

AIR AMERICA

It is with the greatest regret, on behalf of our Board, that we must announce that Air America Media is ceasing its live programming operations as of this afternoon, and that the Company will file soon under Chapter 7 of the Bankruptcy Code to carry out an orderly winding-down of the business.

The very difficult economic environment has had a significant impact on Air America's business. This past year has seen a "perfect storm" in the media industry generally. National and local advertising revenues have fallen drastically, causing many media companies nationwide to fold or seek bankruptcy protection. From large to small, recent bankruptcies like Citadel Broadcasting and closures like that of the industry's long-time trade publication Radio and Records have signaled that these are very difficult and rapidly changing times.

Those companies that remain are facing audience fragmentation as a result of new media technologies, are often saddled with crushing debt, and have generally found it difficult to obtain operating or investment capital from traditional sources of funding. In this climate, our painstaking search for new investors has come close several times right up into this week, but ultimately fell short of success.

With radio industry ad revenues down for 10 consecutive quarters, and reportedly off 21% in 2009, signs of improvement have consisted of hoping things will be less bad. And though Internet/new media revenues are projected to grow, our expanding online efforts face the same monetization and profitability challenges in the short term confronting the Web operations of most media companies.

When Air America Radio launched in April, 2004 with already-known personalities like Al Franken and then-unknown future stars like Rachel Maddow, it was the only full-time progressive voice in the mainstream broadcast media world. At a critical time in our nation's history — when dissent on issues such as the Iraq war were often denounced as "un-American" — Air America and its talented team helped millions of Americans remember the importance of compelling discussion about the most pivotal events and decisions of our generation.

Through some 100 radio outlets nationwide, Air America helped build a new sense of purpose and determination among American progressives. With this revival, the progressive movement made major gains in the 2006 mid-term elections and, more recently, in the election of President Barack Obama and a strongly Democratic Congress.

Laws have changed for the better thanks to this revival.....but all the same our company cannot

today, we will provide our affiliates, listeners and users a selection of encore programming until 9 pm EST on Monday, January 25, at which time Air America programming will end.

We are proud that Air America's mission lives on through the words and actions of so many former radio hosts who are active today in progressive causes and media nationwide. In the years ahead, as we look back, we should all be proud of our passionate determination to assure that our nation's progressive voice would be heard loud and clear. Through the hard work and dedication of current staff, and those who preceded you, a lasting legacy was forged which will now continue through other voices and venues.

Thank you.