Bank

	Noninterest Bearing Deposits/ Total Deposits (1)
Thrifts	
Independence Community	15.5%
New York Community	6.5
Astoria	2.0
Sovereign	14.6
Webster Financial	13.0
Banks	
North Fork Bancorp	20.3%
M&T Bank Corporation	23.3
Commerce Bancorp	25.5
Mercantile Bankshares	28.2
Fulton Financial	19.8
Valley National	23.9
Susquehanna	17.0
Thrift Average	10.3%
Bank Average	22.6
Hudson United Bancorp	20.6%
TD Banknorth Inc.	22.9%

(1) Source: SNL Securites for most recent quarter reported.

Correct Entry into Competitive Markets

Fixed costs already positioned

Capacity to handle substantially more volume

Modest rate-sensitive base to disintermediate

Generally good locations and facilities (excepting deferred maintenance)

BNK retail team visited 95% of Hudson locations during due diligence

Can/will achieve scale as we have in CT/MA

Allows for:

Aggressive pricing, product set

Excellent return on variable investments

Similar Experience in MA and CT

(\$ in millions)

	2004	2003	BNK Expansion in MA		2000	1999
			2002	2001		
Total Deposits	\$ 7,064	\$ 5,664	\$ 4,962	\$ 3,088	\$ 3,117	\$ 2,203
Market Share	4.09%	3.29%	3.24%	2.26%	2.32%	1.68%
Rank	5	6	6	6	5	8

	2004	2003	BNK Expansion in CT		2000	1999
			2002	2001		
Total Deposits	\$ 2,460	\$ 2,542	\$ 287	\$ 260	\$ 239	\$ 232
Market Share	3.33%	3.63%	0.45%	0.43%	0.41%	0.39%
Rank	8	6	34	36	35	37

Source: Lehman Bros.

Hudson United Average Branch Size

Market	Hudson United (\$ in millions)	Market Average (\$ in millions)
Connecticut	\$ 38.5	\$ 61.9
Northern New Jersey (1)	\$ 30.7	\$ 69.0
Hudson River Valley (2)	\$ 40.4	\$ 62.0
Philadelphia MSA	\$ 22.7	\$ 54.7

Average deposits per TD Banknorth branch are \$51 million.

Source: SNL Financial. Data as of June 30, 2004.

(1) Includes Bergen, Passaic, Essex and Hudson counties.

(2) Includes Orange, Dutchess, Westchester, Putnam, Ulster, Rockland and Sullivan counties.

Cost Saves Realistic In Line With Other Recently Announced Deals

Announce Date	Acquiror / Target	In Mkt/ Out-of-Mkt	Deal Value (\$MM)	Announced Cost Saves
7/6/2005	Zions Bancorp / Amegy	Out-of-Market	\$ 1,702	18%
6/13/2005	BNP Paribas Group/ Commercial Federal	Out-of-Market	1,360	21
3/7/2005	Capital One Financial / Hibernia	Out-of-Market	5,351	21
8/2/2004	Fifth Third Bancorp/ First Natl Bkshs of FL	Out-of-Market	1,530	35
5/7/2004	SunTrust Banks / National Commerce Finl	In-Market	7,433	20
2/16/2004	National City / Provident Financial Group	In-Market	2,134	25
2/15/2004	North Fork / GreenPoint Financial (inc. Greenpoint Mtg.)	In-Market	6,396	19
1/26/2004	Sovereign Bancorp / Seacoast Financial	In-Market	1,100	35
11/24/2003	Independence Comm. Bank / Staten Island Bancorp	In-Market	1,474	40
6/27/2003	New York Community / Roslyn Bancorp	In-Market	1,579	28
1/21/2003	BB&T / First Virginia Banks	In-Market	3,376	40
	Mean			27%
	Median			25
	Mean of In-Market Transactions			30%
	Mean of Out-of-Market Transactions			24
	BNK / HU		\$ 1,912	25%

Note: Includes all transactions announced since 1/1/03 with deal value between \$1 billion and \$10 billion and with cost saves disclosed.

Cost Saves Consistent with Our Experience

(\$ in millions)

Announce Date	Prior Acquisitions (2)	Deal Value	Buyer	Assets (1) Target	Acquiror Mkt. Cap (1)	Target Assets / Combined	Deal Value / Acquiror Mkt. Cap	Estimated Cost Savings Ratio
6/20/2004	Banknorth Group Inc./ BostonFed Bancorp Inc.	\$ 195	\$ 26,880	\$ 1,668	\$ 5,322	5.8%	3.7%	35.0%
12/7/2003	Banknorth Group Inc./ CCBT Financial Cos.	299	25,741	1,353	5,218	5.0	5.7	25.0
11/24/2003	Banknorth Group Inc./ Foxborough Savings Bank	91	25,741	231	5,286	0.9	1.7	35.0
9/2/2003	Banknorth Group Inc./ First & Ocean Bancorp	51	25,750	256	4,594	1.0	1.1	35.0
8/21/2002	Banknorth Group Inc./ American Financial Holdings	744	21,261	2,895	4,002	12.0	18.6	25.0
4/10/2002	Banknorth Group Inc./ Bancorp Connecticut Inc.	159	21,077	663	3,968	3.0	4.0	25.0
2/26/2002	Banknorth Group Inc./ Ipswich Bancshares Inc.	42	21,077	321	3,647	1.5	1.1	25.0
6/10/2001	Banknorth Group Inc./ Andover Bancorp Inc.	340	18,252	1,799	2,937	9.0	11.6	25.0
6/10/2001	Banknorth Group Inc./ MetroWest Bank	166	18,252	914	2,937	4.8	5.7	25.0
6/1/1999	Peoples Heritage/ Banknorth Group Inc.	778	12,594	4,339	1,874	25.6	41.5	30.0
7/19/1998	Peoples Heritage/ SIS Bancorp Inc.	430	7,310	1,794	2,227	19.7	19.3	25.0
10/26/1997	Peoples Heritage/ CFX Corp.	710	6,056	2,821	1,185	31.8	59.9	25.0
6/23/1997	Peoples Heritage/ Atlantic Bancorp	72	5,458	470	1,006	7.9	7.1	52.0
5/30/1996	Peoples Heritage/ Family Bancorp	107	3,302	887	336	21.2	31.8	18.0
10/24/1995	Peoples Heritage/ Bank of New Hampshire Corp.	171	3,037	960	355	24.0	48.0	20.0
2/21/1995	Peoples Heritage/ Bankcore, Inc.	20	2,783	133	232	4.6	8.6	15.0
				Mean		11.1%	16.8%	27.5%
				Median		6.9	7.9	25.0
	TD Banknorth / Hudson United	\$ 1,912	\$ 32,135	\$ 8,850	\$ 5,189	21.6%	36.8%	25%

(1) Assets at announcement of transaction.

(2) TD Banknorth Inc. is the successor to Banknorth Group, Inc. which was formerly named Peoples Heritage Financial Group, Inc.

Cost Saves Achievable

Our efficiency ratio is 50.5%; Hudson United s is 55.7%

Pro forma efficiency ratio is 49.4% including the retail franchise investments

Approximately 45% of Hudson United s core non-interest expense are in support and overhead areas

Assuming 50% cost saves in support areas require only 5% from branch consolidation and line efficiencies.

Back office salaries and occupancy in Maine are 25% lower than NJ.

Maine tax incentives also reduce cost

Revenue Enhancements - Retail

General -Add focus, stability, products and marketing/brand awareness to Hudson United

Specifically:

Introduce free checking

Currently 81% of BNK s new checking accounts and 79% of BNK s checking base

Hudson United Checking and Banking fees are currently 60bp of deposits; BNK s are 88 bps.

