

television



your family...



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Family

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The Movie Network

The Movie Network provides Eastern Canada with the best in premier entertainment with five channels offering an experience suited to every lifestyle. M, MFun!, MExcess, MEscape, and MFest are The Movie Network's 24-hour, commercial-free pay-television channels broadcasting major studio movies, exclusive series, special presentations, and original programming from Canada and abroad.

www.themovienetwork.ca

Super Écran

Super Écran is North-America's only French-language pay-television network offering first-run movies, exclusive series and variety shows on four 24-hour channels, uncut and commercial free.

www.superecran.com

Mpix

Mpix is where great movies live forever. Mpix is a 24-hour pay television network with an additional time-shifted channel: Mpix2. Through the innovative programming of specials and spotlights, film lovers in Eastern Canada are able to enjoy movie gems from every era.

www.mpix.ca



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Family

Family Channel is a premium, commercial-free network offering the best in family television entertainment in more than 4.5 million homes across Canada. Dedicated to celebrating family life and providing a fun experience for all, Family airs a unique mix of series, movies and specials, with a large portion of programming supplied by Disney.

www.family.ca

Viewer's Choice

Viewer's Choice Canada offers convenient, commercial-free, in-home viewing of hit movies, live championship sporting events, concerts and many other exclusive events on an à-la-carte basis across Eastern Canada. Viewer's Choice Pay Per View offers 46 channels of near video-on-demand programming available 24 hours a day. Astral Media owns 50.1% and is the managing shareholder of Viewer's Choice Canada.

www.viewerschoice.ca

Canal Indigo

Canal Indigo, the French-language national pay-per-view network, offers viewers a wide range of commercial-free hit movies, unique sporting events and entertainment on an à-la-carte basis. Canal Indigo offers 40+ channels of near video-on-demand programming available 24 hours a day for maximum choice and convenience. Viewer's Choice Canada owns 40% of Canal Indigo and is the largest shareholder and managing partner of Canal Indigo.

www.canalindigo.com



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Canal D

Featuring dynamic and entertaining documentary programming, Canal D has maintained its position as the specialty channel with the largest weekly audience. With an average reach of more than 2.5 million viewers, Canal D presents fascinating documentaries on the latest discoveries, along with comedy and a large repertoire of movies.

www.canald.com

Canal Vie

Six years after it was launched, Canal Vie is now the most popular specialty channel among French-speaking women in Québec, and its listenership continues to grow. The success of Canal Vie's programming attests to its strong audience appeal. Recognized as the network for women, Canal Vie will go even further this year with what it considers to be its fundamental mission: providing relevant and authentic programming that connects with its viewers.

www.canalvie.com

VRAK.TV

In only four years, VRAK.TV has become the top-rated French-language channel among 2- to 14-year-olds and teens. Again this year, VRAK.TV asserted its leadership as the most popular kids' channel on the air, including conventional networks. Fresh, topical, lively and interactive, VRAK.TV presents varied programming that includes cartoons, sitcoms, original made-in-Québec productions and dramatic series.

www.vrak.tv

Z

Innovative and rigorous, dynamic and original, Z opens up the fascinating and burgeoning ways of the future. Fiction at its best, captivating images, daring and surprising shows aimed at meeting the high expectations of its audiences, Z is the "television of the future to its extreme". Appealing to a primarily male audience (67%, aged 18-49), Z is continuing to present its popular technology magazine shows, with the addition of new features.

www.ztele.com



HiSToRiA

SÉRIES+
LA TÉLÉ DES ÉMOTIONS

Historia

With an 80% rating increase in Fiscal 2003, Historia continues to be popular with viewers for its resolutely contemporary programming. Historia combines the pleasure of learning with the thrill of discovering our past. It tells the stories of people, places, institutions, holidays and traditions by presenting the latest in original productions, including the series *Made in Québec*, which promises to be a success in the coming fiscal year. Astral Media owns 50% of Historia.

www.historiatv.com

Séries+

With an increase of 83%, Séries+ practically doubled its market share among its target audience (women aged 25-54) in Fiscal 2003. The only channel devoted exclusively to works of fiction, Séries+ presents the cream of the crop in programming from both home and abroad. Its adult viewers appreciate the series, mini-series and made-for-TV movies, with stories from the heart 24 hours a day. Featuring shows with strong emotions and the sheer pleasure of escape, Séries+ is television that packs an emotional punch! Astral Media owns 50% of Séries+.

