Crown Media

FAMILY NETWORKS

Second Quarter 2014

Safe Harbor Statement

Statements contained in this presentation 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," variations 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; our ability to address our liquidity needs; our incurrence of losses; our substantial indebtedness affecting our financial condition and results; 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.

Contents

Crown Media
FAMILY NETWORKS

- Company Overview
- Network Highlights
- Financial Information

Company Overview

Crown Media
FAMILY NETWORKS

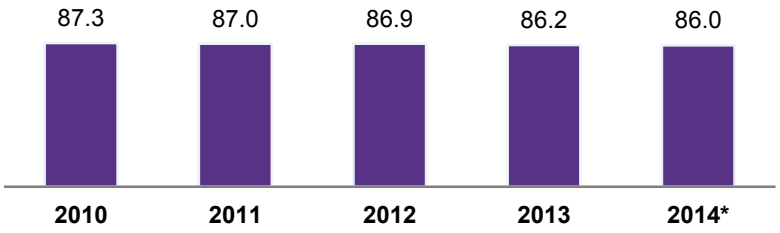
Crown Media Family Networks

We help celebrate life's special moments every day

Hallmark CHANNEL
The Heart of TV

- High-quality family programming channel
- A leader in original programming hours amongst cable networks
- Attractive slate of original movies and series
- Lifestyle and home programming blocks
- Significant audience delivery during holiday

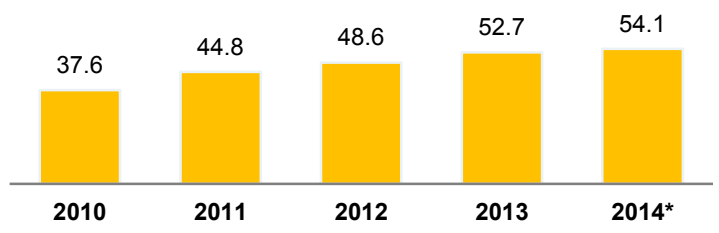
Subscribers (mm)



Hallmark MOVIES & MYSTERIES

- Features a unique mix of original movies that are dramatic and cinematic, focusing on the lighter side of the suspense and mystery genres
- Home to the annual holiday programming franchise, the *"Most Wonderful Movies of Christmas"*
- Celebrates the heritage of Hallmark with presentations from the award-winning *Hallmark Hall of Fame* library

Subscribers (mm)

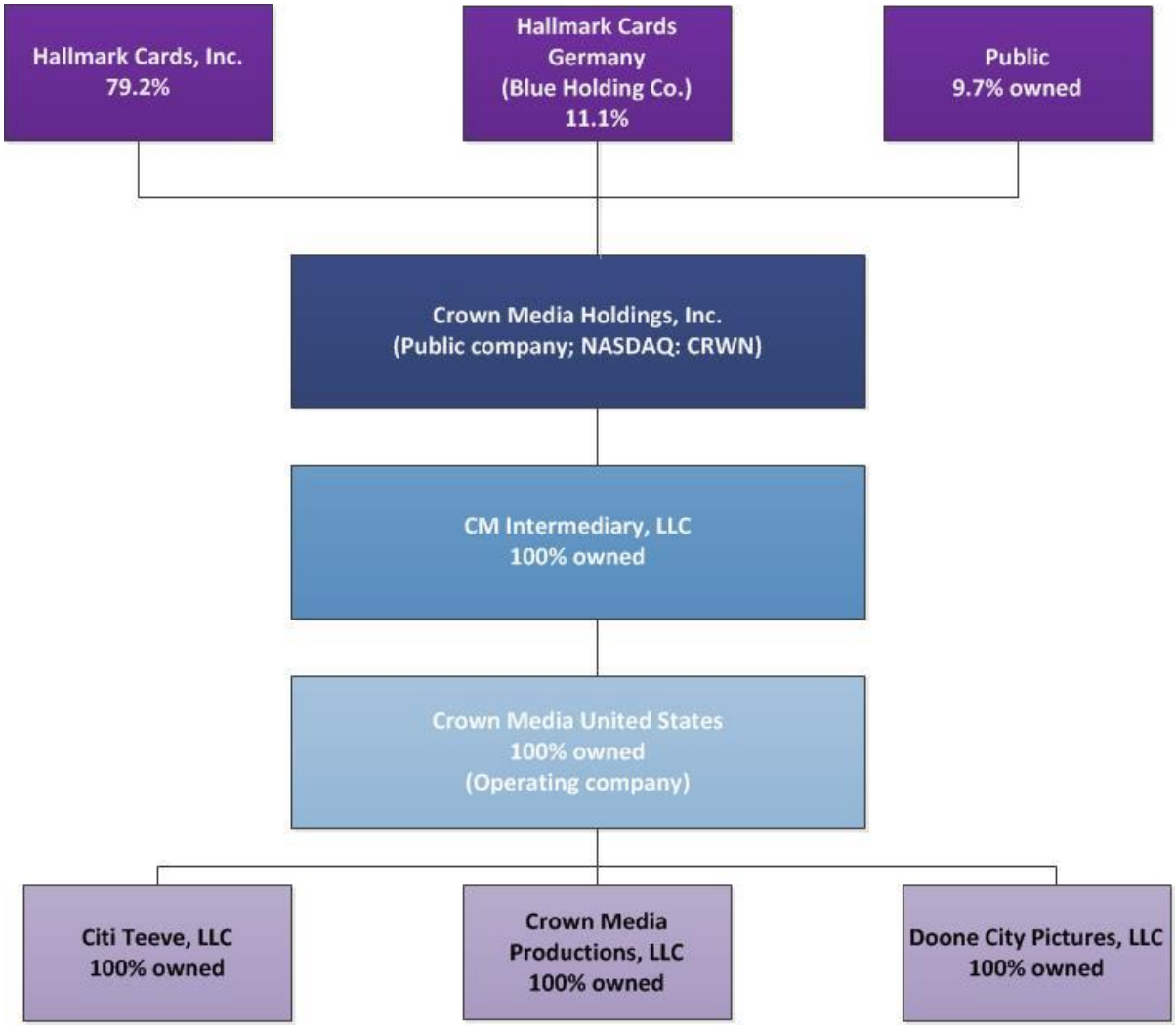


* June 2014
Source: Nielsen UE

Crown Media
FAMILY NETWORKS

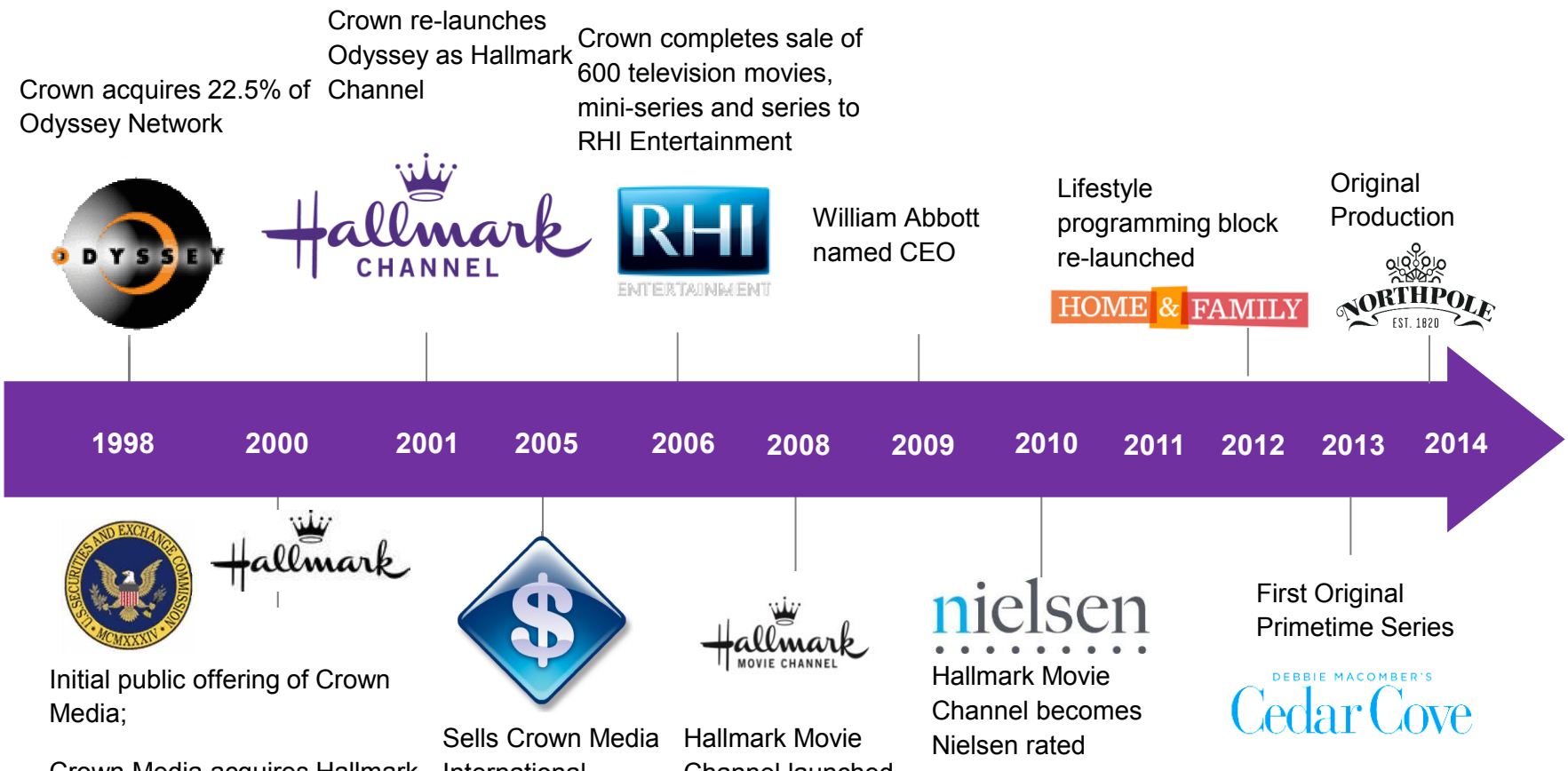
Legal Organization

Crown Media
FAMILY NETWORKS



Evolution of Crown Media

Crown Media FAMILY NETWORKS



Management Team

Crown Media FAMILY NETWORKS

Name/Title	Tenure	Background
William Abbott *President and CEO*	14 years	■ Executive Vice President, National Advertising Sales at Hallmark Channel ■ Senior Vice President, Advertising Sales, Fox Family Worldwide ■ Vice President, Eastern Sales at Fox Family Worldwide
Andrew Rooke *Executive Vice President and CFO*	3 years	■ Chief Financial Officer of News Corporation's Twentieth Television ■ Executive finance roles within Fox Interactive, Fox Entertainment and Time Warner's Warner Bros. ■ Deloitte & Touche in Los Angeles and London
Charles L. Stanford *Executive Vice President, Business and Legal Affairs & General Counsel*	14 years	■ Senior Vice President, Business Affairs and General Counsel of Crown Media Holdings ■ Senior Vice President, Legal and Business Affairs of Crown Media International ■ Vice President, Legal and Business Affairs of Cable and New Media of ABC, Inc.
Ed Georger *Executive Vice President, Advertising Sales and Digital Media*	14 years	■ Senior Vice President, Advertising Sales for Crown Media ■ Vice President of Eastern Sales, Family Channel and Fox Family Channel ■ Network buyer at Backer Spielvogel Bates, Inc.
Laura Lee *Executive Vice President, Distribution*	12 years	■ Vice President, Network Distribution & Service ■ Regional Manager of Affiliate Sales for E! Entertainment Television
Susanne McAvoy *Executive Vice President, Marketing, Creative & Communications*	6 years	■ EVP, Marketing ■ Vice President, Ad Sales Marketing, Crown Media ■ Consultant, Ad Sales Marketing for Bravo
Kristen Roberts *Executive Vice President, Pricing, Planning, & Revenue Management*	14 years	■ SVP, Advertising Pricing & Planning, Crown Media ■ Account Executive at A&E Television Networks
Michelle Vicary *Executive Vice President, Programming & Network Publicity*	15 years	■ EVP, Programming ■ Senior Vice President, Acquisitions & Scheduling for Crown Media ■ Vice President of Marketing for Evening Star Music Group

Strategy

Crown Media FAMILY NETWORKS

High-quality, family friendly programming	▪ We will continue to be the preeminent source for 24/7 family programming that is trusted by our audience and highly desirable to our advertisers.
Hallmark Channel lifestyle programming block	▪ We plan to strengthen our program offerings with content that is consistent with our core values of family, home, and celebration.
Original movies and series	▪ We plan to develop more original movies and series that are uniquely identified with the Networks
Hallmark Channel & Hallmark Movie Channel differentiation	▪ We will continue to improve and refine Hallmark Channel and Hallmark Movie Channel programming to make the two networks distinctly different sources of compelling family entertainment. We will rebrand Hallmark Movie Channel to Hallmark Movies and Mysteries during the fourth quarter of 2014.
Distribution	▪ We plan to continue increasing distribution of Hallmark Channel and Hallmark Movie Channel by securing new distributors and encouraging existing distributors to place our Networks in packages with a greater number of subscribers.
Advertising	▪ We plan to continue maintaining strong relationships with a diverse group of high-quality, stable advertisers and achieve higher advertising pricing rates through our trusted content, valuable target audience demographics and strong ratings.
Content provider	▪ We plan to position ourselves for future growth as a content provider for new technologies by building our library of programming and exploring collaborations in emerging media.
Profitability	▪ We will continue to increase our profitability by paying down debt, achieving further cost efficiencies, increasing distribution and focusing on advertising revenue growth.

