



Press Release

ASTRAL MEDIA REPORTS ITS 12TH CONSECUTIVE YEAR OF GROWTH

*Strong increases in EPS, Net Earnings, EBITDA²,
Revenues and Cash Flow for the fourth quarter and Fiscal 2008*

The following results include the operations of the assets acquired from Standard Radio, effective October 29, 2007.

Montréal, October 29, 2008 - Astral Media Inc. (TSX: ACM.A/ACM.B) today reported its financial results for the fourth quarter and year ended August 31, 2008, which concluded another year of strong financial performance.

FINANCIAL HIGHLIGHTS

- 11% increase in basic EPS from continuing operations¹ for the year (11% for the fourth quarter)¹
- 19% increase in net earnings from continuing operations¹ for the year (20% for the fourth quarter)¹
- 40% increase in EBITDA² for the year (47% for the fourth quarter)²
- 35% increase in revenues for the year (43% for the fourth quarter)
- 35% increase in cash flow from continuing operations³ for the year (37% for the fourth quarter)³

"This marks a 12th consecutive year of profitable growth for Astral Media. This unique track record in our industry speaks directly to our strong and stable management team, disciplined financial and operational practices and to the dedication of more than 2,800 employees", said Ian Greenberg, President and Chief Executive Officer of Astral Media. He added: "I am very proud of delivering such strong results in the context of a very busy year at Astral Media, which included the integration of the Standard Radio acquisition, the rollout of the Toronto Street Furniture program and the launches of Playhouse Disney and TELETOON Retro".

Consolidated net earnings from continuing operations for Fiscal 2008 increased by 19%, rising to \$150.5 million¹ (\$2.67 basic EPS, \$2.63 diluted EPS)¹ from \$126.6 million¹ (\$2.40 basic EPS, \$2.35 diluted EPS)¹ last year. Consolidated net earnings from continuing operations for the fourth quarter of Fiscal 2008 increased by 20% to \$40.8 million¹ (\$0.72 basic EPS, \$0.72 diluted EPS)¹, from \$34.0 million¹ (\$0.65 basic EPS, \$0.63 diluted EPS)¹ last year.

Consolidated revenues totalled \$865.4 million for Fiscal 2008, an increase of 35% over the \$640.5 million recorded in Fiscal 2007. Consolidated revenues were \$229.9 million for the fourth quarter of Fiscal 2008, up 43% from the \$160.6 million for the same quarter last year.

EBITDA² for the year increased by 40% to \$289.6 million from \$206.7 million for the same period last year. EBITDA² was up 47% to \$81.1 million in the fourth quarter of Fiscal 2008 compared to \$55.1 million for the same quarter last year. Cash flow from continuing operations³ rose 35% year-over-year totalling \$205.3 million for the year compared to \$152.0 million for Fiscal 2007. Cash flow from continuing operations³ rose by 37% to \$60.1 million in the fourth quarter, compared to \$43.9 million for the same quarter last year.

1. Excluding the impact of the future income tax recovery resulting from future income tax rate changes in Fiscal 2008 and 2007. See Appendix 1.

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

3. See Appendix 1.

OPERATIONAL HIGHLIGHTS FOR FISCAL 2008

Television

- Revenue growth of 5% to \$497.0 million;
- Advertising revenue growth of 12% to \$108.2 million;
- EBITDA² growth of 5% to \$179.5 million;
- Launch of TELETOON Retro in English;
- Launch of Playhouse Disney;
- Announcement of the of launch of HBO Canada, a The Movie Network multiplex channel (after year-end);
- Launch of TÉLÉTOON Rétro in French (after year-end);
- Rebranding and repositioning of MusiquePlus (after year-end).

Radio

- Revenue growth of 156% to \$296.3 million;
- EBITDA² growth of 171% to \$111.1 million;
- EBITDA² margin rose from 35.5% to 37.5%;
- Launch of a radio station in Regina;
- Granting by the CRTC of a radio licence in the Ottawa-Gatineau market;
- Launch of the first Virgin Radio station in North America, Virgin Radio 999 in Toronto.

Outdoor Advertising

- Revenue growth of 45% to 72.1 million;
- EBITDA² growth of 42% to \$23.6 million;
- Rollout of TSF contract.