www.seriesplus.com



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MusiquePlus

With its hip and colourful street-front location in the heart of downtown Montréal, MusiquePlus presents a continuous showcase of music and special events, reflecting the diversity of the urban life that surrounds it. MusiquePlus has been a trendsetter in pop music culture since 1986. Through the magic of live television, Québec's most lively channel offers a host of exciting and innovative events: performances by local and international stars, exclusive interviews, shows, intimate concerts, arts reports, scoops and much more. MusiquePlus rocks you with today's rhythms. It's TV entertainment reinvented! Astral Media owns 50% of MusiquePlus. www.musiqueplus.com

MusiMax

MusiMax transports viewers into the world of pop music 24 hours a day, with scoops and exclusives, videos, behind-the-scenes reports, concerts and documentaries that resonate with the sounds of adult pop, contemporary, oldies, rock, soul and R&B, etc. MusiMax also supports the Québec music scene by presenting exclusive concerts by local artists and documentaries on the life and career of idols past and present as well as feeding our fascination with artists from the 1960s, 70s and 80s, with shows like *Génération 80* and *Michèle Richard*. Astral Media owns 50% of MusiMax. www.musimax.com

TELETOON

TELETOON is proud to have become one of the most high profile and recognized brands in specialty television. Since 1997, TELETOON has been serving up an unreal blend of classic cartoons and brand new animation from Canada and around the world, in both English and French, 24 hours a day! No wonder we've become a favourite destination for Canadian kids from coast to coast, as well as grabbing our fair share of non-kid viewers. Our lineup is fun, engaging and unreal, but we take the Canadian animation industry seriously, with 60% Canadian programming and 40% of our gross revenues going to support Canada's animation production industry. Astral Media owns 40% of TELETOON. www.teletoon.com



Claude Lizotte

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Michèle Labarre

General Manager,
Astral Media Mix



Astral Media TVPlus

Astral Media TVPlus is an advertising rep house that focuses exclusively on advertising sales for specialty channels in the French- and English-language markets. It represents Astral Media's French-language networks – Canal Vie, Canal D, Z, Historia, Séries+, TÉLÉTOON, MusiquePlus and MusiMax. Astral Media TVPlus also represents a number of English-language networks in Québec, including TELETOON, Life Network, Food Network, HGTV, History Television, Showcase, CMT, YTV, W and The Score. Among the 31 networks that Astral Media TVPlus represents are 13 new digital channels. www.astralmediatvplus.com

Astral Media Mix

Astral Media Mix's mission is to create, develop and produce business projects that draw on the synergies among Astral Media's various media properties and generate new revenues through unique, creative concepts and solutions. Astral Media's complementary specialty television, radio and outdoor media platforms offer advertisers an efficient and effective way of reaching all of their target audiences with a streamlined campaign. Focusing on the real needs of the advertising market, Astral Media Mix is unique in offering a team that is totally dedicated to developing projects especially for the Québec market.

With offices in Montréal and Toronto, Astral Media Mix successfully completed 24 projects in Fiscal 2003, each of which attained or surpassed its objectives.

... your family

With record advertising revenues and strong subscriber growth, Fiscal 2003 was an extremely successful year for our pay, pay-per-view and specialty television networks. Our ability to consistently deliver compelling programming to consumers and targeted opportunities to advertisers has secured our position as one of the largest and most respected operators of premium and specialty networks in Canadian television.

Our Television Group delivered strong performance across the board in Fiscal 2003. Focusing on evergreen niches like movies, music, drama series, youth programming as well as documentaries, and carrying some of the most popular programming on television today, Astral's pay, pay-per-view and specialty networks continue to attract key consumer demographics. As a result, our television brands are among the most recognized and appreciated by Canadian viewers.

Our television networks were highly successful in achieving two key objectives in Fiscal 2003, namely maximizing revenue growth in a digital environment and building the appeal of our brands.

Pay Television

Astral's pay services continued to grow in Fiscal 2003, further solidifying our position as Canada's largest operator of pay and pay-per-view services. Overall subscriber levels for our pay networks – The Movie Network and Super Écran – rose 12% in the last year to 1.3 million subscribers, driven by continuing growth in the digital cable and satellite markets.