The Heart of TV

Hallmark Channel

Hallmark CHANNEL
The Heart of TV.

700+ Hours of Original Programming*

WEEKEND ORIGINAL MOVIES

42 HOURS

WEEKDAY ORIGINAL LIFESTYLE PROGRAMMING

HOME & FAMILY

600+ HOURS

ORIGINAL PRIME TIME SERIES

DEBBIE MACOMBER'S Cedar Cove

Signed, Sealed, DELIVERED

When Calls the Heart

30+ HOURS

HOLIDAY ORIGINAL MOVIES

Countdown to Christmas

24 HOURS

ORIGINAL EVENT SPECIALS

HERO DOG AWARDS

THE HOLLYWOOD CHRISTMAS PARADE

HALLMARK CHANNEL'S KITTEN BOWL

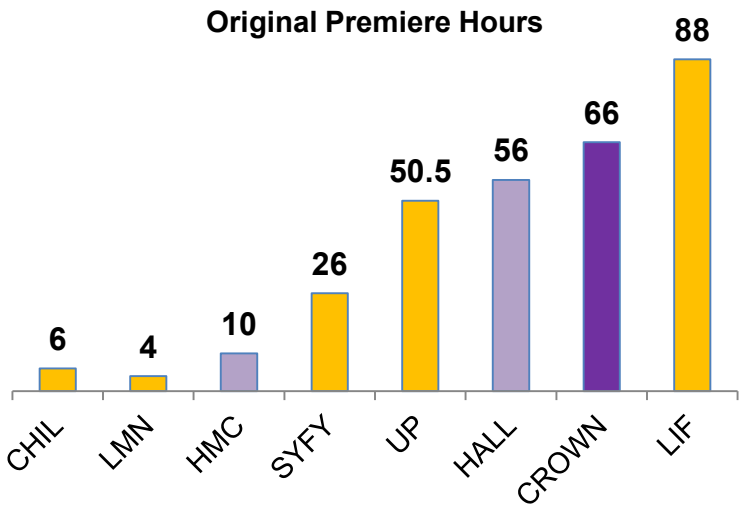
ROSE PARADE

12+ HOURS

*For the 4Q13 – 3Q14 Broadcast year

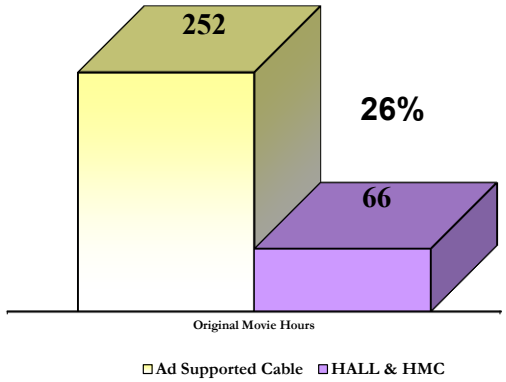
Original Movies

Hallmark Channel & Hallmark Movie Channel combined for 66 hours of original movie premiere hours on ad supported cable



Source: The Nielsen Company 3Q13-2Q14 Original Movie premiere hours (excludes mini-series). Search limited by Nielsen Company's coding of Original Movie Premieres.

Nearly ¼ of all Original Movie Premieres on Ad Supported Cable are from HALL & HMC



Source: Nielsen 3Q13-2Q14 Original Movie premiere hours (excludes mini-series). Search limited by Nielsen Company's coding of Original Movie Premieres.

Original Movies 2013

Hallmark CHANNEL
The Heart of TV.

16 Non-Holiday Original Movies including:

- **The Nearlyweds (1/12/13)** – averaged a 1.2 HH rating
- **The Sweeter Side of Life (1/19/13)** – averaged a 1.8 HH rating
- **Be My Valentine (2/9/13)** – averaged a 1.8 HH rating
- **All Is Fair In Love & Advertising (3/16/13)** – averaged a 0.8 HH rating
- **Mr. Hockey: The Gordie Howe Story (5/4/13)** - averaged a 0.7 HH rating
- **Beverly Lewis' The Confession (5/11/13)** - averaged a 1.4 HH rating
- **Notes from Dad (6/15/13)** - averaged a 1.3 HH rating
- **Banner 4th of July (6/29/13)** - averaged a 1.3HH rating
- **Debbie Macomber's Cedar Cove (7/20/13)** - averaged a 2.4 HH rating
- **Second Chances (7/27/13)** - averaged a 2.5 HH rating
- **Reading, Writing, & Romance (8/10/13)** - averaged a 1.5 HH rating
- **This Magic Moment (8/17/13)** - averaged a 1.4 HH rating
- **Garage Sale Mystery (9/14/13)** - averaged a 2.1 HH rating
- **Signed, Sealed, Delivered (10/12/13)** – averaged a 1.5 HH rating
- **When Calls The Heart (10/19/13)** – averaged a 1.7 HH rating
- **The Good Witch's Destiny (10/26/13)** – averaged a 2.4 HH rating

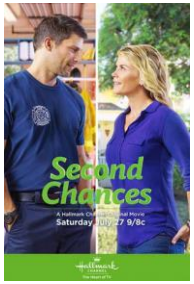
14 out of the 16 original movies ranked among the Top 10 in their time period for household rating*

Source: Nielsen Galaxy and NPower; All rankings based on Live+SD coverage area rating, ranked against all ad-supported cable networks. *At time of air.

2013: Original Premieres Deliver Top Ratings

Second Chances

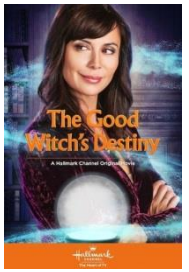
- Premiered on **July 27th 2013**
- The Hallmark Channel original movie “Second Chances” (Sat 9-11p) averaged a **2.5 HH rating** with 2,131,000 households
- Was seen by nearly **4.0 million unduplicated viewers** (P2+)
- The #1 rated Hallmark Channel original premiere non-holiday of 2013 (Households)
- The #1 household rated ad-supported cable movie of the day and the week
- The #1 household rated telecast of the day
- The **#1 movie of the week among W25-54 rtg**



Source: Nielsen Galaxy and NPower; All rankings based on Live+SD coverage area rating, ranked against all ad-supported cable networks. At time of air.

The Good Witch’s Destiny

- Premiered on **October 26th 2013**
- The Hallmark Channel original movie “The Good Witch’s Destiny” (Sat 9-11p) averaged a **2.4 HH rating** with 2,117,000 households
- Was seen by more than **3.9 million unduplicated viewers** (P2+)
- Ranked as the **#1** rated ad-supported cable movie of the day and **#2** of the week
- Among women 25-54, “The Good Witch’s Destiny” was the Most Watched Hallmark Channel movie of 2013 with 611,000 impressions

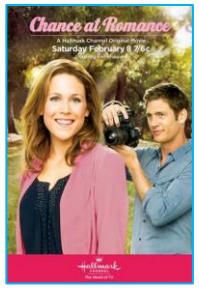


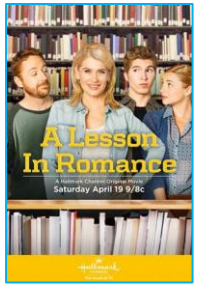
Source: Nielsen Galaxy and NPower; All rankings based on Live+SD coverage area rating, ranked against all ad-supported cable networks. At time of air.

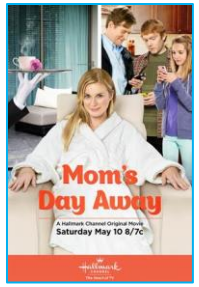
Original Movies 2014

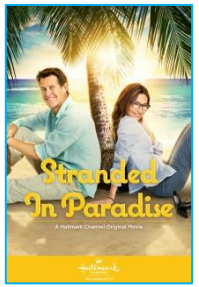
13 Non-Holiday Original Movies including:

- **June in January (1/18/14)** – averaged a 1.5 HH rating
- **Chance at Romance (2/8/14)** – averaged a 1.5 HH rating
- **A Ring by Spring (3/8/14)** – averaged a 1.7 HH rating
- **Lucky in Love (4/5/14)** – averaged a 1.1 HH rating
- **A Lesson in Romance (4/19/14)** - averaged a 1.4 HH rating
- **Mom's Day Away (5/10/14)** - averaged a 1.3 HH rating
- **Looking for Mr. Right (6/7/14)** - averaged a 1.3 HH rating
- **When Sparks Fly (6/28/14)** - averaged a 1.4 HH rating
- **For Better or Worse (7/19/14)** - averaged a 1.8 HH rating
- **Stranded in Paradise (8/9/14)** – averaged a 1.9 HH rating
- **My Boyfriends' Dogs (9/6/14)** Starring Erika Christensen
- **Perfect on Paper (9/20/14)** – Starring Morgan Fairchild
- **Recipe For Love (10/11/14)** – Starring Danielle Panabaker
- **Midnight Masquerade (10/18/14)** – Starring Autumn Reeser
- **The Good Witch's Wonder (10/25/14)** - Starring Catherine Bell







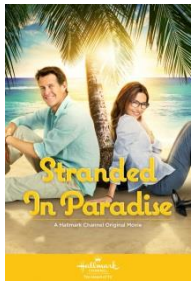


Source: Nielsen Galaxy and NPower; All rankings based on Live+SD coverage area rating, ranked against all ad-supported cable networks. *At time of air.

2014: Top Original Premieres Year-to-date

Stranded in Paradise

- Premiered on **August 9th 2014**
- The Hallmark Channel original movie “Stranded in Paradise” (Sat 9-11p) averaged a **1.9 HH rating** with 1,619,000 households
- Was seen by nearly **3.0 million unduplicated viewers** (P2+)
- **Highest rated and most watched original movie premiere of 2014 to-date***
- The **#1** rated ad-supported cable movie of the day and week among households and women 25-54



Source: Nielsen Galaxy and NPower; All rankings based on Live+SD coverage area rating, ranked against all ad-supported cable networks. *At time of air.

For Better or for Worse

- Premiered on **July 19th, 2014**
- The Hallmark Channel original movie “For Better or for Worse” (Sat 9-11p) averaged a **1.8 HH rating** with 1,584,000 households
- Was seen by more than **3.0 million unduplicated viewers** (P2+)
- Ranked as the **#1** rated ad-supported cable movie of the day and of the week
- The #1 ad-supported cable movie of the day among women 25-54

Source: Nielsen Galaxy and NPower; All rankings based on Live+SD coverage area rating, ranked against all ad-supported cable networks. *At time of air.

Hallmark Hall of Fame

2013 Premieres

4 Including:

- **The Makeover (2/2/13) –** Delivered 275k W25-54
- **Loving Leah (3/2/13) –** Delivered 244k W25-54
- **Remember Sunday (4/28/13) –** Delivered 326k W25-54
- **Christmas in Conway (12/8/13) –** Delivered 670k W25-54

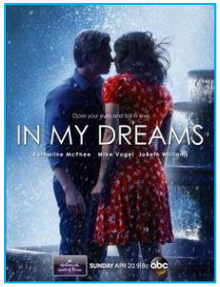
Source: The Nielsen Company

*Titles and premiere dates are subject to change

2014 Premieres*

- **In My Dreams (4/26/14) -** Delivered 257k W25-54
- Followed by **One Christmas Eve** starring Anne Heche to premiere in December

*Titles and premiere dates are subject to change.



