



Press Release

ASTRAL MEDIA REPORTS STRONG YEAR-END RESULTS AND REACHES NEW MILESTONES

Revenues break \$900 million mark and EBITDA² reaches \$300 million

Record net earnings from continuing operations¹ and basic EPS from continuing operations¹ for the year

Record \$216.6 million in cash flow from continuing operations⁴ for the year

Non-cash net impairment charge on radio broadcast licences of \$317.5 million

Montréal, October 27, 2009 - Astral Media Inc. (TSX: ACM.A/ACM.B) today reported its financial results for the fourth quarter and year ended August 31, 2009.

Consolidated revenues totalled \$905.7 million for Fiscal 2009, an increase of 5% over the \$865.4 million recorded in Fiscal 2008. Consolidated revenues were \$219.4 million for the fourth quarter of Fiscal 2009, a 5% decrease from the \$229.9 million recorded in the same quarter last year. EBITDA² for the year increased by 4% to \$300.4 million, from \$289.6 million last year. EBITDA² declined 5% to \$76.7 million in the fourth quarter of Fiscal 2009 compared to \$81.1 million for the same quarter last year. Advertising revenue and EBITDA² growth in the fourth quarter and the year was constrained by the fact that the broadcasting calendar in Fiscal 2009 included one less week, for a total of 52 weeks, compared to 53 weeks in Fiscal 2008.

Consolidated net earnings from continuing operations, before the impairment charge on broadcast licences and future income tax recoveries, grew 6% in Fiscal 2009 to \$159.5 million¹ (\$2.84 per share)¹ compared to 150.5 million³ (\$2.67 per share)³ last year. For the fourth quarter, excluding the impairment charge, net earnings from continuing operations grew 7% to \$43.9 million¹ (\$0.78 per share)¹ in Fiscal 2009, from \$40.8 million (\$0.72 per share) last year. Cash flow from continuing operations⁴ grew 5% to \$216.6 million for the year, compared to \$205.3 million for Fiscal 2008. Cash flow from continuing operations⁴ grew by 3% to \$62.1 million in the fourth quarter, compared to \$60.1 million for the same quarter last year.

"I am delighted by Astral's effective response to the effects of the current economic downturn which has adversely affected advertising markets across the country. I am particularly pleased with the performance and continued contribution of each of our business units, that enabled Astral to grow despite these challenging times, and to reach new milestones with record revenues, EBITDA², and cash flows in Fiscal 2009," said Ian Greenberg, President and Chief Executive Officer.

"Our operational discipline during this downturn allowed us to gain efficiencies and to further deleverage our balance sheet by reducing debt by \$120 million. We also continued to invest strategically in new programming and branding initiatives such as the launches of HBO Canada, Virgin Radio and NRJ, as well as the deployment of our national Digital outdoor advertising network in Canada's top three advertising markets of Montréal, Toronto and Vancouver. Our continued focus on product development combined with our visual rigor are key factors which position us to fully benefit from an economic recovery," added Mr. Greenberg.

1. Excluding the impact of the \$317.5 million (\$5.66 per share) non-cash net impairment charge on the Company's radio broadcast licences. See Appendix 1.

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

3. Excluding the favourable impact of the \$28.3 million (\$0.51 per share) non-cash future income tax recovery resulting from enacted income tax rate changes. See Appendix 1.

4. See Appendix 1.

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR FISCAL 2009 (12-month period)

Television

- Revenue growth of 3% to \$513.3 million;
- Specialty-television subscriber revenue growth of 7%;
- Pay-television subscriber revenue growth of 6%;
- Advertising revenue decline of 4% explained in part by one less week in Fiscal 2009 compared to the Fiscal 2008 broadcasting calendar;
- EBITDA² growth of 5% to \$188.4 million;
- Launch of HBO Canada.

Radio

- Revenue growth of 9% to \$323.0 million partly explained by an additional two-month contribution in Fiscal 2009 of the assets acquired from Standard Radio;
- Granting by the CRTC of a radio licence in the Ottawa-Gatineau market;
- Rebranding of 18 radio stations, including the integration of global radio brands Virgin Radio and NRJ.

