



## Press Release

### ASTRAL MEDIA STARTS FISCAL 2009 WITH A SOLID FIRST QUARTER

*24% revenue growth*  
*13% increase in net earnings from continuing operations*  
*10% increase in EPS (basic)*  
*21% increase in EBITDA<sup>1</sup>*

**Montréal, January 14, 2009** - Astral Media Inc. (TSX: ACM.A/ACM.B) today reported its financial results for the first quarter ended November 30, 2008, which saw continued growth in revenues, net earnings, EPS, EBITDA<sup>1</sup> and cash flow from continuing operating activities. These results include the operations of the assets acquired from Standard Radio, effective October 29, 2007.

Consolidated revenues totalled \$244.5 million for the first quarter, an increase of 24% over the \$197.7 million recorded last year for the same period. Consolidated net earnings from continuing operations for the first three months of Fiscal 2009 increased by 13% over last year, rising to \$42.4 million (\$0.76 per share) from \$37.5 million (\$0.69 per share) last year. EBITDA<sup>1</sup> for the first three months increased 21% to \$79.5 million from \$65.5 million for the same quarter last year.

"Given the current environment, we are obviously very pleased with the strength and the resilience of the Company's operating results for the first quarter of Fiscal 2009," said Ian Greenberg, President and Chief Executive Officer. "We continue to remain disciplined and prudent, with a strong focus on execution, three key elements to help weather the current storm and ensure that our media properties remain must-buys in all of their respective markets."

#### OPERATIONAL HIGHLIGHTS

##### Television

- Revenue growth of 3%;
- Advertising revenues up 3% and pay subscriber-related revenues increasing by 3%;
- Launch of a new French-language specialty service, TÉLÉTOON Rétro, on September 4, 2008;
- Repositioning and rebranding of the specialty service MusiquePlus on September 22, 2008;
- Launch of HBO Canada on October 30, 2008.

##### Radio

- Revenue growth of 87%<sup>2</sup>;
- EBITDA<sup>1</sup> growth of 81%<sup>2</sup>;
- Deployment, in January 2009, of the Virgin Radio brand in three more markets.

1. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. See Appendix 1.

2. Includes the additional two months of Standard Radio assets operations for the first quarter of Fiscal 2009.

## Outdoor Advertising

- Revenue growth of 6%, as a result of the constant growth in the Toronto Street Furniture Program since September 1<sup>st</sup>, 2007 and a good performance in the Québec market;
- EBITDA<sup>1</sup> growth of 7%.

## Corporate

- Renewal of the normal course issuer bid to repurchase up to 5% of outstanding Class A Shares and Class B Shares announced on December 9, 2008.

The unaudited interim consolidated financial statements and related notes and Management's Discussion and Analysis are available on the Company's website: [astralmedia.com](http://astralmedia.com).

There will be a conference call with analysts and media at 11:00 a.m. on Wednesday, January 14, 2009. To access the conference call dial 1-800-732-0232. The conference call will also be broadcast live and archived for a three-month period on the Astral Media website at [astralmedia.com](http://astralmedia.com).

Astral Media is a leading Canadian media company, active in specialty and pay television, radio, outdoor advertising and interactive media. Astral Media's solid and dynamic presence in the country's major markets rests on its commitment to offer a unique combination of high-quality, targeted media for all its audiences.

*This press release contains certain forward-looking statements concerning the future performance of the Company. These forward-looking statements are based on current expectations. We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors, including technological change, economic conditions, regulatory change, competitive factors and changes in accounting rules or standards, many of which are beyond the Company's control. We disclaim any intention or obligation to update or revise any forward-looking statements.*

- 30 -

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1. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. See Appendix 1.

**ASTRAL MEDIA INC.**  
**Interim Consolidated Statements of Earnings**  
**for the three months ended**

(in thousands of Canadian dollars except for per-share data)  
*(unaudited)*

	November 30	
	2008	2007
Revenues	\$ 244,483	\$ 197,704
Operating expenses	165,018	132,253
<b>EBITDA<sup>1</sup></b>	<b>79,465</b>	<b>65,451</b>
Depreciation	6,141	4,601
Amortization of intangible assets	414	186
Interest expense, net	10,518	3,479
<b>Earnings from continuing operations before income taxes</b>	<b>62,392</b>	<b>57,185</b>
Income tax provision	20,030	19,679
<b>Net earnings from continuing operations</b>	<b>42,362</b>	<b>37,506</b>
Net earnings from discontinued operations	-	30
<b>Net earnings</b>	<b>\$ 42,362</b>	<b>\$ 37,536</b>
<b>Earnings per share from continuing operations</b>		
- Basic	\$ 0.76	\$ 0.69
- Diluted	\$ 0.75	\$ 0.68
<b>Earnings per share</b>		
- Basic	\$ 0.76	\$ 0.69
- Diluted	\$ 0.75	\$ 0.68
<b>Weighted average number of shares outstanding - basic</b>	<b>56,010</b>	<b>54,302</b>

<sup>1</sup> See Appendix 1

**ASTRAL MEDIA INC.**  
**Interim Consolidated Statements of Cash Flows**  
**for the three months ended**

(in thousands of Canadian dollars)

(unaudited)

