

PRESS RELEASE



ION MEDIA NETWORKS REPORTS FULL-YEAR 2007 FINANCIAL RESULTS

Company Prepares for Greater 2008 Investment Needs

(West Palm Beach, FL – March 27, 2008) – ION Media Networks, Inc. (the “Company” or “ION”) announced today its financial results for the year ended December 31, 2007.

ION’s broadcast cash flow for the year ended December 31, 2007 increased 65% to \$98.3 million, up from \$59.7 million in 2006. This cash flow improvement was principally driven by corporate and operational cost streamlining and restructuring actions.

For the same period, free cash flow after capital expenditures and interest expenses was negative \$4.2 million, an improvement from negative \$26.1 million for the year ended December 31, 2006. This reflects the net effect of the favorable operating cost variance, negatively offset by total cash interest expenses of \$107.9 million in 2007 which was \$19.0 million higher than in 2006.

“With our recapitalization process completed, we have turned our attention to building a sustainable business,” said ION’s Chairman and Chief Executive Officer Brandon Burgess. “2008 will require greater investment to grow our network through higher programming spending, consumer marketing and digital capital expenditures.”

In light of the Company’s 2008 growth goals, its 2008 budget calls for reduced broadcast cash flow of \$10.4 million (vs. \$98.3 million in 2007) and negative free cash flow of \$94.8 million (vs. negative \$4.2 million in 2007). The 2008 budget projects a \$27.3 million increase in program spending and a \$19.5 million increase in capital expenditures.

Year-to-date, 2008 has shown unexpectedly difficult market conditions compared to plan, driven by three factors: a recessionary environment, a slow television commerce product pipeline, marked by a downturn in infomercial spending by real estate related businesses, and increased competition from other local stations making more time periods available for infomercials.

The Company will emphasize entertainment time periods and general advertising to partially mitigate the adverse commercial environment. This may require further increasing investment in programming and expanding entertainment time periods. Additionally, given the upfront cash payment nature of the infomercial business compared to the collection cycle in general advertising, such a mitigation strategy will also involve additional net working capital investment.

In light of these factors, and in order to enhance its financial flexibility, the Company has elected to pay interest on its \$405 million principal amount of Floating Rate Second Priority Senior Subordinated Notes for the three month interest period commencing April 15, 2008 by increasing the principal amount of the outstanding Notes rather than in cash, which will reduce the Company’s cash interest expenditures by approximately \$9 million in the third quarter of 2008, net of the effects of the Company’s existing interest rate swap arrangements.



About ION Media Networks

ION Media Networks, Inc. owns and operates the nation's largest broadcast television station group and ION Television, reaching over 94 million U.S. television households via its nationwide broadcast television, cable and satellite distribution systems. ION Television currently features popular TV series and movies from the award-winning libraries of Warner Bros., Sony Pictures Television and CBS Television, among others. ION Media has also partnered with RHI Entertainment, which owns over 4,000 hours of acclaimed television content, to provide weekend primetime programming consisting of exclusive original programming and quality library titles. Utilizing its digital multicasting capability, the company has launched several digital TV brands, including qubo, a television and multimedia network for children formed in partnership with several leading media and entertainment companies, and ION Life, a television and multimedia network dedicated to active living and personal growth. For more information, visit www.ionmedia.tv.

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Selected Financial Results

	Budget Year to End December 31, 2008	For the year ended December 31	
		2007	2006
Net cash (used in) provided by operating activities	\$ (69,831)	\$ 1,355	\$ (13,057)
Broadcast cash flow	\$ 10,413	\$ 98,316	\$ 59,696
Free cash flow	\$ (94,831)	\$ (4,189)	\$ (26,146)

Reconciliation of Non-GAAP Measures

The Company believes that net cash (used in) provided by operating activities is the financial measure calculated and presented in accordance with US generally accepted accounting principles ("GAAP") that is most directly comparable to Broadcast Cash Flow and Free Cash Flow. The Company's net cash provided by operating activities was \$1.4 million for the year ended December 31, 2007, compared to net cash used in operating activities of \$13.1 million for the year ended December 31, 2006. For the year to end December 31, 2008, the Company has budgeted for \$69.8 million of net cash to be used in operating activities.



The Company believes the presentation of Broadcast Cash Flow and Free Cash Flow is relevant and useful because these are metrics used by industry analysts and others in the financial community in evaluating the Company's operating performance. In addition, Broadcast Cash Flow is the primary indicator utilized by Company management in evaluating the Company's financial performance. In evaluating Broadcast Cash Flow and Free Cash Flow, investors should consider various factors, including the relationship of these metrics to the Company's reported cash flows from operating activities. Investors should be aware that Broadcast Cash Flow and Free Cash Flow may not be comparable to similarly titled measures presented by other companies and that such comparisons could be misleading unless all companies and analysts calculate such measures in the same manner. The use of Broadcast Cash Flow and Free Cash Flow is not intended to replace or supersede any information presented in accordance with GAAP.

The table below reconciles Broadcast Cash Flow and Free Cash Flow with net cash (used in) provided by operating activities, as derived from the Company's financial statements.



ION Media Networks
Reconciliation of Non-GAAP Measures:
(in thousands)

	Budget	For the year ended December 31	
	Year to End December 31, <u>2008</u>	<u>2007</u>	<u>2006</u>
Net cash (used in) provided by operating activities	\$ (69,831)	\$ 1,355	\$ (13,057)
Less:			
Capital expenditures	(25,000)	(5,544)	(13,089)
Interest income	(3,126)	(5,360)	(3,086)
Add back:			
Cash paid for interest	108,370	107,865	88,928
Broadcast cash flow	<u>\$ 10,413</u>	<u>\$ 98,316</u>	<u>\$ 59,696</u>