

## **IT'S DONE! AMERICAN MEDIA, INC. SUCCESSFULLY COMPLETES AGREEMENT WITH BONDHOLDERS AFTER FULL YEAR OF NEGOTIATIONS.**

### **- Deal Will Revitalize AMI's Capital Structure-**

February 2, 2009, New York, New York - David J. Pecker, Chairman, President and CEO of American Media, Inc., (AMI) today announced the company had successfully closed on its proposed transaction with its bondholders, bank lenders and shareholders.

Mr. Pecker said, "As a result of this transaction, we now have the capital structure in place to strategically, financially and operationally fully realize the potential of our brands as the leaders in both the celebrity and health & fitness categories. It gives us the flexibility and freedom we need to move the company forward."

"Today's announcement signals the next step in AMI's evolution as a major media company, in the digital and print platforms," he added. "At the same time, we will continue to balance our future investments with a disciplined financial mindset to maximize the return for our new shareholders."

AMI's current Board of Directors unanimously approved the transaction, which reduces its debt by \$227 million in exchange for bondholders receiving 95% ownership of the company. The principal owners will now be Angelo, Gordon & Company, Avenue Capital Management II LTD, American High Income Trust, Credit Suisse Securities LLC, and Regiment Capital LTD, all multi-billion dollar companies.

The Principals have assembled a talented new Board of Directors with a strong media expertise and have asked Mr. Pecker to continue to serve as Chairman of the Board, as well as President and CEO, which he has enthusiastically agreed to do.

"We appreciate the hard work and sensibility of all of the stakeholders and professionals, especially in this challenging financial market," said Brad Pattelli, Managing Director of Angelo, Gordon & Company. "We are fortunate to be able to put David and the organization in a position to optimize the value of a truly unique collection of assets and brands."

Mr. Pecker stated that the company would immediately focus on its two biggest opportunities – the launch of Radaronline.com and re-launch of Shape.com.

"We are set to launch the Radar site in March with the very realistic goal of rapidly becoming the #1 site for celebrity news and pop culture," Mr. Pecker said. Citing AMI's unmatched newsgathering operation, Mr. Pecker added that "no one, not TMZ or even People, will be able to compete with Radar's ability to break celebrity news – and that's what really drives traffic."

Regarding Shape.com, Mr. Pecker commented "Shape is the leading magazine in the women's health & fitness category. And with the latest interactive diet and fitness programs from Shape experts combined with social networking, Shape.com will assume the #1 spot online." The new site is set to launch in April.

Mr. Pecker feels AMI is coming off an extremely difficult year for publishers with an excellent foundation to build on in 2009. AMI's total PIB ad pages for calendar year 2008 declined only 5.7% versus 2007, the second smallest decline among the top ten publishing companies. "Conde Nast, Time, Meredith and others were all down double digits," Mr. Pecker said.

"This is a new beginning for American Media," concluded Mr. Pecker. "Going forward, we should now be recognized for what we accomplish with the spotlight trained not on our finances, but on our future."

### **About American Media, Inc.**

American Media, Inc. is the leading publisher of celebrity journalism and health and fitness magazines in the U.S. These include Star, Shape, Men's Fitness, Fit Pregnancy, Natural Health, and The National Enquirer. In addition to print properties and web sites, AMI owns Distribution Services, Inc., the country's #1 in-store magazine merchandising company.