Lifestyle Programming

Home & Family Gains Momentum in 2014

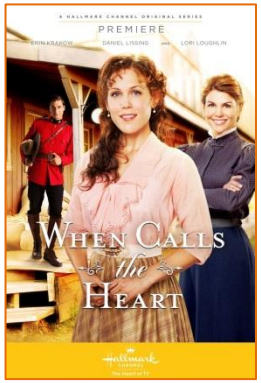
- Hosted by Emmy® Award nominee Mark Steines and TV personality and culinary expert, Cristina Ferrare, **"Home & Family"** emanates from a 2400 square foot working home on the backlot of Universal Studios California. From the home, Steines, Ferrare and their expert guests present the best in cooking, crafting, decorating, health, financial advice, pet care, lawn and garden tips, with musical and other live performances from some of Hollywood's biggest stars.

- In 2Q'14, **"Home & Family's"** ratings in premiere episodes (Monday-Friday, 10-12p) are up from 2Q'13 in key demographics including women 25-54 up 42%, adults 25-54 up 36%, households up 26%, and total viewers up 8%.

  - **Season 2 to-date,** is outperforming Season 1 among 25-54 by 28% adults 25-54 by 22%, households by 24%, and total viewers by 16%

Original Primetime Series 2014

When Calls The Heart, *Season 1*



- "When Calls The Heart" debuted January 11th 2014 and averaged a **1.6 HH rating** making **Hallmark Channel the # 3 rated cable network on Saturday's 9-10pm**

- "When Calls The Heart" reached **13.7 million viewers** including 2.6 million W25-54

Source: The Nielsen Company (1/11-3/29/14), Sat 9-10p Live+SD coverage area ratings.

Signed, Sealed, Delivered, *Season 1*

- Signed, Sealed, Delivered" debuted April 20th 2014 and averaged a **1.4 HH rating** making **Hallmark Channel the # 5 rated cable network on Sunday's 8-9pm**

- "Signed, Sealed, Delivered" reached over **10 million viewers** including 1.8 million W25-54

Source: The Nielsen Company (7/20/13-10/12/13), Sat 8-9p Live+SD coverage area ratings.

Cedar Cove, *Season 2*

- The 2nd season of "Cedar Cove" debuted July 19th 2014 and after three episodes is averaging a **1.7 HH rating**, once again making **Hallmark Channel the #1 rated cable network on Saturday's 8-9pm**

- "Cedar Cove", Season 1 debuted July 20th 2013 and averaged a **2.0 HH rating** making **Hallmark Channel the # 1 rated cable network on Saturday's 8-9pm**

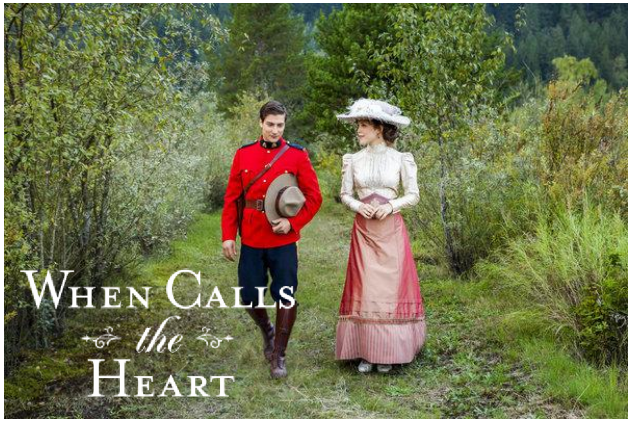
Source: The Nielsen Company (7/20/13-10/12/13), Sat 8-9p Live+SD coverage area ratings.

Original Primetime Series 2015

The Good Witch, *Season 1*

- Based on Hallmark Channel's most successful original movie series, **"The Good Witch".**
- Scheduled to premiere in **February 2015**
- 10 premiere episodes
- **Cast includes** Catherine Bell, Bailee Madison, and Chris Potter

When Calls The Heart, *Season 2*



- After a successful first season, **"When Calls The Heart"** returns in **May 2015** with its sophomore season
- 10 premiere episodes
- **Returning Cast includes** Erin Krakow, Daniel Lissing, and Lori Loughlin.

*Titles and premiere dates subject to change; additional series to be announced

Specials & Holidays

Hallmark CHANNEL
The Heart of TV.

Event Specials

THE HOLLYWOOD CHRISTMAS PARADE
AN AMERICAN TRADITION FOR OVER 80 YEARS!

PASADENA TOURNAMENT of ROSES

HALLMARK CHANNEL'S KITTEN BOWL

Holiday Programming

Countdown to Christmas

Countdown to Valentine's

Countdown to Mother's Day!

Countdown to Father's Day!

Countdown to Halloween

Countdown to New Year's

Christmas Keepsake 2014

Hallmark Channel celebrated Christmas in July with a weeklong event, *Christmas Keepsake*

- From July 4th through July 13th, Hallmark Channel presented 24/7 Christmas programming.
- ***The Christmas Keepsake*** weeklong event averaged a **1.0 household rating**, a 36% increase compared to the Primetime average of the *Christmas Keepsake* event last year.
- ***Angels Sing*** was the perfect close to a solid week, premiering to a **1.9 household rating** and reaching nearly **3 million unduplicated viewers**
- ***Angels Sings*** escalated Hallmark Channel to the **#1 rated ad-supported cable movie of the day and week** among households, making it the 2nd highest rated Hallmark Channel movie of year thus far.

Source: Nielsen Galaxy Explorer (7/4-7/13/14 vs. 7/8-7/14/13), M-Th 8-10p/Fr-Su 8p-12m Live+SD program average for all holiday movie titles

Syndicated Series

Family Programming

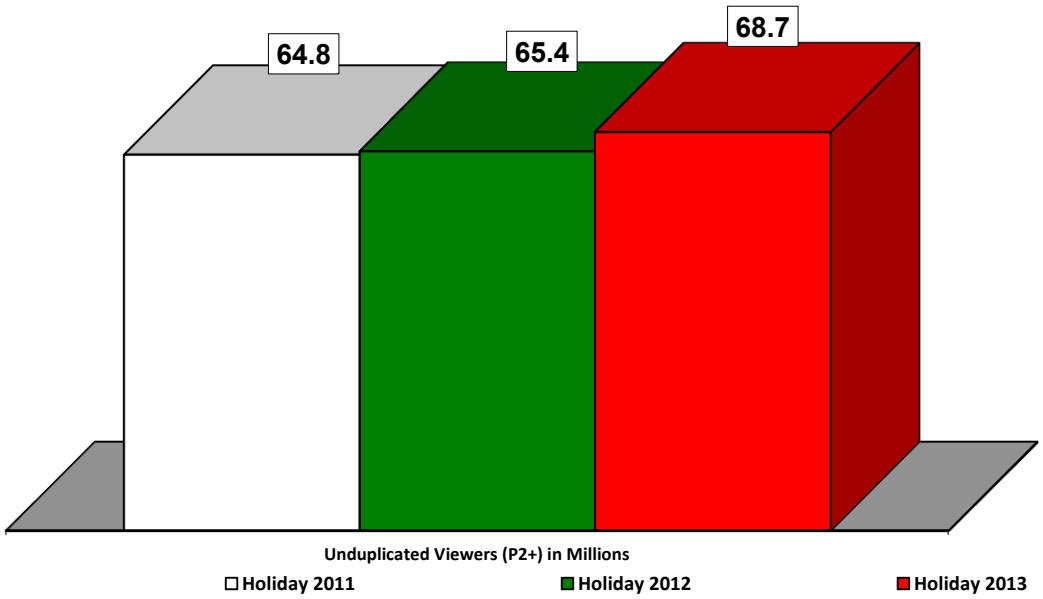
Hallmark Channel continues to deliver high-quality syndicated family friendly programming.

“The Heart of Christmas”

Hallmark Channel Reached All Time High

Hallmark CHANNEL
The Heart of TV.

From the launch of *Countdown to Christmas* on Nov. 1st 2013 through Jan. 1st 2014, including the 125th Tournament of Roses Parade, Hallmark Channel reached more than 68.7 million viewers.

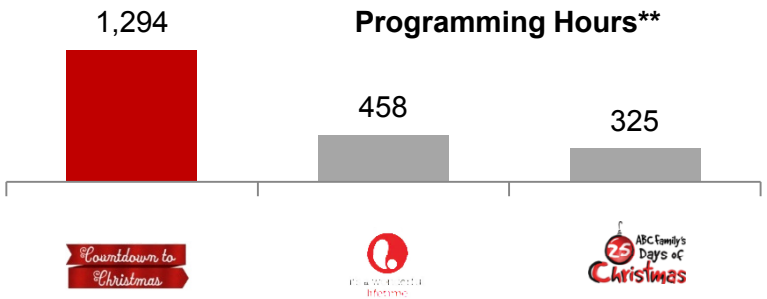


Source: The Nielsen Company; NPower Reach & Frequency Report (11/1/13-1/1/14 vs 11/2/12-1/1/13 vs 11/5/11-1/1/12), Live+SD Total Day cume unduplicated (P2+), 6 minute cume qualifier

The Holiday Destination

Countdown to Christmas made Hallmark Channel the **#1** holiday leader in 2013 – delivering **1,250+ hours** of Christmas programming - for the 5th straight year.

- **Hallmark Channel averaged a 2.8 HH rtg and ranked #1 in Weekend Prime Time (Sa-Su 8-11p)**
- **Hallmark Channel ranked #1 in Weekend Prime Time (Sa-Su 8-11p) among W25-54 rtg**



Sa-Su 8-11p		11/2-12/15/13
RANK	NET	HH RTG
1	HALL	2.8
2	AMC	2.0
3	TBSC	1.4
3	LIF	1.4
3	FAM	1.4
3	USA	1.4
7	ESPN	1.3
7	NICK	1.3
9	HIST	1.2
10	BRVO	1.1

Sa-Su 8-11p		11/2-12/15/13
RANK	NET	W25-54 RTG
1	HALL	1.4
1	AMC	1.4
3	BRVO	1.2
4	TBSC	1.1
5	FAM	1.0
6	LIF	0.9
6	USA	0.9
8	TLC	0.7
8	DSE	0.7
8	BET	0.7

Source: The Nielsen Company (11/2-1/1/14), Total Day (6a-6a). Total duration for broadcast and key ad supported cable Holiday programming telecasts.
The Nielsen Company (11/2-12/29/13 vs. 11/3-12/30/12), Live+SD HH impressions. Mon-Sun 6a-6a
The Nielsen Company (11/2-12/29/13 vs. 11/3-12/30/12), Live+SD W25-54 impressions. Mon-Sun 6a-6a

Holiday Original Movies

Hallmark CHANNEL
The Heart of TV.

In Holiday 2013, Hallmark Channel premiered 12 new original holiday movies –

7 of which ranked as the #1 ad-supported cable PROGRAM of the day.

Sat – Nov 2nd
2.9 HH Rtg

#1 movie of Week
#1 program of Day

Sat – Nov 9th
3.0 HH Rtg

#2 movie of Week
#1 program of Day

Sun – Nov 10th
3.9 HH Rtg

#1 movie of Week
#2 program of Day

Sat – Nov 16th
3.8 HH Rtg

#1 movie of Week
#1 program of Day

Sun – Nov 17th
3.3 HH Rtg

#2 movie of Week
#1 movie of Day

Sat – Nov 23rd
3.3 HH Rtg

#1 movie of Week
#1 program of Day

Sun – Nov 24th
3.3 HH Rtg

#1 movie of Week
#2 program of Day

Sat – Nov 30th
3.9 HH Rtg

#1 movie of Week
#2 program of Day

Sun – Dec 1st
3.1 HH Rtg

#2 movie of Week
#3 program of Day

Sat – Dec 7th
2.7 HH Rtg

#1 movie of Week
#1 program of Day

Sat – Dec 14th
3.2 HH Rtg

#2 movie of Week
#1 program of Day

Sun – Dec 15th
3.4 HH Rtg

#1 movie of Week
#1 program of Day

In aggregate the 12 premieres touched 22.9 million unduplicated viewers.