	November 30	
	2008	2007
Cash and cash equivalents provided by (used for):		
<b>OPERATING ACTIVITIES</b>		
Net earnings from continuing operations	\$ 42,362	\$ 37,506
Non-cash charges (credits):		
Depreciation and amortization	6,555	4,787
Stock-based compensation	1,711	1,390
Future income tax expense	3,273	2,469
Imputed interest on other non-current liabilities	659	276
Amortization of deferred financing costs	172	55
<b>Cash flow from continuing operations<sup>1</sup></b>	<b>54,732</b>	<b>46,483</b>
Net change in non-cash operating items	(15,289)	(26,935)
<b>Cash flow from continuing operating activities</b>	<b>39,443</b>	<b>19,548</b>
<b>DISCONTINUED OPERATIONS</b>	<b>(945)</b>	<b>(111)</b>
<b>INVESTING ACTIVITIES</b>		
Short-term investments – cashed	9,962	51,128
Additions to property, plant and equipment	(10,896)	(5,057)
Business pre-operating costs	(4,024)	(304)
Business acquisition, net of cash acquired	(2,787)	(906,043)
	(7,745)	(860,276)
<b>FINANCING ACTIVITIES</b>		
Deferred financing costs	–	(2,673)
Increase in long-term debt	–	825,000
Repayment of long-term debt	(10,000)	–
Shares repurchased	–	(248)
Stock options exercised	80	718
	(9,920)	822,797
<b>Net change in cash and cash equivalents</b>	<b>20,833</b>	<b>(18,042)</b>
Cash and cash equivalents (bank overdraft) – beginning of period	(3,644)	21,237
<b>Cash and cash equivalents – end of period</b>	<b>\$ 17,189</b>	<b>\$ 3,195</b>

<sup>1</sup> See Appendix 1

**ASTRAL MEDIA INC.**  
**Interim Consolidated Balance Sheets as at**  
(in thousands of Canadian dollars)

	November 30, 2008 <i>(unaudited)</i>	August 31, 2008
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 17,189	\$ -
Short-term investments	-	9,962
Accounts receivable	179,386	155,841
Income taxes receivable	-	919
Program and film rights	86,972	79,305
Prepaid expenses and other current assets	27,855	28,954
	<u>311,402</u>	<u>274,981</u>
Program and film rights	67,218	69,502
Other non-current assets	53,189	47,751
Property, plant and equipment	135,979	133,484
Broadcast licences	1,807,496	1,807,496
Goodwill	356,945	356,945
Future income tax assets	29,229	26,448
	<u>\$ 2,761,458</u>	<u>\$ 2,716,607</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Bank overdraft	\$ -	\$ 3,644
Accounts payable and accrued liabilities	123,999	129,906
Income taxes payable	325	-
Program and film rights payable	78,036	64,060
Future income tax liabilities	3,390	5,951
	<u>205,750</u>	<u>203,561</u>
Long-term debt	802,246	812,074
Future income tax liabilities	260,224	254,912
Other non-current liabilities	79,116	78,445
Derivative financial instruments	30,185	18,374
Liabilities of discontinued operations	1,803	2,748
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	751,449	748,121
Contributed surplus	12,872	14,409
Retained earnings	639,546	597,188
Accumulated other comprehensive income	(21,733)	(13,225)
	<u>617,813</u>	<u>583,963</u>
	<u>1,382,134</u>	<u>1,346,493</u>
	<u>\$ 2,761,458</u>	<u>\$ 2,716,607</u>

**ASTRAL MEDIA INC.**  
**Business Segments**  
**for the three months ended November 30,**  
(in thousands of Canadian dollars)  
*(unaudited)*

	2008	2007
<b>REVENUES</b>		
Television	\$ 133,439	\$ 129,499
Radio	89,858	48,152
Outdoor Advertising	21,186	20,053
	<b>\$ 244,483</b>	<b>\$ 197,704</b>
<b>EBITDA<sup>1</sup></b>		
Television	\$ 47,689	\$ 47,458
Radio	30,885	17,058
Outdoor Advertising	7,816	7,331
Corporate	(6,925)	(6,396)
	<b>\$ 79,465</b>	<b>\$ 65,451</b>

<sup>1</sup> See Appendix 1

**ASTRAL MEDIA INC.**  
**Appendix 1**  
**Supplementary Measures**  
**for the three months ended**  
*(unaudited)*

In addition to discussing earnings measures in accordance with Canadian generally accepted accounting principles ("GAAP"), this Press Release provides the following supplementary measures which are also factors used by management in monitoring and evaluating the performance of the Company and its business segments:

**EBITDA** (earnings before interest, taxes, depreciation and amortization) is provided to assist investors in determining the ability of the Company to generate cash flow from operating activities and to cover financial charges. It is also an indicator widely used for business valuation purposes. EBITDA margin is defined as the ratio obtained by dividing EBITDA by revenues.

The following table reconciles GAAP measures disclosed in the unaudited interim consolidated statements of earnings for the periods ended November 30, 2008 and 2007 to EBITDA:

<i>(in thousands of \$)</i>	November 30	
	2008	2007
Earnings from continuing operations before income taxes	62,392	57,185
Depreciation and amortization	6,555	4,787
Interest expense, net	10,518	3,479
<b>EBITDA</b>	<b>79,465</b>	<b>65,451</b>

**Cash flow from continuing operations** is defined as cash flow from continuing operating activities before the net change in non-cash operating items. This measure provides an indication of the Company's ability to generate cash flows without considering certain timing and other factors causing variations in non-cash items.

The following table reconciles GAAP measures disclosed in the unaudited interim consolidated statements of cash flows for the periods ended November 30, 2008 and 2007 to cash flow from continuing operations:

<i>(in thousands of \$)</i>	November 30	
	2008	2007
Cash flow from continuing operating activities	39,443	19,548
Net change in non-cash operating items	15,289	26,935
<b>Cash flow from continuing operations</b>	<b>54,732</b>	<b>46,483</b>

The above supplementary measures do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies.