



Crown Media Holdings Announces Commencement of Exchange Offer for its 10.5% Senior Notes due 2019 for Registered Notes

STUDIO CITY, Calif.--(BUSINESS WIRE)-- Crown Media Holdings, Inc. ("Crown Media") announced today that it has commenced a registered exchange offer to exchange any and all of its \$300,000,000 aggregate principal amount of 10.5% Senior Secured Notes due 2019 that were issued in a private placement (the "Original Notes") for an equal principal amount of its 10.5% Senior Secured Notes due 2019 that have been registered under the Securities Act of 1933, as amended (the "Exchange Notes").

The exchange offer is being made to satisfy Crown Media's obligations under a registration rights agreement entered into on July 14, 2011 in connection with the issuance of the Original Notes, and does not represent a new financing transaction. Crown Media will not receive any further proceeds from the exchange offer.

The terms of the Exchange Notes are substantially identical to the terms of the Original Notes, except that certain transfer restrictions, registration rights and additional interest provisions do not apply to the Exchange Notes. Original Notes that are not exchanged in the exchange offer will continue to be subject to the existing transfer restrictions, and Crown Media will generally have no further obligation to provide for the registration of those notes under the Securities Act of 1933, as amended.

The exchange offer will expire at 5:00 p.m., New York City time, on November 3, 2011, unless extended by Crown Media. Tenders of Original Notes must be validly made at or prior to the expiration time and may be withdrawn at any time prior to the expiration time.

The terms of the exchange offer are set forth in a prospectus dated October 5, 2011 and the related letter of transmittal. Requests for assistance or for copies of documents related to the exchange offer, including the prospectus and the letter of transmittal, should be directed to the exchange agent, Bank of New York Mellon Corporation Corporate Trust—Reorganization Unit at (212) 815-5920.

This press release is not an offer to buy or sell or the solicitation of an offer to buy or sell any of the securities described herein, nor shall there be any offer, solicitation or sale of such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. A registration statement on Form S-4 relating to the exchange offer was declared effective by the Securities and Exchange Commission on October 4, 2011. The exchange offer is being made only pursuant to the exchange offer documents that are being distributed to holders of the Original Notes, including the prospectus dated October 5, 2011 and the related letter of transmittal.

Forward-looking Statements

Statements contained in this press release may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act that are based on management's current expectations, estimates and projections. Words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," variation of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those projected or implied in the forward-looking statements. Such risks and uncertainties include: competition for distribution of channels, viewers, advertisers, and the acquisition of programming; fluctuations in the availability of programming; fluctuations in demand for the programming Crown Media airs on its channels; and other risks detailed in the Company's filings with the Securities and Exchange Commission, including the Risk Factors stated in the Company's most recent 10-K and 10-Q Reports. Crown Media Holdings is not undertaking any obligation to release publicly any updates to any forward looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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