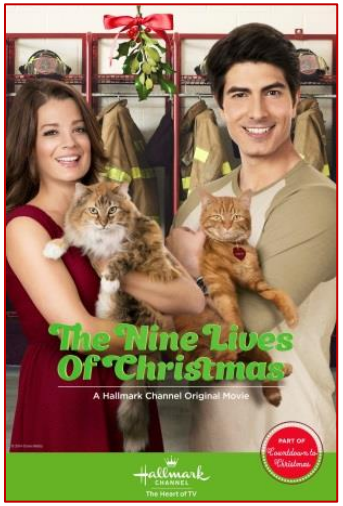
Source: The Nielsen Company (10/28-12/15/13), Live+SD HH coverage area program rating; Ranking are among all ad-supported cable movies for the day

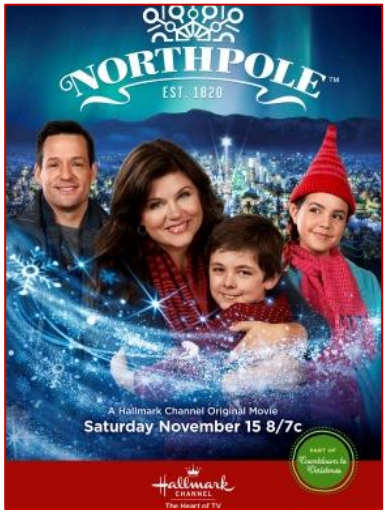
Countdown to Christmas 2014

12 New Original Holiday Films*

Including:

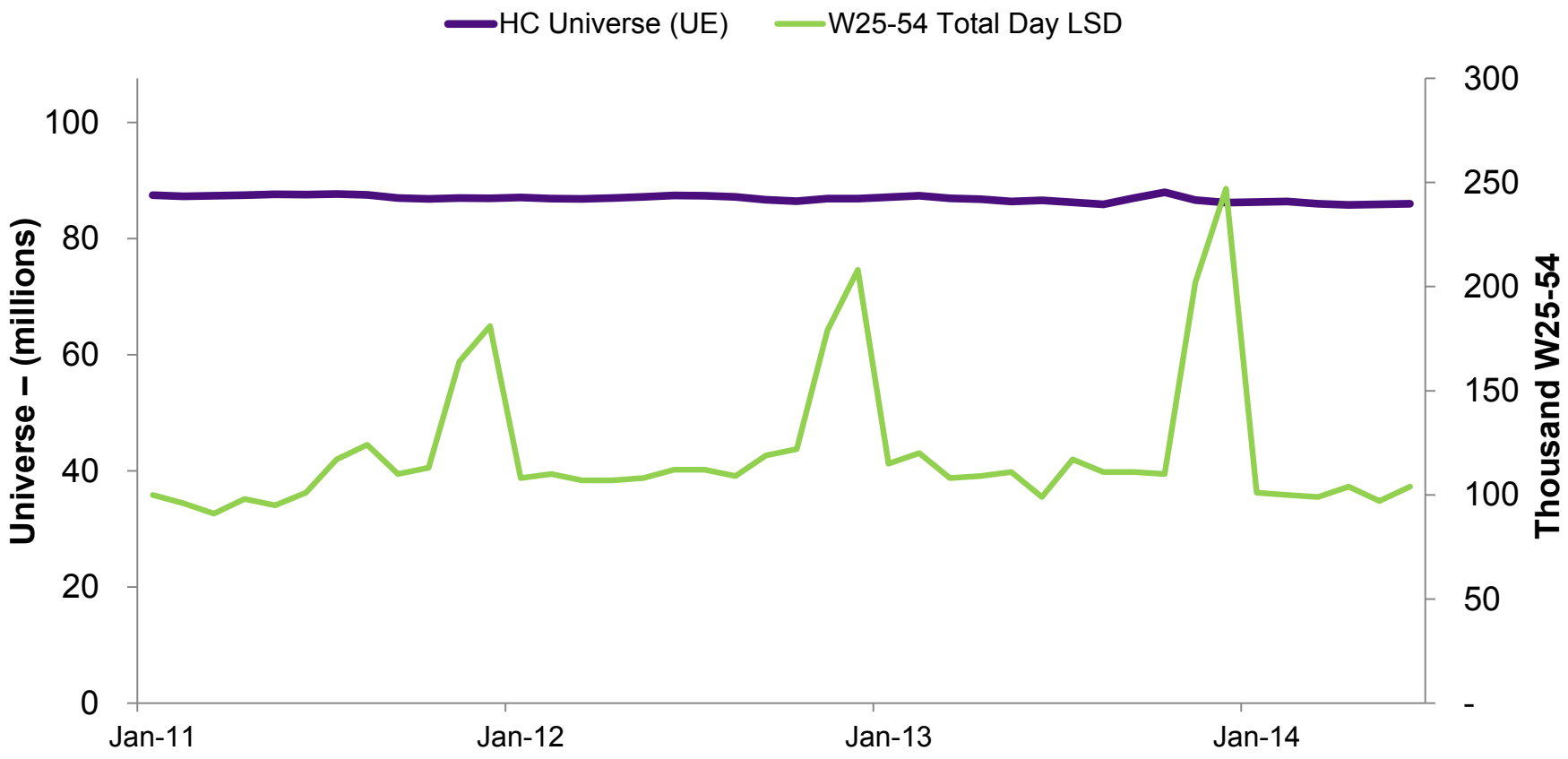
- **Northpole**- Crown Media Productions' Original Movie Production in partnership with Hallmark Cards, starring Tiffani Thiessen, Josh Hopkins, and Bailee Madison
- **The Nine Lives of Christmas** – Starring Brandon Routh
- **Signed, Sealed, Delivered Christmas** – Starring Eric Mabius
- **One Starry Christmas** – Starring Sarah Carter
- **A Cookie Cutter Christmas** – Starring Erin Krakow & Alan Thicke
- **A Royal Christmas** – Starring Lacey Chabert & Jane Seymour
- **Angels & Ornaments** – Starring Jessalyn Gilsig





*Titles and premiere dates are subject to change

Hallmark Channel Subscribers and Audience



Sources: The Nielsen Company; Actuals through June 2014

Hallmark
MOVIE CHANNEL

Hallmark
MOVIES & MYSTERIES

Hallmark Movie Channel Reaches New Audiences

Since launching, Hallmark Movie Channel has added over 20 million new subscriber homes (+58%), the **3rd largest % increase** of any cable network in the same time frame.

RANK	CABLE NETWORK	APR-10	JUN-14	APR10 – JUN14 % CHANGE	APR10 – JUN14 SUB+/- (000s)
1	FXX (formerly FOX SOCCER)	36,233	73,255	102.18%	37,022
2	VELOCITY (formerly DISCHD)*	32,445	58,330	79.78%	25,885
3	**HALL MOV**	**34,178**	**53,851**	**57.56%**	**19,673**
4	FBN	56,029	78,913	40.84%	22,884
5	UP (formerly GMC)	47,161	66,359	40.71%	19,198
6	DSNY JR*	53,477	73,054	36.61%	19,577
7	UNIVISION DEPORTES*	26,680	36,333	36.18%	9,653
8	REELZ	49,767	67,722	36.08%	17,955
9	InvDISC (DTMS)	62,721	84,548	34.80%	21,827
10	STARZ	21,486	28,945	34.72%	7,459

Source: The Nielsen Company, National People Meter Sample; April 2010, July 2014. Top 10 of 115 measured cable networks shown.
* Velocity not measured until Oct'10, Disney Jr not measured until Apr'13, Univision Deportes not measured until November 2013

Hallmark Movie Channel Displays Solid Year-to Year Growth

In 2014-to-date, Hallmark Movie Channel has increased year-to-year **+25%** in Total Day – **the 7th largest increase** among all Nielsen measured ad-supported cable networks, and **+28%** in Prime Time – **the 3rd largest increase**.

Total Day	2014	2013	
	HHLD	HHLD	YRLY %
NET	LIVE+SD(000)	LIVE+SD(000)	CHNG
NBCSN	149	81	84%
TNNK	182	123	48%
VEL	70	50	40%
LOGO	39	30	30%
WETV	209	165	27%
IFC	86	68	26%
HMM	**190**	**152**	**25%**
TVGN	73	59	24%
AHC	132	107	23%
GAC	37	30	23%
DIY	105	87	21%
DAM	100	85	18%
DISJR	303	258	17%
UP	95	81	17%
SPIKE	401	347	16%

Prime Time	2014	2013	
	HHLD	HHLD	YRLY %
NET	LIVE+SD(000)	LIVE+SD(000)	CHNG
TNNK	207	102	103%
WETV	350	241	45%
HMM	**255**	**199**	**28%**
FS1	191	149	28%
GAC	55	43	28%
OWN	358	283	27%
DAM	165	131	26%
IFC	145	117	24%
ID	692	571	21%
DIY	143	118	21%
VEL	119	100	19%
AHC	187	158	18%
CNBC	202	171	18%
DISJR	373	316	18%
NGWD	170	145	17%

Source: Nielsen Galaxy Explorer (12/30/13-7/19/14 vs. 12/31/12-7/20/13); Live+SD HH impressions (000's); Ranked among all ad-supported cable networks. Top 15 shown. Prime = M-Su 8-11p

Hallmark Movie Channel is the #1 rated mid-sized cable network

In 2014-to-date, Hallmark Movie Channel has averaged a 0.4 HH rating in Total Day and a 0.5 HH rating in Prime Time – **ranking #1** among all mid-sized ad-supported cable networks.

Total Day		2014 HHLD	2014 HHLD
NET	JUL'14 UE	LIVE+SD RTG	LIVE+SD(000)
HMM	**53851**	**0.354**	**190**
H2	67366	0.298	204
NKTNS	67355	0.220	149
AHC	60502	0.214	132
SPRT	56483	0.183	104
DIY	58752	0.181	105
NGWD	56808	0.179	102
TV1	56811	0.172	99
DAM	57033	0.171	100
INSP	58394	0.169	107
CLOO	28614	0.160	46
FXM	49736	0.151	76
UP	66359	0.146	95
FYI	65333	0.123	82
VEL	58330	0.122	70
FOXD	21196	0.120	26
CHIL	39219	0.116	47
DFH	46400	0.111	53
RLZC	67722	0.105	71
CC	62711	0.097	59

Prime Time		2014 HHLD	2014 HHLD
NET	JUL'14 UE	LIVE+SD RTG	LIVE+SD(000)
HMM	**53851**	**0.475**	**255**
H2	67366	0.433	296
INSP	58394	0.352	223
AHC	60502	0.303	187
NGWD	56808	0.299	170
DAM	57033	0.282	165
NKTNS	67355	0.262	178
DIY	58752	0.248	143
RFD	40885	0.241	98
FOXD	21196	0.238	51
UP	66359	0.233	152
SPRT	56483	0.217	123
TV1	56811	0.211	121
CLOO	28614	0.208	60
VEL	58330	0.207	119
RLZC	67722	0.199	135
FXM	49736	0.195	98
FYI	65333	0.187	125
NBAT	58186	0.186	110
DFH	46400	0.178	85

Source: : Nielsen Galaxy Explorer (12/30/13-7/19/14); Live+SD coverage area rating and impressions (000's);
Ranked among all mid-sized ad-supported cable networks (20-70 million homes). Top 20 shown. Prime = M-Su 8-11p

Classic Films & Drama Series

Hallmark Channel
Original Movies

20th Century Fox

Sony Pictures

Hallmark
MOVIE CHANNEL

Original Premieres 2013

In 2013, Hallmark Movie Channel premiered 7 non-holiday original movies including:

Goodnight for Justice: Queen of Hearts (1/26/13) – 1.0 HH rtg; 1m unduplicated viewers

Meddling Mom (2/23/13) – 0.9 HH rtg; 1m unduplicated viewers

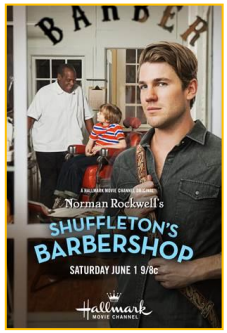
Our Wild Hearts (3/9/13) – 1.0 HH rtg; 1.1m unduplicated viewers

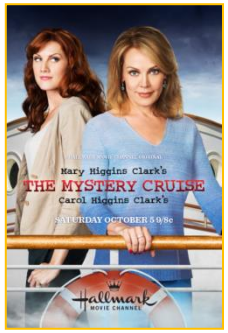
Shadow On The Mesa (3/23/13) – 1.1 HH rtg; 1.1m unduplicated viewers

After All These Years (3/9/13) – 1.0 HH rtg; 1.0m unduplicated viewers

Norman Rockwell's Shuffleton's Barbershop (6/1/13) – 0.7 HH rtg; 0.7m unduplicated viewers

The Mystery Cruise (10/5/13) – 0.7 HH rtg; 0.9m unduplicated viewers





Source: Nielsen Galaxy and NPower; All rankings based on Live+SD coverage area rating, ranked against all ad-supported cable networks. At time of air.