Emphasize Home Equities, currently 9% of Hudson United s outstandings vs. BNK s 17%

Expand indirect auto 4% of outstandings for Hudson United vs. BNK 9%

Revenue Enhancements Commercial

General Build on solid base by adding credit support and additional lenders

Specifically:

Introduce swap program currently 37bps of commercial loans at BNK

Add lenders to improve loan growth Hudson United 8% vs. BNK s 10%

Combined balance sheet will allow for larger loans

Expand trade finance product set with TD

Flatiron to finance TD Banknorth Insurance Group customers

Revenue Enhancements - other

BNK is significantly larger in insurance, wealth management, and investment planning (8% of BNK's revenue vs. 1% for Hudson United)

BNK has capital to back growth of Hudson United niche businesses:

Flatiron insurance premium finance

Shoppers Charge white label credit cards

Buyback Update

Excess capital is available for share buybacks;

Management believes that opportunities will exist for TD Banknorth to repurchase shares;

However, the SEC's Reg M prohibits repurchases during specified periods following the announcement of a stock acquisition;

In addition, the safe harbor provisions of Rule 10b-18 are not available until completion of the transaction;

As such, we do not intend to purchase TD Banknorth stock until after the completion of the Hudson United transaction.

Summary

Comfortable with assumptions in the model

Confident that this is the right entry point into NY metro market

Enhances our strategic options

When executed should provide meaningful opportunities for accelerated organic growth

Hudson United

It's All About Execution!

Wendy Suehrstedt

**EVP and Chief Retail
Banking Officer**

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Successful Conversion

Long history of successful conversion efforts

Several previous successful conversions of financial institutions of the same or greater proportional magnitude

Bank of New Hampshire	35% of PHFG deposit base
CFX	40% of PHFG deposit base
Banknorth	44% of PHFG deposit base
Hudson United	33% of BNK deposit base

Large acquisition readiness review

Review of process and governance

Infrastructure readiness

Departmental assessments

Build a Strong Team

Retain strong personnel

	TD Banknorth 2004	Hudson United 2004	Benchmark 2000*
Total Turnover	20.2%	36.6%	24.9%
Total Exempt	11.8%	24.4%	14.7%
Total nonexempt	24.9%	45.2%	32.4%
Total Retail Turnover	27.1%	45.3%	
Total Retail Exempt	11.5%	29.0%	
Total Retail Nonexempt	31.1%	53.5%	

*Saratoga Institute Human Capital Benchmarking Report 2000.

Hudson United top 3 reasons for leaving:

Turnover of Retail leadership

No compensation structure

No career path

Build a Strong Team

Ensure appropriate staffing is in place to grow

	TD Banknorth	Hudson United
Deposits per Retail Employee	\$ 6.2MM	\$ 4.9MM

Estimated additional incentive spend:

Estimated base pay adjustment spend: \$5,000,000 - \$8,000,000

Estimated additional sales staff spend:

Build Strong Brand and Name Awareness

TD Banknorth successful track record

	2002	2004	% Change
Massachusetts Name Recognition	52.5%	76.3%	45%
Connecticut Name Recognition	18.4%	46.8%	154%
Total MA/CT Marketing Spend	\$ 3,200,000	\$ 4,050,000	26.5%

	Annual Pre-Tax Marketing Expense (1) as a Percentage of:	
	Assets	Deposits
M&T Bank	6.2bps	9.2bps
TD Banknorth	8.9	13.3
Commerce Bancorp	11.9	13.1
Mercantile Bankshares	5.8	7.8
Fulton Financial	6.2	8.8
Valley National	7.4	10.6
Webster Financial	7.9	12.7
Chittenden	5.7	6.9
Susquehanna	9.3	13.5
Provident Bankshares	14.3	24.9
First Commonwealth Financial	6.0	9.7
Average	8.1bps	11.9bps
Hudson United Bancorp	7.6bps	10.9bps
TD Banknorth	8.9bps	13.3bps

(1) *Most recent fiscal year reported.*

Incremental marketing expense increase scenarios:

13.3 bp of 12/04 deposits	\$	8,275,000
13.3 bp on \$10.2B deposit base	\$	13,500,000
(\$50MM average deposit base per branch, 204 branches)		