Strong brands and the best in programming have meant spectacular success in terms of viewership for The Movie Network and Super Écran. In fact, in Fiscal 2003, The Movie Network was the number three Canadian pay or specialty service in Eastern Canada, moving up to the number one spot among the 18-34 and 35-49 age groups. And, Super Écran was the number one pay or specialty service in Québec among audiences aged 2+, as well as with its key audience groups, 18-34 and 35-49. This performance is particularly impressive considering neither service is part of basic or extended basic tier packages.

All of our pay services continued to emphasize award-winning and popular programming such as the eagerly-awaited new seasons of HBO's *The Sopranos* and *Six Feet Under* and other hit shows like *Napoléon* and *Les Liaisons dangereuses*. The Movie Network and Super Écran programming earned a record 85 nominations for the 55th Emmy® Awards. It is this kind of programming that has made these networks must-haves for discerning television viewers.

In Fiscal 2003, The Movie Network's five multiplex channels were sub-branded to better appeal to key segments of the marketplace. Each channel now has a distinct personality – M, MFun!, MExcess, MEscape and MFest – making them more relevant to specific niches within our existing and potential subscriber bases. Moviepix was also sub-branded to Mpix and



Napoléon
Super Écran

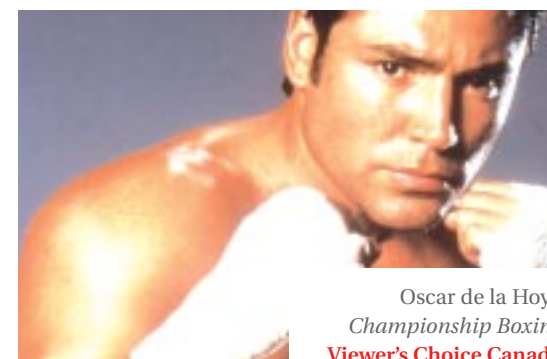


Raging Bull
Mpix



Curb your Enthusiasm
The Movie Network

Les Galas Loto-Québec Juste pour rire
Canal Indigo



Oscar de la Hoya
Championship Boxing
Viewer's Choice Canada

brought under The Movie Network's umbrella, enabling us to send one clear message to the consumer – *The Movie Network has it all*.

Our pay-TV strategy for Fiscal 2004 is focused on building the appeal of our products as well as developing new revenue streams to continue to grow our profitability. On the product side, we will continue to refine the sub-branding of our multiplex channels. We are also working to launch a new pay product, subscription-video-on-demand (SVOD), starting first with The Movie Network. SVOD will greatly enhance the appeal of our offering, allowing subscribers to watch programming from our library with VCR-like convenience. We are also determined to remain a leader in providing quality entertainment experiences to our viewers, including the steady expansion of our HDTV product.

Pay-Per-View

Viewer's Choice and Canal Indigo's pay-per-view customers continued to benefit from over 40 channels of sports, hit movies and special events. Viewer's Choice and Canal Indigo each represent the largest English and French pay-per-view offering in North America. Taking this fact to heart, during the year, we developed an exciting new brand positioning for Viewer's Choice – *See it All* – aimed at building loyalty and awareness among current and potential viewers.

Looking ahead, we expect our expansive pay-per-view offering to attract new customers and to increase buy rates among existing users.

Specialty Television

Overall advertising revenues for our specialty networks rose 33%, an exceptional feat in a crowded and competitive television market. Individually, each of our specialty channels experienced considerable success within their niche markets in Fiscal 2003.

French-language Specialty

Astral's French-language networks are a large and growing part of the cultural landscape in Québec. While enjoying strong market share, our French-language networks also demonstrated their commitment to original programming by investing more than \$28 million in French-language Canadian productions in Fiscal 2003. The quality of our programming – both original productions and acquisitions – was recognized this year with a number of industry prizes and distinctions – notably Gemini and Gold Ribbon Awards.

Our more established networks continue to show impressive growth. Six years after its launch, Canal Vie continues to enjoy the highest awareness of any network among women 25-54. The network's *Décore ta vie* and *Métamorphose* met with immediate success and have further driven loyalty and viewership to new levels. Canal D remains the ultimate source for exciting discoveries, pulling in 2.5 million viewers each week from multiple viewing demographics, particularly its target audience of men 25-54. VRAK.TV, meanwhile, remains the most popular French-language network – including conventional networks – among viewers 2-14. It features a variety of programming including animation, sitcoms and shows such as *Phénomia* and *MixMania*, which had a phenomenal success garnering 60% of the 9-14 viewing audience.

