

Dear client,

We are writing to provide you with an update on the acquisition of Astral by Bell, and more specifically the ongoing regulatory approval process required to close the transaction.

We are pleased to inform you of the Competition Bureau's approval of the Bell-Astral transaction, which was announced earlier yesterday. The Competition Bureau clearance is a major milestone in the progress of the transaction. Also, the CRTC announced last Friday that it would issue a notice of public hearing relating to Bell's acquisition of Astral this week.

You will recall that on October 18<sup>th</sup>, 2012, the CRTC had rejected the original Bell-Astral transaction application for reasons pertaining to market share concentration, as well as the valuation of the tangible benefits. In order to address the CRTC concerns, comply with the Competition Bureau requirements and lower our combined television market share, Bell committed to part with television properties and brands.

Under the consent agreement with the Competition Bureau, Bell will sell the following assets:

- **TELETOON (including TELETOON Retro – in English and French – and Cartoon Network), Historia and Séries+:** Bell and Corus announced today that, subject to the closing of the Bell-Astral transaction, these services will be purchased by Corus. Corus will also acquire two Astral radio stations in Ottawa – **CKQB-FM** and **CJOT-FM** as part of Bell's radio divestitures required under the CRTC's radio ownership policies. The Corus transaction is also subject to applicable regulatory approvals.
- **Family Channel (including Disney Junior – in English and French), Disney XD and MusiquePlus/MusiMax:** Bell will also divest these services through a confidential auction process that is now under way.
- **Radio stations:** Consistent with the CRTC's policy on radio ownership, Bell is also divesting 10 English-language radio stations: Astral FM stations **CHHR** and **CKZZ** (Vancouver), **CFQX** (Winnipeg) and **CHBM** (Toronto); Bell Media FM stations **CKCE** (Calgary), **CHIQ** (Winnipeg) and **CFXJ** (Toronto); Astral AM station **CISL** (Vancouver); and the two Astral FM stations in Ottawa that Corus has agreed to buy. A confidential auction process is now under way for the remaining 8 stations.

With regards to the status of the negotiations underway with potential buyers, we are not at liberty to discuss any details at this point, but we will share the information with you as soon as we can.

Until the closing of the Bell-Astral transaction, these properties will continue to be operated and represented by the same team and in the same way. Rest assured that the Astral team will deploy the same level of service and professionalism you are accustomed to receiving from us. As we near the closing of the transaction, we will provide you with all applicable details.

We want to take the opportunity to reaffirm our strong commitment towards you as our client:

- 1) As a top priority, we want to keep our business relationship intact;

- 2) We want to make sure this transaction creates new possibilities for our respective organizations and further enables you to achieve your goals and grow your business.

In closing, we wish to convey our confidence about this transaction. We trust that the CRTC will recognize the new proposal's benefits for all Canadians – both English and French-speaking – given the new ideas, new funding for original content in TV and radio, as well as new development opportunities it brings about. Together, Astral and Bell have the scale to invest, compete and deliver on opportunities ahead for all Canadians in this rapidly changing media landscape.

Should you have any questions, please do not hesitate to contact us.

Sincerely,

Mario Cecchini  
Senior Vice President Sales and Marketing  
Astral Radio