Incremental increase over 2004 marketing spend:	\$1,400,000 - \$6,600,000
---	---------------------------

Incremental increase over 3-yr average annual marketing spend:	\$3,000,000 - \$8,300,000
--	---------------------------

Build on Commercial Success

Core Hudson United Commercial Business

Strong management

Solid results

Commercial loan outstanding balance growth	
2002	5.4%
2003	16.3%
2004	5.5%

Build on Commercial Success

TD Banknorth proven track record of consistent commercial success

	Commercial loan outstanding balance growth excluding acquisition impact	Commercial loan outstanding balance growth including acquisition impact
2002	11.5%	18.4%
2003	10.4%	13.6%
2004	10.3%	15.5%

TD Banknorth commercial recruitment success:

26 experienced lenders added since January, 2003 to maximize market opportunity.

Build on Specialty Business Success

Private Label Credit Card

Strong management

Strong results

Insurance Premium Financing

Strong management

Strong results

Enhance Retail Sales Culture

Increase sales training

	TD Banknorth 2004	Hudson United 2004
Total training spend per Retail employee	\$ 1,350	\$ 1,110

Additional \$300,000 spend would even the training investment per Retail employee.

Establish sales goals

Establish supporting incentive plan, reward & recognition programs

Strengthen sales management, coaching skills, process

Track and monitor results

Enhance Retail Sales Culture

TD Banknorth successful track record

Connecticut Same Store Sales Growth

Qtr 3 & 4 2004 vs. Qtr 3 & 4 2003	
DDA Account Openings	12.7%
DDA Deposit Growth	53.5%
Consumer Loan Originations	10.0%
Small Business Loan Originations	50.9%

Underscore Strong Customer Service

TD Banknorth outperforms the competition as a whole on all touch points

Touch Point Satisfaction (%8-10) - Customers v. All Non-customers

[CHART]

[LOGO]

TD Banknorth's *Problem Resolution* efforts outperform those of our competitors

Problem Resolution Feature High Scores (%8-10) - Customers v. Non-customers

[CHART]

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Ensure Strong Regulatory Compliance

TD Banknorth successful track record

TD Banknorth feels it is in satisfactory compliance with respect to Bank Secrecy ACT/Anti-Money Laundering as well as all other regulations

TD Banknorth transitional compliance oversight

Conduct testing for compliance with BSA/AML and CIP

Conduct quarterly testing for data integrity

Consult with Hudson United regarding scope and timing of other compliance testing

Retail Investment

Early thoughts on likely incremental investments to ensure success:

	Annual Incremental Expense
Marketing & Promotions	\$4,000,000-\$8,000,000
Base Pay Adjustments/Incentives/Staff Adds	\$5,000,000-\$8,000,000
Bricks & Mortar Improvements	\$1,000,000-\$3,000,000
TOTAL	\$10,000,000-\$19,000,000

Hudson United Summary

Hudson represents a significant market expansion opportunity;

TD Banknorth can improve and grow the Hudson franchise;

Hudson represents a low-risk transaction; and

A sound investment.

Additional Information about the Transaction

*This presentation may be deemed to be solicitation material in respect of the proposed merger of TD Banknorth and Hudson United. In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. **Shareholders of TD Banknorth and shareholders of Hudson United are encouraged to read the registration statement and any other relevant documents filed with the SEC, including the joint proxy statement/prospectus that will be part of the registration statement, because they will contain important information about the proposed merger.** The final joint proxy statement/prospectus will be mailed to shareholders of TD Banknorth and shareholders of Hudson United. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov, from TD Banknorth, Two Portland Square, P.O. Box 9540, Portland, Maine 04112-9540, Attention: Investor Relations, or from Hudson United, 1000 MacArthur Boulevard, Mahwah, New Jersey 07430, Attention: Investor Relations.*

TD Banknorth, Hudson United and their respective directors and executive officers and other members of management and employees may be deemed to participate in the solicitation of proxies in respect of the proposed transaction. Information regarding TD Banknorth's directors and executive officers is available in TD Banknorth's proxy statement for its 2005 annual meeting of shareholders, which was filed with the SEC on April 20, 2005, and information regarding Hudson United's directors and executive officers is available in Hudson United's proxy statement for its 2005 annual meeting of shareholders, which was filed with the SEC on March 23, 2005. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.