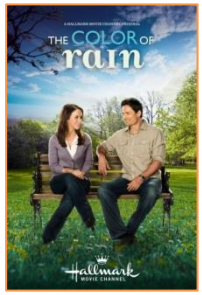
Original Premieres 2014

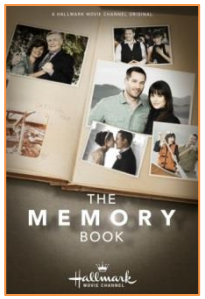
Ten Original Movies in 2014

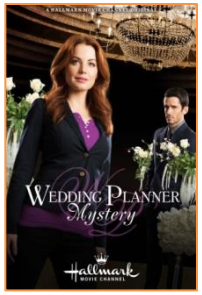
Including:

- **"My Gal Sunday"** starring Cameron Mathison & Rachel Blanchard premiered January 25th 2014 with a **1.5 HH rating** attracting nearly 1.1 million unduplicated viewers and ranked as the #6 ad-supported cable movie in Prime Time for the day.
- **"The Color of Rain"** starring Lacey Chabert and Warren Christie premiered on May 31st, earning a **1.6 HH rating** with 848K households and reaching more than **1.4 million unduplicated viewers,** dethroning **"Christmas with Tucker"** to become the **highest rated and most watched original film in network history**.
- **"The Memory Book"** starring Meghan Ory and Luke Macfarlane premiered on July 26th with a **1.1 HH rating,** becoming the **3rd most watched HMC original movie premiere** in network history among households at time of air. **"The Memory Book"** ranked as the **#1** rated ad-supported cable movie of the day among households
- **"Wedding Planner Mystery" (Starring Erica Durance)-** A young wedding planner is framed for a crime and struggles to clear her name as she learns that love does not always arrive in a pretty package in "Wedding Planner Mystery," a Hallmark Movie Channel Original Movie.

Source: The Nielsen Company



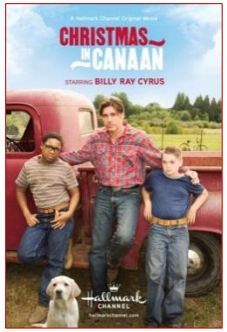


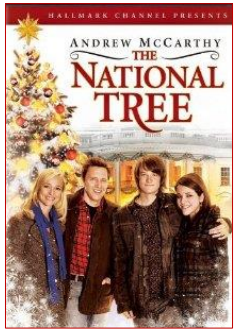


2013 Holiday on Hallmark Movie Channel

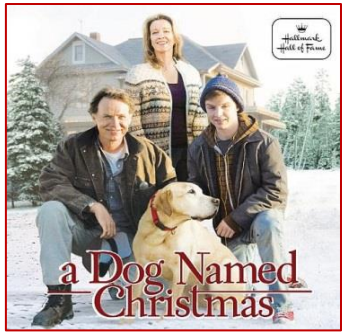
Led by its "Most Wonderful Movies of Christmas" programming block, Hallmark Movie Channel delivered its highest week and most watched telecast in network history.

Hallmark Channel Original Movies

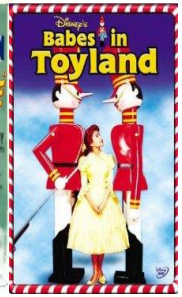




Hallmark Hall of Fame



Warner Brothers Classics



Hallmark Movie Channel Original Premiere

- The November 25th premiere of the HMC original movie "Christmas with Tucker" delivered a **1.2 HH rating, with 615,000 households and 124,000 W25-54 - HMC's MOST WATCHED original movie premiere among HH's and W25-54 at the time of air.**
- "Christmas with Tucker" was also the **#1 rated ad-supported cable movie of the day.**

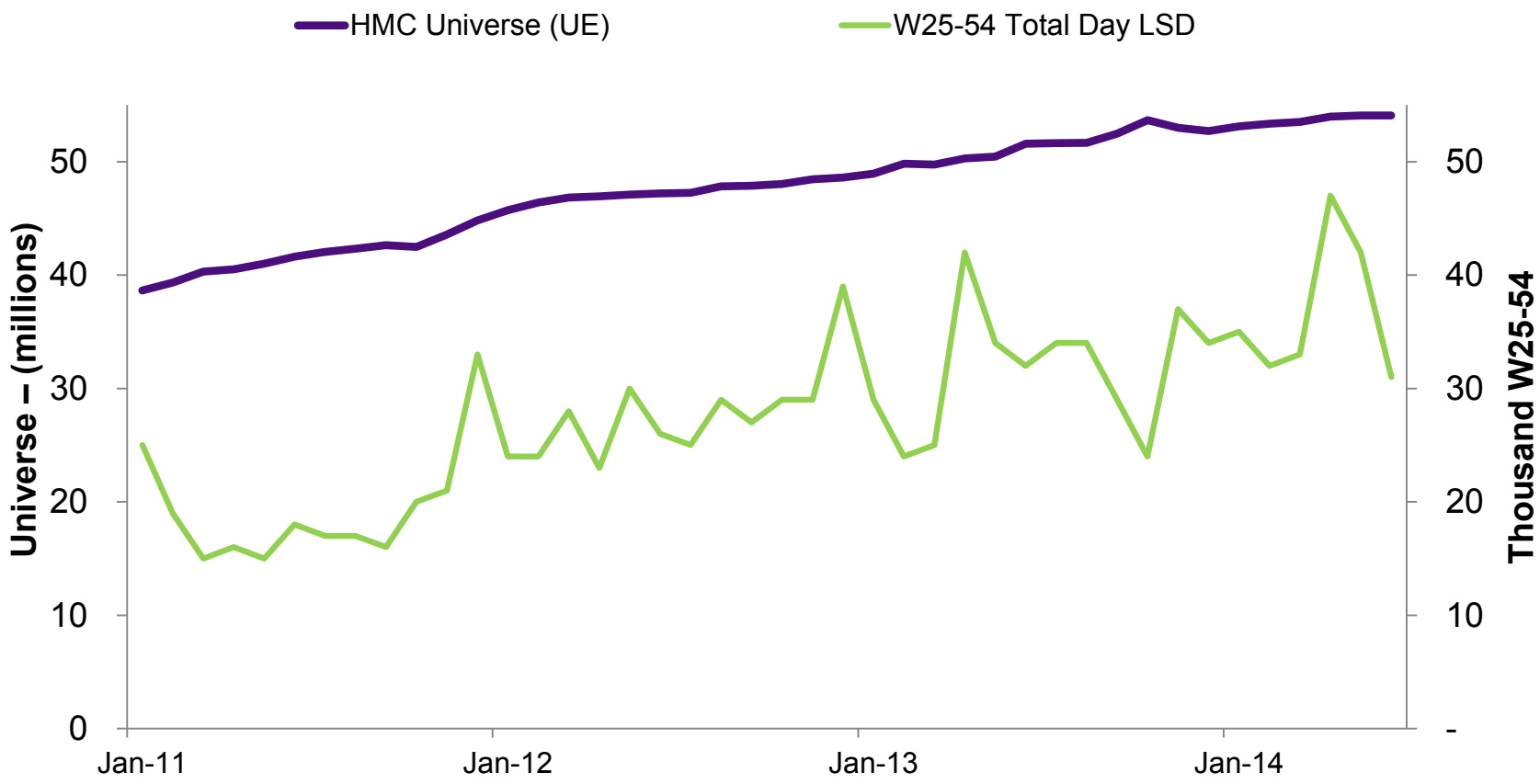
Hallmark Movies & Mysteries

Hallmark Movie Channel Transforms to Hallmark Movies & Mysteries

- In Second Quarter 2014, we announced the re-brand of **Hallmark Movie Channel** to **Hallmark Movies and Mysteries**.
- As of September 29th, the channel will focus on the lighter side of the mystery and suspense genres. Hallmark Movies and Mysteries will host several "Mystery Wheel" franchises, with each consisting of a series of movies following the same primary characters and playing out over the course of several months.
- The first mystery wheel will be **"Garage Sale Mystery"** starring Lori Loughlin, a continuation of a storyline from the original Hallmark Channel movie of the same name that debuted in September 2013.
- **Hallmark Movies & Mysteries** welcomes **"Most Wonderful Movies of Christmas"** this holiday season with original movie premieres, "The Christmas Secret" and "The Christmas Shepherd".

*Premiere date subject to change

Hallmark Movie Channel Subscribers and Audience



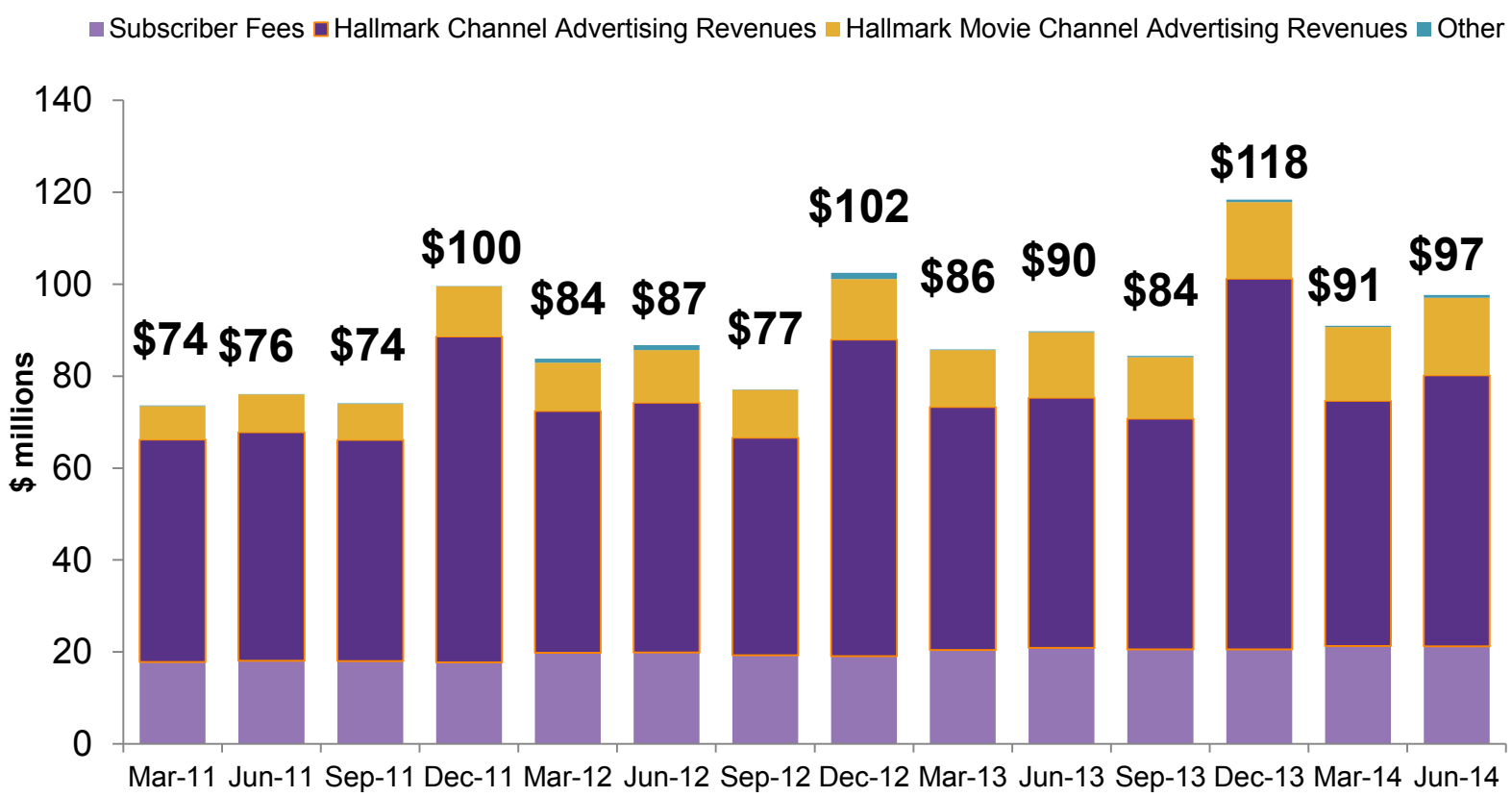
Sources: The Nielsen Company; Actuals through June 2014

