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News Release

**For Immediate Release**

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**Axia Announces New Joint Venture Partner for Covage**

**Calgary, Alberta** - Axia NetMedia Corporation (**Axia**) today announced, its partner in Covage, VINCI Networks (**VINCI**) has entered into a share purchase agreement (the **SPA**) with Cube Communications Infrastructure (**Cube Communications**) and Cube Infrastructure Fund SICAV-SIF (**Cube Fund** and, together with Cube Communications, **Cube**) pursuant to which Cube will purchase all of the shares held by VINCI in Covage and Covage's sister company, Covage Services SAS (**Covage Services**). Upon closing, which is subject to certain government approvals, Axia will enter into a shareholders' agreement with Cube with Axia and Cube each holding 50% of Covage and Covage Services and will have equal representation on Covage's executive committee. Cube will make an initial payment to VINCI of €30 million with a commitment to pay an additional €36 million during the next three years depending on Covage's results.

Art Price, Chairman and CEO said, "The Cube investment is an important step in Covage's evolution as a growing operating company. VINCI has provided the partnership with the benefit of their skills while Covage was focused on network construction and has been a major influence on Covage becoming a major player in the French marketplace. Axia has appreciated VINCI's support and commitment."

Mr. Price added, "Covage is our first business outside of Canada and through continuing growth in market penetration, it is now beginning to generate positive cash flows creating a solid platform for future profitability. To date we have invested approximately €55 million into Covage. We remain committed along with Cube to expand Covage's business. With Covage focused on growing the business and operating its network segments, we believe that partnering with a company specializing in investing in the further development of the telecommunications infrastructure is the logical next step in the evolution of our European business."

Created in 2006, Covage has established a nationwide Next Generation Network (**NGN**) comprised of 15 regional network segments and a 3,700 km national fibre network backbone. Covage's enhanced service level and national reach has attracted a wide range of local, regional, national and international Retail Service Providers (**RSPs**) as they deliver retail services to their customers. In addition to traditional RSPs, Covage's efforts are also focused on attracting new customers that are specialized in the provision of Web Services and that offer services remotely using fibre-based connectivity, such as video security surveillance or enterprise data management.

Covage's business strategy is three pronged. Firstly, Covage continues to identify and respond to new network segment opportunities that complement its existing assets. A recent example is its win to activate and operate the submarine cable between Corsica and the mainland of France. Secondly, it is targeting business parks which take advantage of a government initiative to encourage migration of business parks from DSL to fibre optic services. To date, Covage has 210 business parks with Fibre to the Premise services available to 9,400 potential end users and recently Covage was selected to operate an enterprise network for a period of ten years for the city of Nîmes in southwestern France. Thirdly, Covage is taking active part in the French government's Fibre to the Home (**FTTH**) initiative in semi-dense and rural areas. Covage was awarded the Chevry-Cossigny FTTH Pilot Project in Seine-et-Marne on December 17, 2010. The Chevry-Cossigny Pilot Project will connect 1,250 residences to Covage's existing Sem@for77 network segment.

**About Cube**

Cube Fund is a billion Euro infrastructure investment fund focused on strategic investments in transport, energy, environment and telecommunications sectors mainly located in the European Union which generate cash flows with long-term, regulated income and solid growth potential. Cube Communications is a wholly owned subsidiary of Cube Fund which holds

Cube's interests in the telecommunications sector. Cube Fund is managed by Natixis Environnement and Infrastructures Luxembourg SA.

### **About Axia**

Axia sells Real Broadband™ and passive services on Next Generation Networks that have implemented the Axia NGN Solution. To date, the Axia NGN Solution has been implemented in Alberta, France, Singapore, Spain and Massachusetts. Axia trades on the Toronto Stock Exchange under the symbol "AXX".

For further information, please visit Axia's website at [www.axia.com](http://www.axia.com), or contact:

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*This News Release contains forward-looking statements, including, without limitation, statements containing the words "should", "believe", "anticipate", "may", "plan", "will", "continue", "intend", "expect", "estimate" and other similar expressions which constitute "forward-looking information" within the meaning of applicable Canadian securities laws. These statements are based on our current expectations, estimates, forecasts and assumptions about the operating environment, economies and markets in which we operate and are subject to important assumptions, risks and uncertainties that are difficult to predict. Examples of these statements would include those where Axia forecasts its success and timing in winning new NGN business, the timing of completion and estimated total costs of our networks, the revenues and operating costs associated with these networks over time, and Axia's ability to generate future cash flows and avail itself of other financing alternatives given current market conditions. The assumptions, risks and uncertainties that could cause actual results to differ materially from the forward-looking information, include, but are not limited to, changes in customer markets, changes in demand for our services, our inability to deliver services in a timely and cost efficient manner, technological change, general economic conditions and other risks detailed from time to time in our ongoing filings with the Canadian securities regulatory authorities, including those in our Annual Information Form, which filings can be found at [www.sedar.com](http://www.sedar.com). Given these assumptions, risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Unless otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise.*