[LOGO]

[GRAPHIC]

**Commercial and
Consumer Lending &
Risk Management**

August 3, 2005

[GRAPHIC]

Building on Strength

**John Fridlington
Chief Lending Officer
Edward Schreiber**

Chief Risk Officer

[GRAPHIC]

Note on Forward-Looking Information

[LOGO]

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of TD Banknorth. Words such as expect, feel, believe, will, may, anticipate, plan, estimate, intend, should and similar expressions identify forward-looking statements. Forward-looking statements are subject to various factors which could cause actual results to differ materially from these estimates. These factors include, but are not limited to, changes in general economic conditions, interest rates, deposit flows, loan demand, competition, legislation or regulation and accounting principles, policies or guidelines, as well as other economic, competitive, governmental, regulatory and accounting and technological factors affecting TD Banknorth's operations. In addition, acquisitions may result in large one-time charges to income, may not produce revenue enhancements or cost savings at levels or within time frames originally anticipated and may result in unforeseen integration difficulties. Investors are encouraged to access TD Banknorth's periodic reports filed with the Securities and Exchange Commission for financial and business information regarding TD Banknorth, including information which could affect TD Banknorth's forward-looking statements. TD Banknorth does not undertake any obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

Lending Overview

Nominal turnover in lending staff

Senior lending positions have extensive experience

Solid growth of the commercial portfolio

Sustained growth of the consumer portfolio

Portfolio Information

Average size loan relationship is approximately \$850 thousand

Number of borrowers: 17,767

Geographic distribution

MA and CT markets represent 56% of outstandings

Asset based lending & corporate lending

Loan Approval Process

Non -Committee Approval

Less than \$2.5 million - Signature Authority

\$2.5 million - \$7.5 million -Local Management Loan Committee

\$7.5 million - \$15 million - Senior Credit Committee

TD Banknorth Board Risk Committee Approval Limits

No approval needed, just notification for 1 and 2 rated credits

\$20MM for 3,4,5 rated credits

\$15MM for 3,4,5 rated credits with significant policy exceptions

\$15MM for 6 rated credits

Any credit relationship exceeding hold limits

TD Banknorth's House Hold Limits

\$40 million for 1,2,3 rated credits

\$30 million for 4 rated credits

\$25 million for 5 rated credits

\$20 million for 6 rated credits

Overall aggregate hold limit of \$60 million

Top Relationships

Twenty largest relationships

Asset range from \$54 million to \$24 million

Nonperforming

Top 15 range from \$4.4 million to \$719 thousand

Top industries

Services

Manufacturing durable and non-durable

Investment real estate: Office buildings and apartments

Construction

Risk Management Organization at TD Banknorth

Departments included in Risk Management are;

Loan Review

Audit

Compliance

Credit Administration

Appraisal

Retail Credit Risk

Portfolio Management & MIS

Treasury and Operational Risk

Risk Management Overview (Credit)

Seasoned Senior Credit Administration Staff

Independent of the Lending Staff

Staff is positioned throughout the footprint

Strong working relationship with the lending staff

Portfolio Concentrations

C & I	= 42% of outstandings & unfunded commitments
CRE Owner	= 22% of outstandings & unfunded commitments
CRE Investment	= 36% of outstandings & unfunded commitments

To assist in the management of concentrations, TD Banknorth has developed:

White Paper Process

Construction Data Base

Commercial Data Base

Asset Quality at TD Banknorth

Problem loan levels continue to remain stable

Watch Credit loan levels continue to show minor changes over the last year

Rate of downgrades within pass grades remains stable

Questions & Answers

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