Network Highlights

Crown Media
FAMILY NETWORKS

Consistent Revenue Growth

Crown Media FAMILY NETWORKS

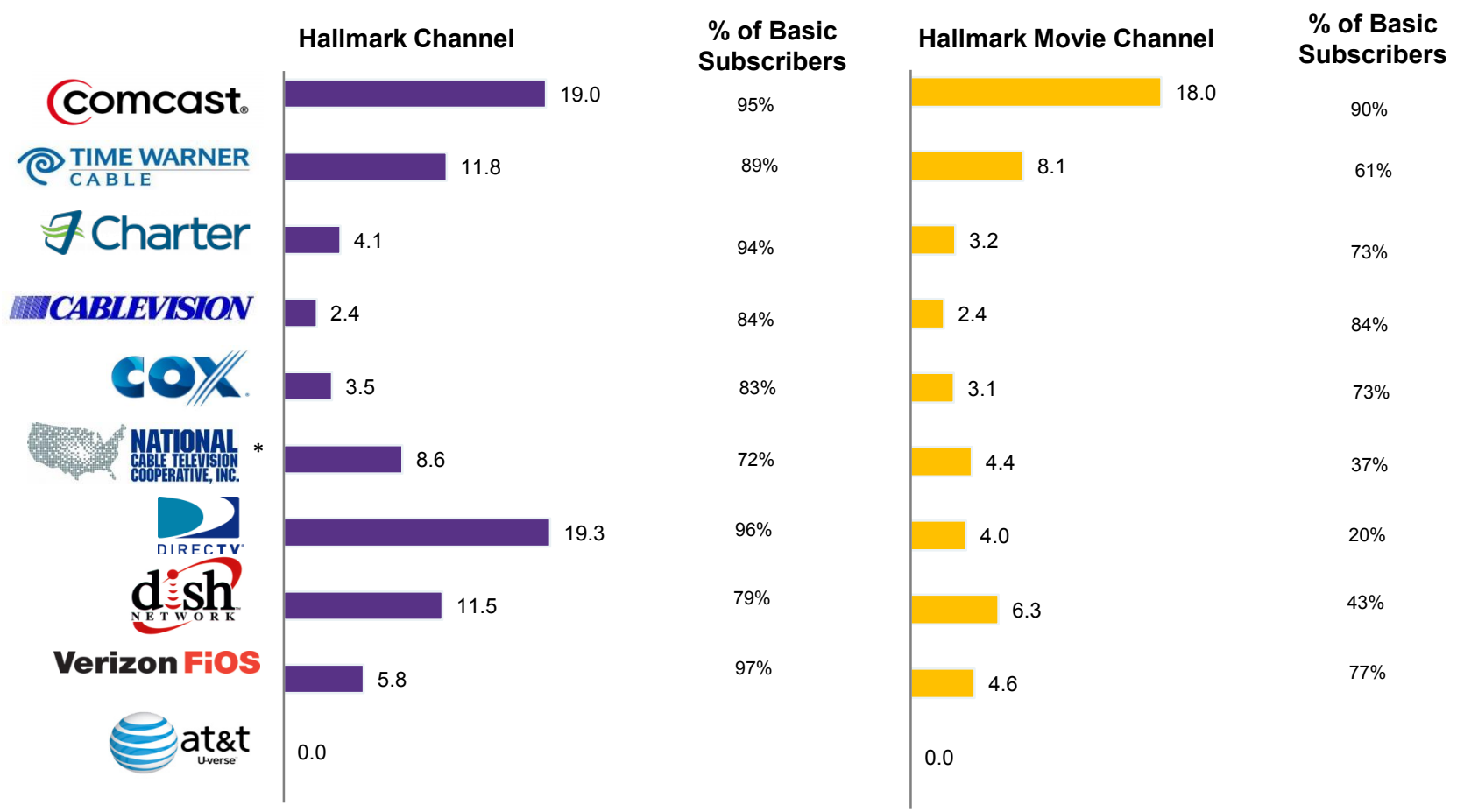


Sources: Company financials

Subscribers

Crown Media FAMILY NETWORKS

Subscribers (millions)	86.0 Million	83%	54.1 million	52%

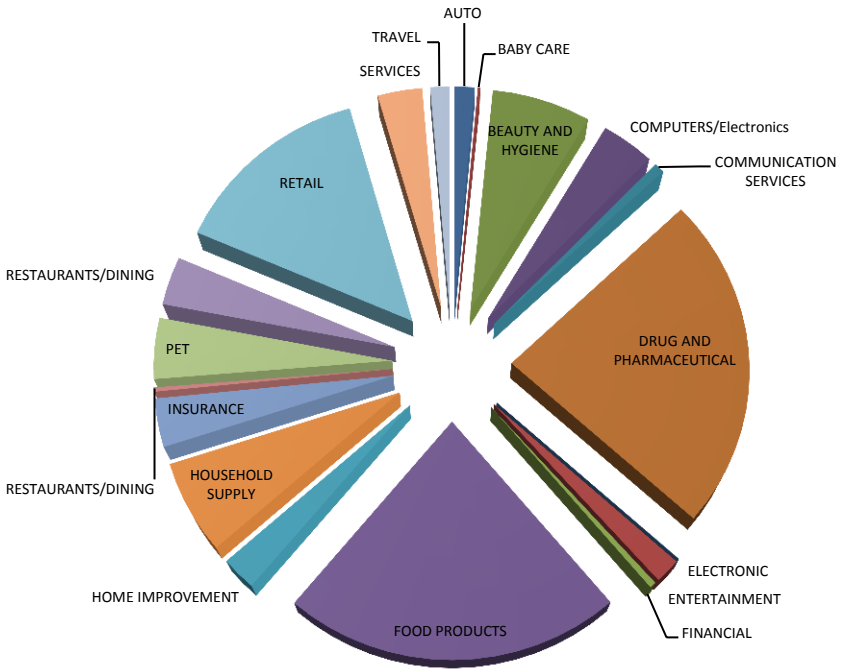


Source: The Nielsen Company NPower June 2014

Diverse Advertiser Base
Hallmark Channel

Crown Media FAMILY NETWORKS

Advertising revenue by category (2013)



Source: Company estimates

Focused on categories that deliver consistent ad spend despite broader market conditions.

PRODUCT CATEGORY	% REVENUE
DRUG AND PHARMACEUTICAL	23%
FOOD PRODUCTS	22%
RETAIL	14%
HOUSEHOLD SUPPLY	7%
BEAUTY/HYGIENE	7%
BEVERAGES	4%
INSURANCE	3%
ENTERTAINMENT	2%

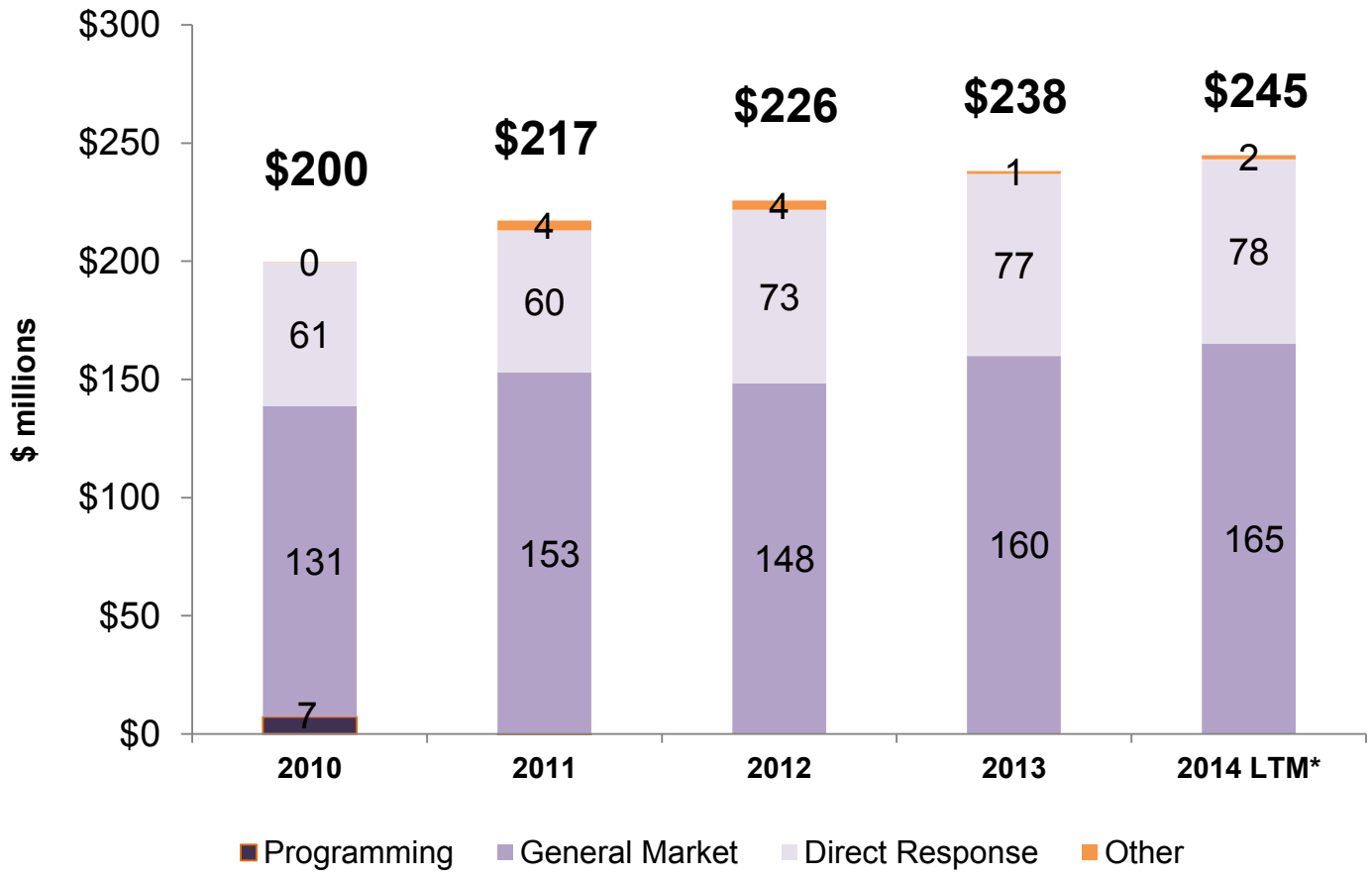
Hallmark Channel is among America's most trusted family friendly networks.

- **47%** feel more positive about a company, product and/or service, because it advertises on Hallmark Channel – **ranking # 2** and marking its 14th straight year among the top 3.

Source: Opinion Research Awareness Tracking Study, Dec'13, Top 20 networks; % of ever viewed Hallmark Channel

Hallmark Channel Advertising Revenue

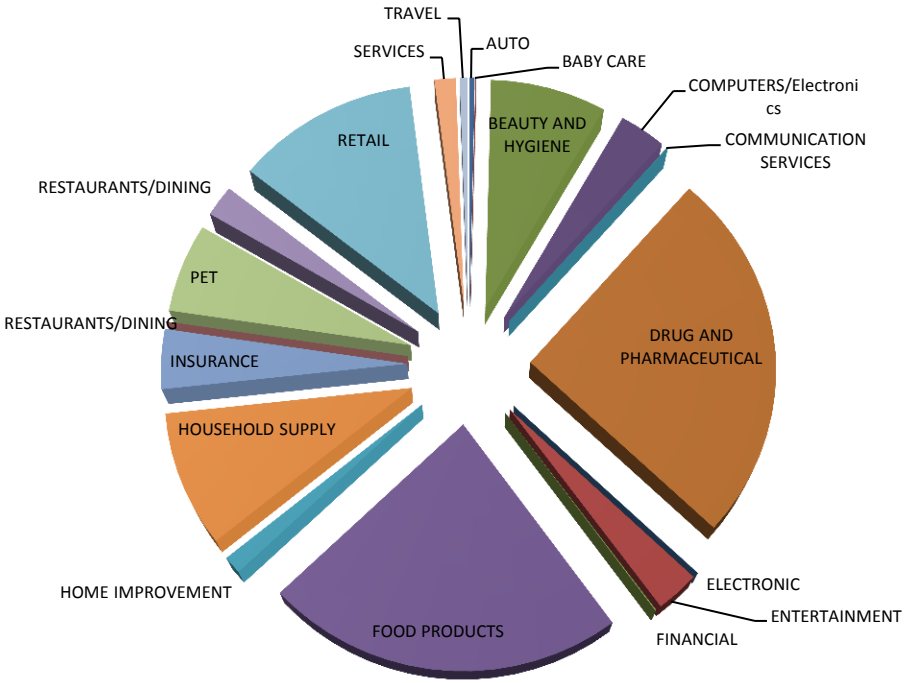
Crown Media FAMILY NETWORKS



* Twelve months ended June 30, 2014

Diverse Advertiser Base
Hallmark Movie Channel

Advertising revenue by category (2013)