Outdoor Advertising

- Revenue decline of 4% to \$69.5 million explained in part by one less week in Fiscal 2009 compared to the Fiscal 2008 broadcasting calendar;
- EBITDA² growth of 11% to \$26.2 million;
- Launch of a new Digital outdoor advertising network.

In the fourth quarter of Fiscal 2009, in accordance with current accounting requirements, the Company recorded a \$317.5 million (net of future income tax recovery of \$82.0 million) non-cash net impairment charge on its radio broadcast licences. It is important to note that this impairment charge has no impact on the current or future operations of the Company. Including the net impairment charge, the Company incurred a consolidated net loss from continuing operations of \$158.0 million (loss of \$2.82 per share) in Fiscal 2009 compared to net earnings of \$178.7 million (\$3.18 per share) last year. For the fourth quarter, the net loss from continuing operations was \$273.6 million (loss of \$4.87 per share), compared to net earnings of \$40.8 million (\$0.72 per share) last year.

1. Excluding the impact of the \$317.5 million (\$5.66 per share) non-cash net impairment charge on the Company's radio broadcast licences. See Appendix 1.

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

3. Excluding the favourable impact of the \$28.3 million (\$0.51 per share) non-cash future income tax recovery resulting from enacted income tax rate changes. See Appendix 1.

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 Tuesday, October 27, 2009. To access the conference call dial **1-800-732-1073**. 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.

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. For more details, visit www.astralmedia.com.

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ASTRAL MEDIA INC.
Consolidated Statements of Earnings
for the periods ended August 31, 2009 and 2008
(in thousands of Canadian dollars except for per-share data)

	3 months		12 months	
	2009	2008	2009	2008
	<i>(unaudited)</i>			
Revenues	\$ 219,427	\$ 229,872	\$ 905,725	\$ 865,370
Operating expenses	142,691	148,818	605,346	575,792
EBITDA¹	76,736	81,054	300,379	289,578
Depreciation	5,941	6,068	24,764	21,617
Amortization of intangible assets	1,116	318	2,756	1,195
Interest expense, net	7,978	11,101	36,968	37,465
Restructuring charges	1,076	-	4,383	-
Earnings from continuing operations before undernoted¹	60,625	63,567	231,508	229,301
Impairment charge on broadcast licences	399,459	-	399,459	-
Earnings (loss) from continuing operations before income taxes	(338,834)	63,567	(167,951)	229,301
Income tax provision before undernoted	16,773	22,761	72,044	78,839
Future income tax recovery resulting from impairment charge on broadcast licences	(81,970)	-	(81,970)	-
Future income tax recovery resulting from income tax rate changes	-	-	-	(28,259)
	(65,197)	22,761	(9,926)	50,580
Net earnings (net loss) from continuing operations	(273,637)	40,806	(158,025)	178,721
Net loss from discontinued operations	-	(1,868)	-	(1,711)
Net earnings (net loss)	\$ (273,637)	\$ 38,938	\$ (158,025)	\$ 177,010
Earnings (loss) per share from continuing operations				
- Basic	\$ (4.87)	\$ 0.72	\$ (2.82)	\$ 3.18
- Diluted	\$ (4.87)	\$ 0.72	\$ (2.82)	\$ 3.12
Earnings (loss) per share				
- Basic	\$ (4.87)	\$ 0.69	\$ (2.82)	\$ 3.15
- Diluted	\$ (4.87)	\$ 0.68	\$ (2.82)	\$ 3.09
Weighted average number of shares outstanding – basic (in thousands)	56,170	56,362	56,100	56,257

¹ See Appendix 1

ASTRAL MEDIA INC.
Consolidated Statements of Cash Flows
for the periods ended August 31, 2009 and 2008
(in thousands of Canadian dollars)