Collectively, Canal Vie, Canal D, VRAK.TV, Historia, Séries+ and Z, recorded a 16% increase in audience share over last year compared with only 10% recorded for other specialty networks.

The individual accomplishments of our newer networks, launched in 2000, were equally impressive. Historia experienced its best year ever with an astounding 80% increase in audience share. Research has also demonstrated that Historia is the network most frequently cited as a reason to subscribe to its tier. Z, our network for sci-fi and

Décore ta vie
Canal Vie



Trouvailles et trésors
Historia



Phénomia
VRAK.TV



Chasseur de crocodiles
Canal D

technology buffs is also very popular, helped along by its flagship program *La revanche des nerdZ*, whose audience rocketed 72% in the last year. With original Québec productions such as *Hommes en quarantaine* and *Le petit monde de Laura Cadieux*, *Séries+* continues to lay claim to one of the most loyal audiences in specialty television. Launched in 2000, *Séries+* is now viewed in 50% of households with cable or satellite in Québec.

MusiquePlus and MusiMax remained at the vanguard of the Québec music scene thanks to hip and original content unmatched anywhere else. MusiquePlus further cemented its position as a perennial trendsetter in French Canada by recording audience gains in both its target audiences of 12-17 and 18-24 year olds. Meanwhile, sister station MusiMax's programming grid, consisting of current and classic music, movies and fashion, led to a stellar 60% increase in advertising revenues while reinforcing its position with the 25-54 crowd.

English-language Specialty

Family set another viewership record in 2003, living up to its new tagline, *Never a Dull Moment*. Commercial-free, family-oriented programming such as the immensely popular *The Amanda Show* and Disney's *Lizzie McGuire*, have helped to make Family the number one network for girls and the number two network for boys aged 9-14. Building on the strength of its brand, new brand extensions, sponsorship opportunities and strategic partnerships bode well for Family's continued growth.

TELETOON once again reinforced its position among the most recognized and profitable brands in Canadian television. Last year, the network was the fifth-largest generator of advertising revenues in the Canadian specialty television universe. For the sixth year in a row,

TELETOON's English service maintained its position as the third most popular specialty network overall. Meanwhile, the French-language version remained the number one French specialty network among kids 2-11, while gaining significant traction with other demographics including the teen market. A wealth of branded and co-branded initiatives, including CDs, magazines and contests, are fortifying the TELETOON brand and its appeal to viewers and advertisers alike.

Our internal advertising rep house, Astral Media TVPlus, had a spectacular year. Representing 31 French and English specialty networks in Québec, Astral Media TVPlus increased its sales by 56% over last year, as compared with 16% growth recorded for the total market for specialty television advertising in Canada.

Looking Ahead

Our vision for the next year is focused on building the appeal of our products through branding and marketing initiatives aimed at further aligning our offerings with customer needs. Cross-promotion initiatives with other Astral Media properties will continue to be a focus, allowing us to take advantage of opportunities for synergies across the Company. Also central to our growth strategy is ongoing work with regulators, distributors and other industry participants to ensure that Astral Media will continue to play an important role in a strong and vibrant Canadian broadcasting system.

Our television properties are well positioned for growth as viewers increasingly tune into our targeted networks in search of rich and relevant content, and advertisers move more of their spending from conventional to specialty television in search of those very consumers.

Comment c'est fait Z



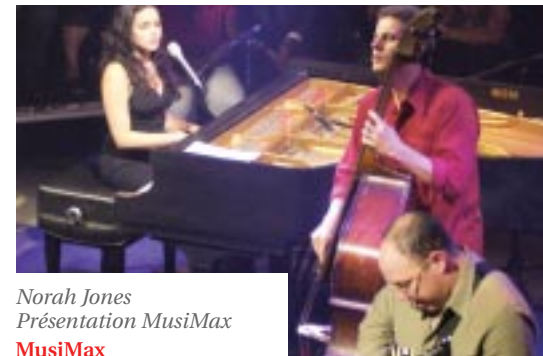
Lizzie McGuire
Family



Braceface
TELETOON



Hommes en quarantaine
Séries+



Norah Jones
Présentation MusiMax
MusiMax



Les Osbourne
MusiquePlus