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PRODUCT CATEGORY	% REVENUE
DRUG AND PHARMACEUTICAL	25%
FOOD PRODUCTS	23%
RETAIL	12%
HOUSEHOLD SUPPLY	9%
BEAUTY/HYGIENE	8%
BEVERAGES	3%
ENTERTAINMENT	3%
INSURANCE	4%

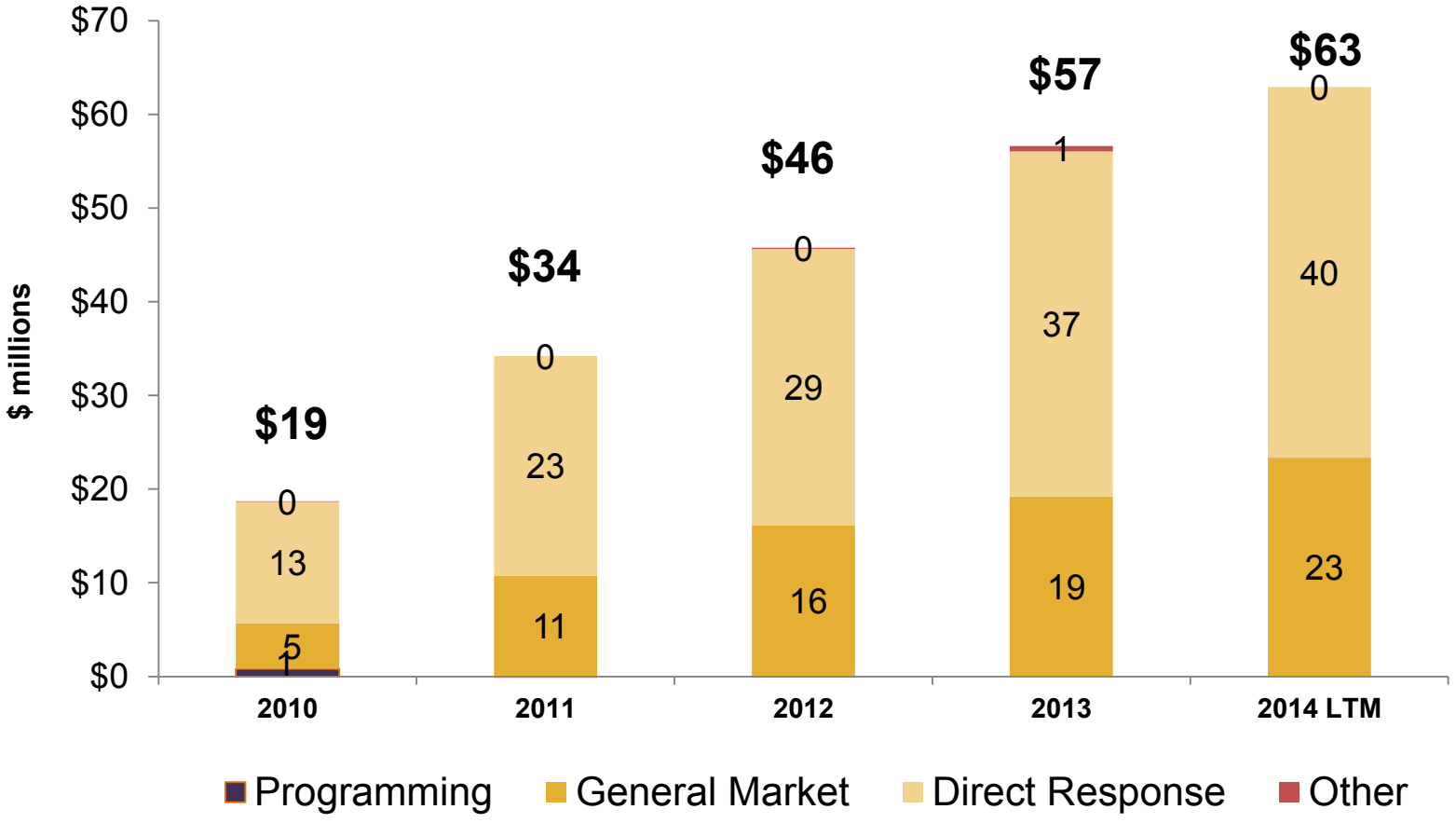
Hallmark Movie Channel is among America's most trusted family-friendly networks.

- **Hallmark Movie Channel ranks # 4 with 45%** feeling more positive of its advertisers.

Source: Opinion Research Awareness Tracking Study, Dec'13, Top 20 networks; % of ever viewed Hallmark Channel

Source: Company estimates

Hallmark Movie Channel Advertising Revenue



*Twelve months ended June 30, 2014

Digital Initiatives

Crown Media FAMILY NETWORKS

Ad Supported

- Consumer Web
- Mobile
- TV Everywhere/VOD
- Short Form Syndication

Transactional

- DVD
- EST
- SVOD

Social Media

- Facebook
- Twitter
- Pinterest
- Tumblr
- Get Glue

Consumer Web & Mobile

Crown Media FAMILY NETWORKS

Hallmarkchannel.com

- Original Movie Microsites
- Original Series (i.e. Home & Family)
  - Content Database
  - Episodic Updates
  - Photos

Unique Visitors

- Hallmarkchannel.com had **0.6 million unique visitors** in June 2014, up **+52%** from June 2013.

Page Views

- Hallmarkchannel.com had **2.9 million page views** in June 2014, up **+15%** from June 2013.

Hallmarkmoviechannel.com

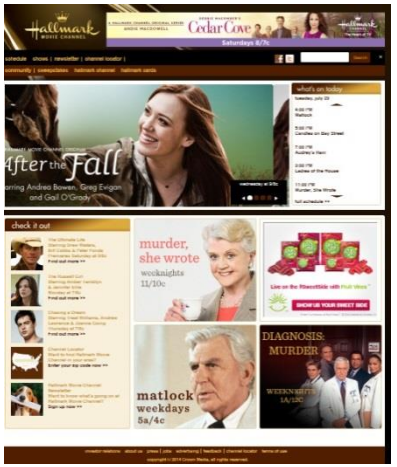
- Original Movie Microsites

Unique Visitors

- Hallmarkchannel.com had **120 thousand unique visitors** in June 2014, up **+13%** from June 2013.

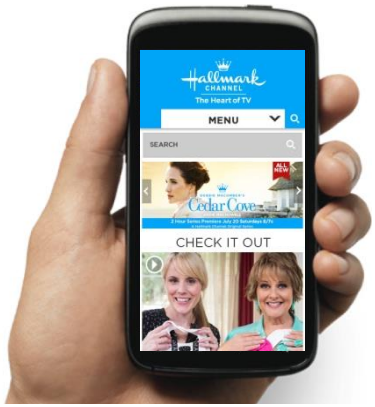
Page Views

- Hallmarkchannel.com had **0.6 million page views** in June 2014, up **+16%** from June 2013.



Top Devices – Hallmark Channel

- **PC**: Page Views= ***1,826,157*** and Unique Visitors= ***371,551***
- **Apple iPad & iPhone:** Page Views= ***688,300*** and Unique Visitors= ***175,648***
- **Amazon Kindle Fire HD & Kindle Fire :** Page Views= ***30,427*** and Unique Visitors= **6,209**



Ad Supported

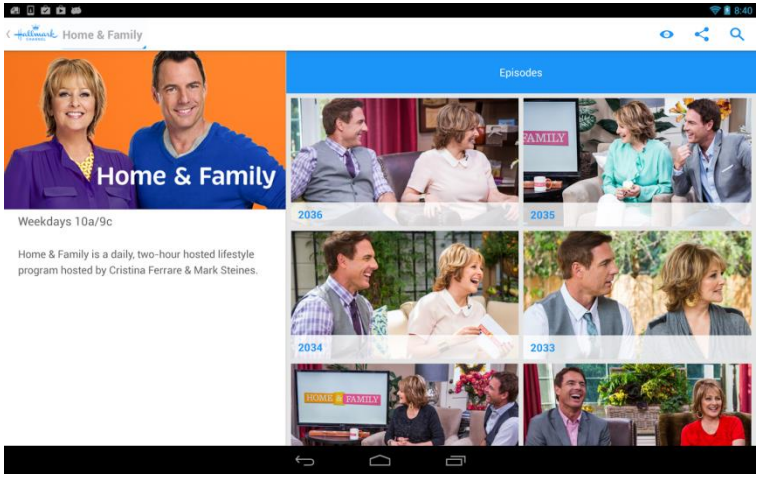
Source: Omniture, June 2014

TV Everywhere

Crown Media FAMILY NETWORKS

Hallmark Channel Everywhere

- **Hallmark Channel authenticated content** such as the most recent episodes of our scripted series, our lifestyle program, *Home & Family*, and original movies available to cable and satellite subscribers
- Available as a website and on IOS and Android devices such as mobile phones and tablets



- **TVE Integrations**: 25 million subscribers
  - TWC, BH, Verizon, Cox and Cablevision
- Hallmark Channel Everywhere Website
- Hallmark Channel Everywhere Mobile Apps
  - Launched March 2014
  - IOS & Android (Mobile & Tablet)
  - 45k Downloads (Avg. 2-3k/week)
  - Pre-Roll Advertising
- C3 VOD on Primetime Series

Hallmark CHANNEL

Ad Supported

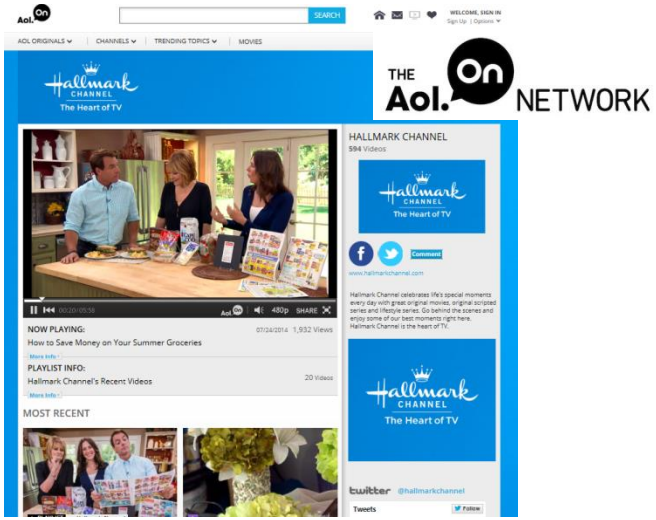
Short Form Video Syndication

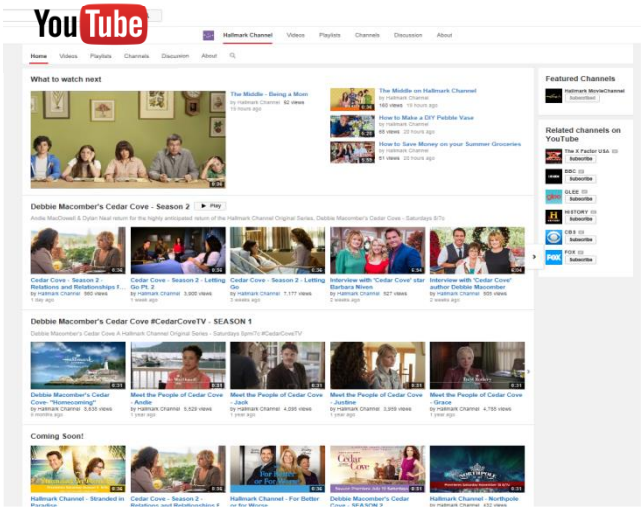
Crown Media FAMILY NETWORKS

Hallmark Channel & Hallmark Movie Channel

- **Short form video content** available outside of our websites including clips from our lifestyle program, *Home & Family*, Behind the Scenes vignettes from our original series, and clips from our specials such as *Kitten Bowl*.
- **Short video content currently featured on** The AOL On Network, blinkx, and YouTube platforms delivering over 2 million views a month

blinkx



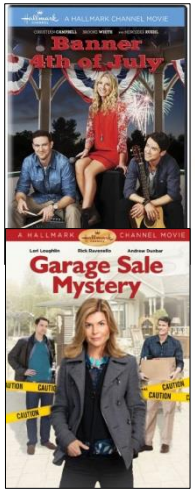


Ad Supported

Transactional

Crown Media FAMILY NETWORKS

- **DVD**
  - Distribution in key stores such as Walmart, Target, Kmart, Hallmark Gold Crown stores
- **Electronic Sell Through:**
  - Original Series and Movies available for download on iTunes, Amazon Instant, Google Play, Vudu
- **Subscription VOD (SVOD)**
  - *Cedar Cove* Season 1 has been available on Netflix since July 1st 2014 , 2 ½ weeks prior to the premiere of season 2 on Hallmark Channel

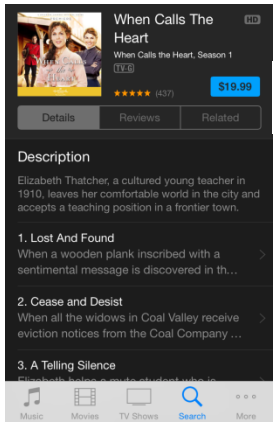


TARGET

Walmart

kmart

Hallmark GOLD CROWN

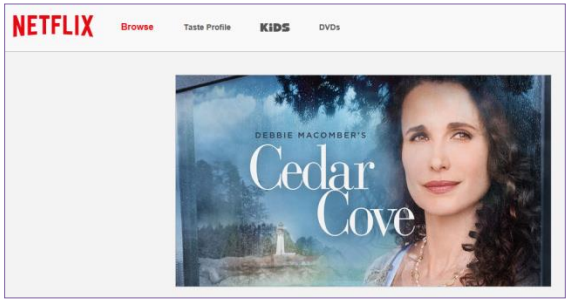


iTunes

amazon instant video

Google play

vudu



Social Media

Crown Media FAMILY NETWORKS

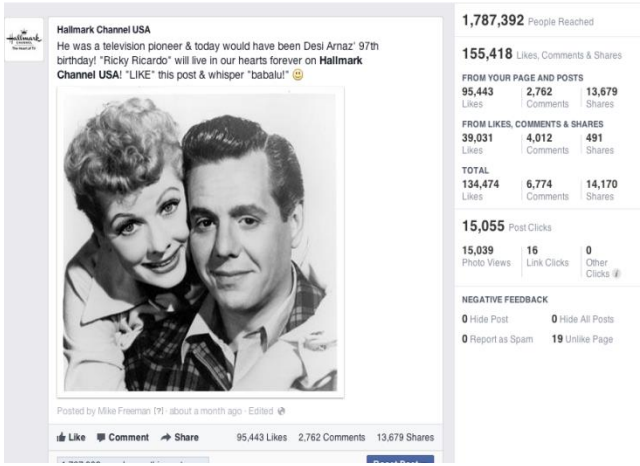
Facebook 3,000,000 Likes
Hallmark Channel : 2,050,000
Hallmark Movie Channel: 727,000
Example at right: One of two HC FB posts that received more than **1 million views** & 100,000 engagements.

Twitter 89,669 Followers
HC: 82,000; HMC: 5,000

Other (TVTag, Pinterest, Instagram, Tumblr): 75,000

YouTube:
Averaging 600,000 views per month
More than 15 million consumers have seen a promo or other video spot on YT in the past 4 years

TOTAL SOCIAL FOOTPRINT: 4,000,000
TOTAL # OF IMPRESSIONS Q2: 200,000,000



Financial Outlook

Crown Media
FAMILY NETWORKS

Recent Financial Information

Crown Media FAMILY NETWORKS

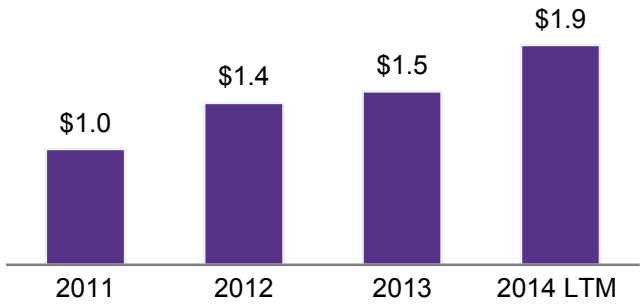
Revenue ($mm)

% growth	*13%*	*8%*	*8%*	*3%*

Adjusted EBITDA [1] ($mm)

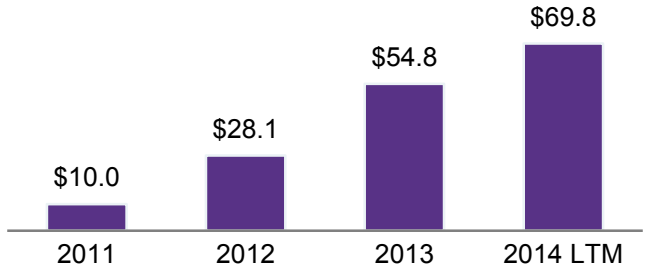
% margin	*36%*	*39%*	*42%*	*39%*

Capital expenditures ($mm)



% revenue	*0.3%*	*0.4%*	*0.4%*	*0.5%*

Free cash flow [2] ($mm)



% EBITDA Conversion	*9%*	*20%*	*34%*	*45%*

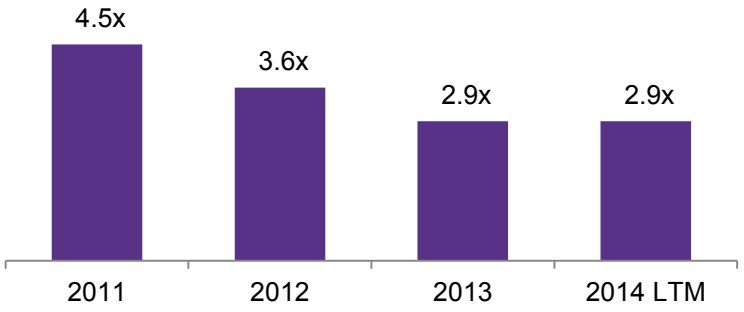
[1] Adjusted EBITDA includes add-back of long-term incentive compensation expense; please see page 59 for additional information
[2] Based on cash flow from operations less capital expenditures, capital lease payments and preferred dividends; please see page 60 for additional information

Recent Financial Information

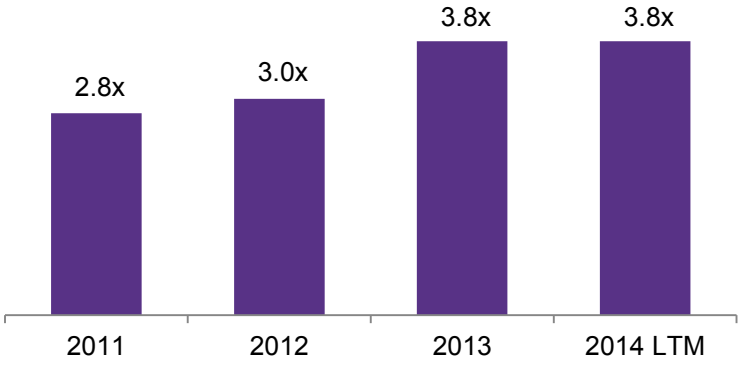
Crown Media FAMILY NETWORKS

Total debt [1] ($mm)

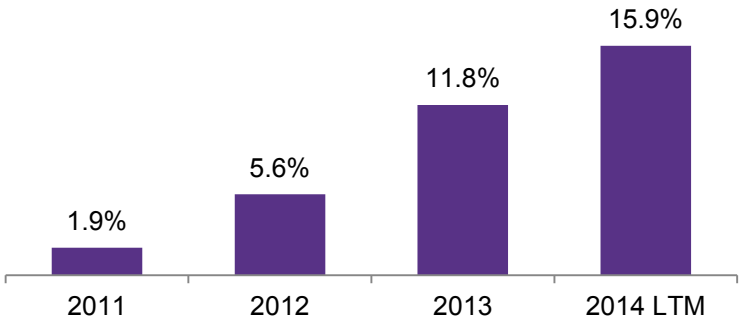
Total debt / Adjusted EBITDA[1]



Adjusted EBITDA / Interest expense



FCF / Total Debt



[1] Total debt includes capital leases

Financial Reconciliation

Crown Media FAMILY NETWORKS

Total Debt ($000's)

	Fiscal year ended December 31			
	2011	2012	2013	Jun-14
Total Debt Reconciliation				
Current maturities of Long-Term Debt	$19,600	$19,600	$25,000	-
Long-Term Debt, net of current maturities	487,368	468,040	429,330	429,514
Capital Leases	12,273	11,119	9,853	9,232
Total Debt	**$519,241**	**$498,759**	**$464,183**	**$438,746**

Financial Reconciliation

Crown Media FAMILY NETWORKS

US-GAAP Income to Adjusted EBITDA ($000's)

	Fiscal year ended December 31			LTM
	2011	2012	2013	2014
Adjusted EBITDA reconciliation				
Net income	$318,985	$107,353	$67,715	$64,666
Gain on sale of discontinued operations	(189)	-	-	-
Gain on extinguishment of liabilities	(1,246)	-	(121)	(121)
Promotion & Placement expense	1,211	1,191	1,050	1,052
Depreciation and amortization	2,613	2,635	3,008	3,267
Interest expense	25,857	46,056	42,577	40,881
Income tax (benefit) expense	(234,589)	(22,604)	41,649	39,783
Restricted stock unit compensation	67	237	242	154
Adjusted earnings before interest, taxes, depreciation and amortization	**$112,709**	**$134,868**	**$156,120**	**$149,682**
Long term Incentive Expense	1,673	2,804	3,658	3,883
One- time banking fees	2,500	-	-	-
Adjusted EBITDA	**$116,882**	**$137,672**	**$159,778**	**$153,565**

Financial Reconciliation

Crown Media FAMILY NETWORKS

US-GAAP Operating Cash Flow to Free Cash Flow Reconciliation ($000's)

	Fiscal year ended December 31			LTM
	2011	2012	2013	2014
Free cash flow reconciliation				
Net cash provided by operating activities	$41,482	$30,680	$57,578	$72,983
Net cash used in investing activities	(1,145)	(1,376)	(1,511)	(1,934)
Principal payments on capital leases	(1,074)	(1,180)	(1,266)	(1,274)
Adjustments under trouble debt restructuring				
Principal on Term A and Term B loans	(15,390)	-	-	-
Free cash flow before dividends	**$23,873**	**$28,124**	**$54,801**	**$69,775**
Payment of preferred dividend	(13,837)	-	-	-
Free cash flow after dividends	**$10,036**	**$28,124**	**$54,801**	**$69,775**

Financial Reconciliation

Crown Media FAMILY NETWORKS

Adjusted EBITDA to US-GAAP Operating Cash Flow ($000's)

	Fiscal year ended December 31			LTM
	2011	2012	2013	2014
Adjusted EBITDA	$116,882	$137,672	$159,778	$153,565
Programming and other amortization	126,255	129,345	135,821	149,587
Provision for allowance for doubtful accounts	454	39	875	698
Changes in operating assets and liabilities				
Change to programming rights	(140,464)	(131,964)	(146,560)	(203,374)
Change to prepaid programming rights	(7,434)	(16,035)	(9,076)	5,252
Change in programming rights payable	8,949	(1,033)	(12,334)	15,059
Interest paid	(5,951)	(46,909)	(40,414)	(38,803)
Changes in other operating assests and liabilities, net of adjustments above	(57,209)	(40,435)	(30,512)	(9,001)
Net Cash provided by operating activities	**$41,482**	**$30,680**	**$57,578**	**$72,983**

Financial Reconciliation

Crown Media FAMILY NETWORKS

Key US-GAAP Measures ($000's)

	Fiscal year ended December 31			
	2011	2012	2013	Jun-14
Cash and cash equivalents	$35,181	$43,705	$63,750	$73,778
Accounts Receivable (net of doubtful accounts)	83,798	92,062	104,613	91,436
Programming Rights	264,119	288,485	310,120	342,620
Total Assets	**$958,469**	**$1,024,662**	**$1,038,230**	**$1,052,386**
Audience Deficiency Reserve	10,256	5,679	4,888	10,803
Programming Rights Payable	144,505	142,624	128,874	132,081
Interest Payable	17,135	14,468	14,455	14,452
Total Debt	519,241	498,759	464,183	438,746
Total Liabilities	**$714,973**	**$693,303**	**$639,090**	**$625,245**
Preferred Stock	-	-	-	-
Paid in Capital	2,082,241	2,062,751	2,062,818	2,062,818
Total Stockholders' Equity	**$243,496**	**$331,359**	**$399,140**	**$427,141**

Crown Media

FAMILY NETWORKS