	3 months		12 months	
	2009	2008	2009	2008
	<i>(unaudited)</i>			
Cash and cash equivalents provided by (used for):				
OPERATING ACTIVITIES				
Net earnings (net loss) from continuing operations	\$ (273,637)	\$ 40,806	\$ (158,025)	\$ 178,721
Non-cash charges (credits):				
Depreciation and amortization	7,057	6,386	27,520	22,812
Stock-based compensation	1,141	1,415	5,912	6,270
Impairment charge on broadcast licences	399,459	-	399,459	-
Future income tax expense (recovery) net before undernoted	(72,857)	10,533	(61,564)	22,715
Future income tax recovery resulting from income tax rate changes	-	-	-	(28,259)
Imputed interest on other non-current liabilities	734	743	2,637	2,507
Amortization of deferred financing costs	172	172	687	576
Cash flow from continuing operations¹	62,069	60,055	216,626	205,342
Net change in non-cash operating items	(545)	(4,263)	12,712	(56,352)
Cash flow from continuing operating activities	61,524	55,792	229,338	148,990
DISCONTINUED OPERATIONS	(63)	(237)	(1,677)	(591)
INVESTING ACTIVITIES				
Short-term investments - purchased	-	(9,962)	-	(9,962)
Short-term investments - cashed	-	-	9,962	51,128
Additions to property, plant and equipment	(17,603)	(18,036)	(51,304)	(35,995)
Additions to other non-current assets	(326)	(733)	(10,358)	(2,685)
Business acquisition, net of cash acquired	-	(3,040)	(2,787)	(907,156)
	(17,929)	(31,771)	(54,487)	(904,670)
FINANCING ACTIVITIES				
Deferred financing costs	-	-	-	(2,835)
Increase in long-term debt	-	-	-	825,000
Repayment of long-term debt	(45,000)	(10,000)	(120,000)	(10,000)
Shares repurchased	-	(28,502)	-	(55,416)
Stock options exercised	151	226	1,654	3,182
Dividends	(14,046)	(14,144)	(28,084)	(28,541)
	(58,895)	(52,420)	(146,430)	731,390
Net change in cash and cash equivalents	(15,363)	(28,636)	26,744	(24,881)
Cash and cash equivalents (bank overdraft) - beginning of period	38,463	24,992	(3,644)	21,237
Cash and cash equivalents (bank overdraft) - end of period	\$ 23,100	\$ (3,644)	\$ 23,100	\$ (3,644)

¹ See Appendix 1

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

	2009	2008
ASSETS		
Current		
Cash and cash equivalents	\$ 23,100	\$ -
Short-term investments	-	9,962
Accounts receivable	143,803	155,841
Income taxes receivable	-	919
Program and film rights	92,545	79,305
Prepaid expenses and other current assets	28,273	28,954
	<u>287,721</u>	<u>274,981</u>
Program and film rights	61,219	69,502
Other non-current assets	52,828	47,751
Property, plant and equipment	158,960	133,484
Broadcast licences	1,408,037	1,807,496
Goodwill	356,945	356,945
Future income tax assets	79,522	26,448
	<u>\$ 2,405,232</u>	<u>\$ 2,716,607</u>
LIABILITIES		
Current		
Bank overdraft	\$ -	\$ 3,644
Accounts payable and accrued liabilities	138,771	129,906
Income taxes payable	12,191	-
Program and film rights payable	58,220	64,060
Future income tax liabilities	4,481	5,951
	<u>213,663</u>	<u>203,561</u>
Long-term debt	692,761	812,074
Future income tax liabilities	246,098	254,912
Other non-current liabilities	64,196	78,445
Derivative financial instruments	22,377	18,374
Liabilities of discontinued operations	1,071	2,748
	<u>1,240,166</u>	<u>1,370,114</u>
SHAREHOLDERS' EQUITY		
Capital stock	753,028	748,121
Contributed surplus	17,068	14,409
Retained earnings	411,079	597,188
Accumulated other comprehensive loss	(16,109)	(13,225)
	<u>394,970</u>	<u>583,963</u>
	<u>1,165,066</u>	<u>1,346,493</u>
	<u>\$ 2,405,232</u>	<u>\$ 2,716,607</u>

