



PRESS RELEASE

Astral delivers solid third quarter results

- 9% increase in revenues and 4% increase in EBITDA¹
- 9% increase in net earnings and 9% increase in basic EPS

Montréal, July 15, 2010 - Astral Media Inc. (TSX: ACM.A/ACM.B) today reported solid financial results for the third quarter ended May 31, 2010, which saw continued growth in revenues, EBITDA¹, net earnings, EPS, and cash flow from operations⁵.

"I am delighted with Astral's performance in the third quarter and by the strong growth displayed by each of our business units. I am particularly pleased that our advertising revenues increased 11% and that our subscription revenues grew a strong 7%, contributing to Astral's 55th consecutive quarter of profitable growth," said Ian Greenberg, President and Chief Executive Officer. "While we still operate in a slowly recovering economic and advertising market environment, we continue to reinforce our relationship with key partners such as Disney, HBO, NRJ and Virgin and sustain our strategic investments to further strengthen our offering to consumers and advertisers."

In the third quarter, consolidated revenues reached \$253.6 million, a 9% increase from the \$232.5 million reported last year for the same period. EBITDA¹ grew 4% in the third quarter to \$84.9 million from \$81.8 million for the same period last year. Consolidated net earnings for the third quarter increased 9% over the same quarter last year, rising to \$48.5 million (\$0.86 per share) from \$44.3 million (\$0.79 per share). Cash flow from operations⁵ for the third quarter increased 10% to \$64.6 million from \$58.6 million for the same period last year.

In the first nine months of Fiscal 2010, consolidated revenues totalled \$722.6 million, an increase of 5% over the \$686.3 million recorded last year for the same period. EBITDA¹ for the first nine months increased 13% to \$244.3 million⁴ from \$216.5 million² for the same period last year. Consolidated net earnings for the first nine months increased by 25% over last year, to \$138.3 million^{3, 4} (\$2.45 per share^{3, 4}) from \$111.0 million² (\$1.98 per share²). Cash flow from operations⁵ rose 15% to \$169.9 million^{3, 4} for the first nine months of the year compared to \$147.4 million² for the same period last year.

1. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. See Appendix 1.
2. After the restatement of Fiscal 2009 figures following the adoption of Section 3064 of the CICA Handbook. See details in the Management's Discussion and Analysis.
3. Excluding the impact of an \$8.4 million (\$0.15 per share) non-cash future income tax recovery resulting from future income tax rate changes enacted by the Ontario Government. See Appendix 1.
4. Including the \$11.6 million in Part II licence fees accrual reversal (\$8.0 million net of income taxes or \$0.14 per share) in the first quarter of Fiscal 2010 (\$3.2 million in Television and \$8.4 million in Radio). See details in the Management's Discussion and Analysis.
5. See Appendix 1.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Television

- Revenue growth of 9% for the third quarter (7% growth for the nine-month period);
- EBITDA¹ growth of 2% for the third quarter (14% growth for the nine-month period^{2, 4});
- Number of pay-TV subscribers (The Movie Network and Super Écran) grew 4% over the same period last year to over 1.8 million;
- On May 31, 2010, announcement of the launch of the new Playhouse Disney télé service in French, available since July 5 on Bell TV.

Radio

- Revenue growth of 9% for the third quarter (2% growth for the nine-month period);
- EBITDA¹ growth of 6% for the third quarter (9% growth for the nine-month period^{2, 4}).
- On May 27, launch of 97.7 EZ Rock, a new station broadcasting in the Ottawa-Gatineau market.

Out-of-Home

- Revenue growth of 10% for the third quarter (7% growth for the nine-month period);
- EBITDA¹ growth of 11% for the third quarter (15% growth for the nine-month period);
- Expansion of Canada's first national Digital outdoor advertising network with the addition of two new digital advertising faces in the Toronto market during the third quarter.

Corporate

- On May 27, the Company launched its new corporate brand identity;
- On June 28, the Company moved its executive offices and certain divisional offices to the new Maison Astral building located at 1800 avenue McGill College in the heart of downtown Montréal.

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

There will be a conference call with analysts and media at 10:30 a.m. on Thursday, July 15, 2010. To access the conference call dial 1-877-974-0445. The conference call will also be broadcast live and archived for a three-month period on the Astral website at www.astral.com.

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Astral is one of Canada's largest media companies. It operates several of the country's most popular pay and specialty television, radio, out-of-home advertising and digital media properties. Astral plays a central role in community life across the country by offering diverse, rich and vibrant programming that meets the tastes and needs of consumers and advertisers. To learn more about Astral, visit www.astral.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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5. See Appendix 1.