Astral Media is a leading Canadian media company, active in specialty and pay television, radio, outdoor advertising and iMedia. 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.

The audited consolidated financial statements with related notes and Management's Discussion and Analysis are available on the Company's website: www.astralmedia.com.

There will be a conference call with analysts and media at 2:00 p.m. on Wednesday, October 29, 2008. 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 www.astralmedia.com.

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.

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1. Excluding the impact of the future income tax recovery resulting from future income tax rate changes in Fiscal 2008 and 2007. See Appendix 1.

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

3. See Appendix 1.

ASTRAL MEDIA INC.
Consolidated Statements of Earnings
for the periods ended August 31, 2008 and 2007
(in thousands of Canadian dollars except for per-share data)

| | 3 months | | 12 months | |
|--|--------------------|------------------|-------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | <i>(unaudited)</i> | | | |
| Revenues | \$ 229,872 | \$ 160,584 | \$ 865,370 | \$ 640,518 |
| Operating expenses | 148,818 | 105,483 | 575,792 | 433,824 |
| EBITDA¹ | 81,054 | 55,101 | 289,578 | 206,694 |
| Depreciation | 6,068 | 4,308 | 21,617 | 15,518 |
| Amortization of intangible assets | 318 | 115 | 1,195 | 434 |
| Interest expense (income), net | 11,101 | (1,132) | 37,465 | (4,170) |
| Earnings from continuing operations before income taxes | 63,567 | 51,810 | 229,301 | 194,912 |
| Income tax provision before undernoted | 22,761 | 17,794 | 78,839 | 68,288 |
| Future income tax recovery resulting from income tax rate changes | - | (4,069) | (28,259) | (4,069) |
| | 22,761 | 13,725 | 50,580 | 64,219 |
| Net earnings from continuing operations | 40,806 | 38,085 | 178,721 | 130,693 |
| Net earnings (net loss) from discontinued operations | (1,868) | (35) | (1,711) | 501 |
| Net earnings | \$ 39,938 | \$ 38,050 | \$ 177,010 | \$ 131,194 |
| Earnings per share from continuing operations | | | | |
| - Basic | \$ 0.72 | \$ 0.72 | \$ 3.18 | \$ 2.48 |
| - Diluted | \$ 0.72 | \$ 0.71 | \$ 3.12 | \$ 2.42 |
| Earnings per share | | | | |
| - Basic | \$ 0.69 | \$ 0.72 | \$ 3.15 | \$ 2.49 |
| - Diluted | \$ 0.68 | \$ 0.71 | \$ 3.09 | \$ 2.43 |
| Weighted average number of shares outstanding – basic (in thousands) | 56,362 | 52,713 | 56,257 | 52,763 |

¹ See Appendix 1

ASTRAL MEDIA INC.
Consolidated Statements of Cash Flows
for the periods ended August 31, 2008 and 2007
(in thousands of Canadian dollars)

| | 3 months | | 12 months | |
|--|--------------------|-----------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | <i>(unaudited)</i> | | | |
| Cash and cash equivalents provided by (used for): | | | | |
| OPERATING ACTIVITIES | | | | |
| Net earnings from continuing operations | \$ 40,806 | \$ 38,085 | \$ 178,721 | \$ 130,693 |
| Non-cash charges (credits): | | | | |
| Depreciation and amortization | 6,386 | 4,423 | 22,812 | 15,952 |
| Stock-based compensation | 1,415 | 1,571 | 6,270 | 6,063 |
| Future income tax expense before underrated | 10,533 | 3,884 | 22,715 | 3,360 |
| Future income tax recovery resulting from income tax rate changes | - | (4,069) | (28,259) | (4,069) |
| Imputed interest on other non-current liabilities | 743 | - | 2,507 | - |
| Amortization of deferred financing costs | 172 | - | 576 | - |
| Cash flow from continuing operations¹ | 60,055 | 43,894 | 205,342 | 151,999 |
| Net change in non-cash operating items | (4,263) | (7,297) | (56,352) | (21,596) |
| Cash flow from continuing operating activities | 55,792 | 36,597 | 148,990 | 130,403 |
| DISCONTINUED OPERATIONS | (237) | (487) | (591) | (621) |
| INVESTING ACTIVITIES | | | | |
| Short-term investments - purchased | (9,962) | - | (9,962) | (51,128) |
| Short-term investments - cashed | - | 19,913 | 51,128 | 44,774 |
| Additions to property, plant and equipment | (18,036) | (7,297) | (35,995) | (17,296) |
| Business acquisition, net of cash acquired | (3,040) | (32,992) | (907,156) | (79,786) |
| Business pre-operating costs | (733) | - | (2,685) | - |
| Outdoor advertising licence fees | - | (28,898) | - | (28,898) |
| Deferred business acquisition costs | - | (2,392) | - | (2,392) |
| | (31,771) | (51,666) | (904,670) | (134,726) |
| FINANCING ACTIVITIES | | | | |
| Deferred financing costs | - | (667) | (2,835) | (667) |
| Increase in long-term debt | - | - | 825,000 | - |
| Repayment of long-term debt | (10,000) | - | (10,000) | - |
| Shares repurchased | (28,502) | (7,499) | (55,416) | (24,054) |
| Stock options exercised | 226 | 797 | 3,182 | 3,088 |
| Dividends | (14,144) | (10,553) | (28,541) | (21,098) |
| | (52,420) | (17,922) | 731,390 | (42,731) |
| Net change in cash and cash equivalents | (28,636) | (33,478) | (24,881) | (47,675) |
| Cash and cash equivalents – beginning of period | 24,992 | 54,715 | 21,237 | 68,912 |
| Cash and cash equivalents (bank overdraft) – end of period | \$ (3,644) | \$ 21,237 | \$ (3,644) | \$ 21,237 |

¹ See Appendix 1

ASTRAL MEDIA INC.
Consolidated Balance Sheets as at August 31
(in thousands of Canadian dollars)

| | 2008 | 2007 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | \$ - | \$ 21,237 |
| Short-term investments | 9,962 | 51,128 |
| Accounts receivable | 155,841 | 96,995 |
| Income taxes receivable | 919 | - |
| Program and film rights | 79,305 | 72,791 |
| Prepaid expenses and other current assets | 28,954 | 18,331 |
| | <u>274,981</u> | <u>260,482</u> |
| Program and film rights | 69,502 | 58,854 |
| Other non-current assets | 47,751 | 49,088 |
| Property, plant and equipment | 133,484 | 83,367 |
| Broadcast licences | 1,807,496 | 950,698 |
| Goodwill | 356,945 | 116,016 |
| Future income tax assets | 26,448 | 8,549 |
| | <u>\$ 2,716,607</u> | <u>\$ 1,527,054</u> |
| LIABILITIES | | |
| Current | | |
| Bank overdraft | \$ 3,644 | \$ - |
| Accounts payable and accrued liabilities | 129,906 | 83,160 |
| Income taxes payable | - | 19,501 |
| Program and film rights payable | 64,060 | 70,325 |
| Future income tax liabilities | 5,951 | 3,246 |
| | <u>203,561</u> | <u>176,232</u> |
| Long-term debt | 812,074 | - |
| Future income tax liabilities | 254,912 | 267,240 |
| Other non-current liabilities | 78,445 | 26,673 |
| Derivative financial instruments | 18,374 | - |
| Liabilities of discontinued operations | 2,748 | 2,183 |
| SHAREHOLDERS' EQUITY | | |
| Capital stock | 748,121 | 561,589 |
| Contributed surplus | 14,409 | 11,645 |
| Retained earnings | 597,188 | 481,492 |
| Accumulated other comprehensive income | (13,225) | - |
| | <u>583,963</u> | <u>481,492</u> |
| | <u>1,346,493</u> | <u>1,054,726</u> |
| | <u>\$ 2,716,607</u> | <u>\$ 1,527,054</u> |

ASTRAL MEDIA INC.
Business Segments
for the periods ended August 31
(in thousands)

| | 3 months | | 12 months | |
|---------------------------|--------------------|-------------------|-------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | <i>(unaudited)</i> | | | |
| REVENUES | | | | |
| Television | \$ 119,786 | \$ 116,860 | \$ 497,007 | \$ 475,042 |
| Radio | 88,720 | 28,875 | 296,302 | 115,701 |
| Outdoor Advertising | 21,366 | 14,849 | 72,061 | 49,775 |
| | \$ 229,872 | \$ 160,584 | \$ 865,370 | \$ 640,518 |
| | | | | |
| EBITDA¹ | | | | |
| Television | \$ 41,815 | \$ 42,900 | \$ 179,513 | \$ 170,903 |
| Radio | 37,191 | 11,435 | 111,140 | 41,017 |
| Outdoor Advertising | 8,370 | 6,472 | 23,645 | 16,703 |
| Corporate Costs | (6,322) | (5,706) | (24,720) | (21,929) |
| | \$ 81,054 | \$ 55,101 | \$ 289,578 | \$ 206,694 |

¹ See Appendix 1

ASTRAL MEDIA INC.
Appendix 1
Supplementary Measures
for the periods ended August 31
(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 from continuing 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 consolidated statements of earnings for the periods ended August 31, 2008 and 2007 to EBITDA:

| <i>(in thousands of \$)</i> | 3 months | | 12 months | |
|---|---------------|---------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| Earnings from continuing operations before income taxes | 63,567 | 51,810 | 229,301 | 194,912 |
| Depreciation and amortization | 6,386 | 4,423 | 22,812 | 15,952 |
| Interest expense (income), net | 11,101 | (1,132) | 37,465 | (4,170) |
| EBITDA | 81,054 | 55,101 | 289,578 | 206,694 |

Net earnings and earnings per share from continuing operations before the impact of future income tax rate changes. These measures provide an indication of the Company's ability to generate earnings and cash flows from its ongoing operations, by excluding the impact of the non-cash future income tax recoveries or expenses resulting from income tax rate changes over which the Company has no control.

The following tables reconcile GAAP measures disclosed in the consolidated statements of earnings for the periods ended August 31, 2008 and 2007 to net earnings and earnings per share, before the impact of future income tax rate changes.

| <i>(in thousands of \$)</i> | 3 months | | 12 months | |
|--|---------------|---------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| Net earnings from continuing operations | 40,806 | 38,085 | 178,721 | 130,693 |
| Future income tax recovery resulting from income tax rate changes | - | (4,069) | (28,259) | (4,069) |
| Net earnings from continuing operations before the impact of future income tax rate changes | 40,806 | 34,016 | 150,462 | 126,624 |

ASTRAL MEDIA INC.
Appendix 1
Supplementary Measures
for the periods ended August 31
(unaudited)

| <i>(in dollars)</i> | 3 months | | 12 months | |
|---|----------|--------|-----------|--------|
| | 2008 | 2007 | 2008 | 2007 |
| Basic earnings per share from continuing operations | 0.72 | 0.72 | 3.18 | 2.48 |
| Earnings per share – impact of future income tax rate changes | - | (0.07) | (0.51) | (0.08) |
| Basic earnings per share from continuing operations before the impact of future income tax rate changes | 0.72 | 0.65 | 2.67 | 2.40 |

| <i>(in dollars)</i> | 3 months | | 12 months | |
|---|----------|--------|-----------|--------|
| | 2008 | 2007 | 2008 | 2007 |
| Diluted earnings per share from continuing operations | 0.72 | 0.71 | 3.12 | 2.42 |
| Earnings per share – impact of future income tax rate changes | - | (0.08) | (0.49) | (0.07) |
| Diluted earnings per share from continuing operations before the impact of future income tax rate changes | 0.72 | 0.63 | 2.63 | 2.35 |

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 consolidated statements of cash flows for the periods ended August 31, 2008 and 2007 to cash flow from continuing operations:

| <i>(in thousands of \$)</i> | 3 months | | 12 months | |
|--|----------|--------|-----------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| Cash flow from continuing operating activities | 55,792 | 36,597 | 148,990 | 130,403 |
| Net change in non-cash operating items | 4,263 | 7,297 | 56,352 | 21,596 |
| Cash flow from continuing operations | 60,055 | 43,894 | 205,342 | 151,999 |

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.