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

	3 months		12 months	
	2009	2008	2009	2008
	<i>(unaudited)</i>			
REVENUES				
Television	\$ 124,898	\$ 119,786	\$ 513,265	\$ 497,007
Radio	76,180	88,720	323,002	296,302
Outdoor Advertising	18,349	21,366	69,458	72,061
	\$ 219,427	\$ 229,872	\$ 905,725	\$ 865,370
EBITDA¹				
Television	\$ 42,756	\$ 41,815	\$ 188,445	\$ 179,513
Radio	28,607	37,191	110,366	111,140
Outdoor Advertising	10,258	8,370	26,175	23,645
Corporate Costs	(4,885)	(6,322)	(24,607)	(24,720)
	\$ 76,736	\$ 81,054	\$ 300,379	\$ 289,578

¹ See Appendix 1

ASTRAL MEDIA INC.
Appendix 1
Supplementary Measures
for the periods ended August 31, 2009 and 2008
(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. Other items such as restructuring charges and the impairment charge on broadcast licences are excluded from earnings in the determination of EBITDA as they are not considered to be in the ordinary course of business. EBITDA 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, 2009 and 2008 to EBITDA:

<i>(in thousands of \$)</i>	3 months		12 months	
	2009	2008	2009	2008
Earnings (loss) from continuing operations before income taxes	(338,834)	63,567	(167,951)	229,301
Impairment charge on broadcast licences	399,459	–	399,459	–
Depreciation and amortization	7,057	6,386	27,520	22,812
Interest expense, net	7,978	11,101	36,968	37,465
Restructuring charges	1,076	–	4,383	–
EBITDA	76,736	81,054	300,379	289,578

Earnings from continuing operations before undernoted. This measure provides 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 impairment charge on broadcast licences.

The following table reconciles GAAP measures disclosed in the consolidated statements of earnings for the periods ended August 31, 2009 and 2008 to earnings from continuing operations before undernoted:

<i>(in thousands of \$)</i>	3 months		12 months	
	2009	2008	2009	2008
Earnings (loss) from continuing operations before income taxes	(338,834)	63,567	(167,951)	229,301
Impairment charge on broadcast licences	399,459	–	399,459	–
Earnings from continuing operations before undernoted	60,625	63,567	231,508	229,301

ASTRAL MEDIA INC.

Appendix 1

Supplementary Measures

for the periods ended August 31, 2009 and 2008

(unaudited)

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

The following tables reconcile GAAP measures disclosed in the consolidated statements of earnings for the periods ended August 31, 2009 and 2008 to net earnings and basic earnings per share from continuing operations, before impairment of broadcast licences and future income tax recoveries:

<i>(in thousands of \$)</i>	3 months		12 months	
	2009	2008	2009	2008
Net earnings (net loss) from continuing operations	(273,637)	40,806	(158,025)	178,721
Impairment charge on broadcast licences	399,459	–	399,459	–
Future income tax recovery resulting from impairment charge on broadcast licences	(81,970)	–	(81,970)	–
Future income tax recovery resulting from income tax rate changes	–	–	–	(28,259)
Net earnings from continuing operations before impairment of broadcast licences and future income tax recoveries	43,852	40,806	159,464	150,462

<i>(in dollars)</i>	3 months		12 months	
	2009	2008	2009	2008
Basic earnings (loss) per share from continuing operations	(4.87)	0.72	(2.82)	3.18
Impairment charge on broadcast licences	7.11	–	7.12	–
Future income tax recovery resulting from impairment charge on broadcast licences	(1.46)	–	(1.46)	–
Future income tax recovery resulting from income tax rate changes	–	–	–	(0.51)
Basic earnings per share from continuing operations before impairment of broadcast licences and future income tax recoveries	0.78	0.72	2.84	2.67

ASTRAL MEDIA INC.

Appendix 1

Supplementary Measures

for the periods ended August 31, 2009 and 2008

(unaudited)

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 operating items.

The following table reconciles GAAP measures disclosed in the consolidated statements of cash flows for the periods ended August 31, 2009 and 2008 to cash flow from continuing operations:

<i>(in thousands of \$)</i>	3 months		12 months	
	2009	2008	2009	2008
Cash flow from continuing operating activities	61,524	55,792	229,338	148,990
Net change in non-cash operating items	545	4,263	(12,712)	56,352
Cash flow from continuing operations	62,069	60,055	216,626	205,342

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.