ASTRAL MEDIA INC.
Interim Consolidated Statements of Earnings
for the periods ended May 31, 2010 and 2009

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

(unaudited)

	3 months		9 months	
	2010	2009 <i>(Restated)⁽¹⁾</i>	2010	2009 <i>(Restated)⁽¹⁾</i>
Revenues	\$ 253,597	\$ 232,537	\$ 722,563	\$ 686,298
Operating expenses	168,663	150,703	478,229	469,823
EBITDA⁽²⁾	84,934	81,834	244,334	216,475
Depreciation	6,459	5,627	18,886	16,245
Amortization of intangible assets	1,562	1,206	4,153	3,510
Interest expense, net	6,509	8,926	20,312	28,990
Restructuring charges	-	616	-	3,307
Earnings before income taxes	70,404	65,459	200,983	164,423
Income tax provision before undernoted	21,947	21,190	62,639	53,446
Future income tax recovery resulting from income tax rate changes	-	-	(8,397)	-
	21,947	21,190	54,242	53,446
Net earnings	\$ 48,457	\$ 44,269	\$ 146,741	\$ 110,977
Earnings per share				
- Basic	\$ 0.86	\$ 0.79	\$ 2.60	\$ 1.98
- Diluted	\$ 0.85	\$ 0.78	\$ 2.57	\$ 1.96

⁽¹⁾ Following the adoption of Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3064, the Company has restated results of operations for the three- and nine-month periods ended May 31, 2009 (see Note 1.b) of the unaudited interim consolidated financial statements).

⁽²⁾ See Appendix 1.

ASTRAL MEDIA INC.
Interim Consolidated Statements of Cash Flows
for the periods ended May 31, 2010 and 2009

(in thousands of Canadian dollars)
(unaudited)

	3 months		9 months	
	2010	2009	2010	2009
Cash and cash equivalents provided by (used for):		<i>(Restated) ⁽¹⁾</i>		<i>(Restated) ⁽¹⁾</i>
OPERATING ACTIVITIES				
Net earnings	\$ 48,457	\$ 44,269	\$ 146,741	\$ 110,977
Non-cash charges (credits):				
Part II licence fees accrual reversal	-	-	(11,552)	-
Stock-based compensation costs	1,334	1,505	4,805	4,771
Depreciation and amortization	8,021	6,833	23,039	19,755
Imputed interest on other non-current liabilities	558	584	1,641	1,903
Amortization of deferred financing costs	173	172	515	515
Future income tax expense before undernoted	6,028	5,230	13,076	9,468
Future income tax recovery resulting from income tax rate changes	-	-	(8,397)	-
Cash flow from operations⁽²⁾	64,571	58,593	169,868	147,389
Net change in non-cash operating items	(13,303)	7,275	(33,582)	11,805
Cash provided by operating activities	51,268	65,868	136,286	159,194
INVESTING ACTIVITIES				
Short-term investments - cashed	-	-	-	9,962
Additions to property, plant and equipment	(11,388)	(11,324)	(31,471)	(31,351)
Additions to other intangible and non-current assets	(1,163)	(4,081)	(8,854)	(5,376)
Business acquisition, net of cash acquired	-	-	-	(2,787)
Cash used for investing activities	(12,551)	(15,405)	(40,325)	(29,552)
FINANCING ACTIVITIES				
Repayment of long-term debt	(55,000)	(55,000)	(95,000)	(75,000)
Stock options exercised	954	1,338	9,068	1,503
Shares repurchased	(665)	-	(1,523)	-
Dividends	(4)	(4)	(14,149)	(14,038)
Cash used for financing activities	(54,715)	(53,666)	(101,604)	(87,535)
Net change in cash and cash equivalents	(15,998)	(3,203)	(5,643)	42,107
Cash and cash equivalents (bank overdraft) - beginning of period	33,455	41,666	23,100	(3,644)
Cash and cash equivalents - end of period	\$ 17,457	\$ 38,463	\$ 17,457	\$ 38,463

⁽¹⁾ Following the adoption of CICA Handbook Section 3064, the Company has restated results of operations for the three- and nine-month periods ended May 31, 2009 (see Note 1.b) of the unaudited interim consolidated financial statements).

⁽²⁾ See Appendix 1.

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

	May 31, 2010	August 31, 2009 <i>(Restated) ⁽¹⁾</i>
ASSETS		
Current		
Cash and cash equivalents	\$ 17,457	\$ 23,100
Accounts receivable	175,086	143,803
Program and film rights	108,410	92,545
Prepaid expenses and other current assets	26,763	27,904
	<u>327,716</u>	<u>287,352</u>
Program and film rights	52,809	61,219
Property, plant and equipment	162,177	151,637
Broadcast licences	1,413,059	1,408,037
Goodwill	356,945	356,945
Other intangible and non-current assets	59,865	50,894
Future income tax assets	61,097	79,522
	<u>\$ 2,433,668</u>	<u>\$ 2,395,606</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 115,645	\$ 138,771
Income taxes payable	20,511	12,191
Program and film rights payable	63,668	58,220
Future income tax liabilities	4,993	4,481
	<u>204,817</u>	<u>213,663</u>
Long-term debt	598,276	692,761
Future income tax liabilities	232,355	243,353
Other non-current liabilities	75,976	65,267
Derivative financial instruments	10,953	22,377
	<u>1,122,377</u>	<u>1,237,421</u>
SHAREHOLDERS' EQUITY		
Capital stock	766,328	753,028
Contributed surplus	16,986	17,068
Retained earnings	535,922	404,198
Accumulated other comprehensive loss	(7,945)	(16,109)
	<u>527,977</u>	<u>388,089</u>
	<u>1,311,291</u>	<u>1,158,185</u>
	<u>\$ 2,433,668</u>	<u>\$ 2,395,606</u>

⁽¹⁾ Following the adoption of CICA Handbook Section 3064, the Company has restated its consolidated balance sheet as at August 31, 2009 (see Note 1.b) of the unaudited interim consolidated financial statements).

ASTRAL MEDIA INC.
Business Segments
for the periods ended May 31, 2010 and 2009

(in thousands)
(unaudited)

	3 months		9 months	
	2010	2009	2010	2009
	<i>(Restated)⁽¹⁾</i>		<i>(Restated)⁽¹⁾</i>	
REVENUES				
Television	\$ 144,895	\$ 133,150	\$ 415,570	\$ 388,367
Radio	89,141	81,630	252,212	246,822
Out-of-Home	19,561	17,757	54,781	51,109
	\$ 253,597	\$ 232,537	\$ 722,563	\$ 686,298
EBITDA²				
Television	\$ 55,840	\$ 54,497	\$ 158,646	\$ 139,054
Radio	28,948	27,335	88,459	81,226
Out-of-Home	7,355	6,606	18,225	15,917
Corporate Costs	(7,209)	(6,604)	(20,996)	(19,722)
	\$ 84,934	\$ 81,834	\$ 244,334	\$ 216,475

⁽¹⁾ Following the adoption of CICA Handbook Section 3064, the Company has restated results of operations for the three- and nine-month periods ended May 31, 2009 (see Note 1.b) of the unaudited interim consolidated financial statements).

⁽²⁾ See Appendix 1.

ASTRAL MEDIA INC.
Appendix 1
Supplementary Measures
for the periods ended May 31, 2010 and 2009
(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 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 unaudited interim consolidated statements of earnings for the periods ended May 31, 2010 and 2009 to EBITDA:

<i>(in thousands of \$)</i>	3 months		9 months	
	2010	2009	2010	2009
		<i>(Restated)⁽¹⁾</i>		<i>(Restated)⁽¹⁾</i>
Earnings before income taxes	70,404	65,459	200,983	164,423
Depreciation and amortization	8,021	6,833	23,039	19,755
Interest expense, net	6,509	8,926	20,312	28,990
Restructuring charges	-	616	-	3,307
EBITDA	84,934	81,834	244,334	216,475

Net earnings and basic earnings per share 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 non-cash future income tax recovery or expense resulting from income tax rate changes over which the Company has no control.

The following tables reconcile GAAP measures disclosed in the unaudited interim consolidated statements of earnings for the periods ended May 31, 2010 and 2009 to net earnings and basic earnings per share, before the impact of future income tax rate changes.

<i>(in thousands of \$)</i>	3 months		9 months	
	2010	2009	2010	2009
		<i>(Restated)⁽¹⁾</i>		<i>(Restated)⁽¹⁾</i>
Net earnings	48,457	44,269	146,741	110,977
Future income tax recovery resulting from income tax rate changes	-	-	(8,397)	-
Net earnings before the impact of future income tax rate changes	48,457	44,269	138,344	110,977

<i>(in dollars)</i>	3 months		9 months	
	2010	2009	2010	2009
		<i>(Restated)⁽¹⁾</i>		<i>(Restated)⁽¹⁾</i>
Basic earnings per share	0.86	0.79	2.60	1.98
Impact of future income tax rate changes	-	-	(0.15)	-
Basic earnings per share, before the impact of future income tax rate changes	0.86	0.79	2.45	1.98

(1) Following the adoption of CICA Handbook Section 3064, the Company has restated results of operations for the three- and nine-month periods ended May 31, 2009 (see Note 1.b) of the unaudited interim consolidated financial statements).

ASTRAL MEDIA INC.
Appendix 1
Supplementary Measures
for the periods ended May 31, 2010 and 2009
(unaudited)

Cash flow from operations is defined as cash provided by 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 unaudited interim consolidated statements of cash flows for the periods ended May 31, 2010 and 2009 to cash flow from operations:

<i>(in thousands of \$)</i>	3 months		9 months	
	2010	2009	2010	2009
		<i>(Restated)⁽¹⁾</i>		<i>(Restated)⁽¹⁾</i>
Cash provided by operating activities	51,268	65,868	136,286	159,194
Net change in non-cash operating items	13,303	(7,275)	33,582	(11,805)
Cash flow from operations	64,571	58,593	169,868	147,389

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.

(1) Following the adoption of CICA Handbook Section 3064, the Company has restated results of operations for the three- and nine-month periods ended May 31, 2009 (see Note 1.b) of the unaudited interim consolidated financial statements).