SHAREHOLDERS' REPORT

First Quarter Ended November 30, 2008

FINANCIAL HIGHLIGHTS

	Quarters ended November 30,		
($000, except percentages and per share data)	2008	2007[1]	Change
	$	$	%
	(unaudited)	(unaudited)	
Revenue	299,438	251,833	18.9
Operating income before amortization[2]	119,723	97,302	23.0
Operating income	55,801	44,615	25.1
Net income	23,551	20,363	15.7
Cash flow from operating activities	28,474	45,345	(37.2)
Cash flow from operations[2]	91,610	79,753	14.9
Capital expenditures and increase in deferred charges	73,813	58,144	26.9
Free cash flow[2]	17,797	21,609	(17.6)
Earnings per share			
Basic	0.49	0.42	16.7
Diluted	0.48	0.42	14.3

(1) Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.

(2) The indicated terms do not have standardized definitions prescribed by Canadian Generally Accepted Accounting Principles ("GAAP") and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section of the Management's discussion and analysis.

FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Cable's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Corporation's future operating results and economic performance and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which Cogeco Cable believes are reasonable as of the current date.

While management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties (described in the “Uncertainties and main risk factors” section of the Corporation’s 2008 annual Management’s Discussion and Analysis (MD&A) that could cause actual results to differ materially from what Cogeco Cable currently expects. These factors include technological changes, changes in market and competition, governmental or regulatory developments, general economic conditions, the development of new products and services, the enhancement of existing products and services, and the introduction of competing products having technological or other advantages, many of which are beyond the Corporation’s control. Therefore, future events and results may vary significantly from what management currently foresee. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While management may elect to, the Corporation is under no obligation (and expressly disclaims any such obligation), and does not undertake to update or alter this information before the next quarter.

This analysis should be read in conjunction with the Corporation’s consolidated financial statements, and the notes thereto, prepared in accordance with Canadian Generally Accepted Accounting Principles and the MD&A included in the Corporation’s 2008 Annual Report. Throughout this discussion, all amounts are in Canadian dollars unless otherwise indicated.

CORPORATE STRATEGIES AND OBJECTIVES

Cogeco Cable Inc.’s (“Cogeco Cable” or the “Corporation”) objectives are to improve profitability and create shareholder value. The strategies for reaching those objectives are sustained growth through the diversification and the improvement of products, services, clientele and territories, as well as the continuous improvement of networks and equipment and tight controls over costs and business processes. The Corporation measures its performance, with regard to these objectives by monitoring revenue growth, revenue-generating units (“RGU”)[(1)] growth and free cash flow[(2)]. Below are the recent achievements in furthering Cogeco Cable’s objectives.

Continuous improvement of the service offering and expansion of the customer base

Canadian operations

- Digital Television service:
  - On December 4, launch of TSN2 HD, TELETOON Retro and Canal Indigo HD on the High Definition (“HD”) Television service in Québec;
  - During the first quarter, the following Digital and HD Television services were launched:
    - TELETOON On Demand and TSN2 in Ontario and Québec;
    - TELETOON Jr. On Demand and TSN HD in Québec;
    - CBS College Sports, Speed HD, Raptors HD, TSN2 HD and Super Channel HD in Ontario.
- Telephony service:
  - During the first quarter, the Telephony service was launched in the following cities:
    - Vineland, Stevensville, Port Robinson, Tecumseh and LaSalle, Ontario;
    - Bromptonville, Richmond and Windsor, Québec.
- Customer service:
  - On November 20, the Cogeco Cable Québec call centre won a *Flèche d’or - Contact Centre of the Year, Best Employer* Award from the Québec Relationship Marketing Association (RMA);
  - On November 18, for a second consecutive year, Cogeco Cable’s call centres, located in Trois-Rivières, Québec, and in Burlington, Ontario, received from the Service Quality Measurement Group (“SQM”) the *Highest Customer Satisfaction Award* and the *First Call resolution Merit Award* which recognizes the best improvement in first call resolution.
- Cogeco Data Services:
  - On December 15, announcement of a 10-year, $39 million contract with the Toronto District School Board (“TDSB”).

European operations

- Digital Television service:
  - Continued deployment of Cabovisão - Televisão por Cabo, S.A. (“Cabovisão”)’s Digital Television service;
  - Launch of Sony AXN, Disney and Benfica channels;
  - Launch of a new PVR box.

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(1) Represents the sum of Basic Cable, High Speed Internet (“HSI”), Digital Television and Telephony service customers.

(2) Free cash flow does not have a standardized definition prescribed by Canadian Generally Accepted Accounting Principles (“GAAP”) and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the “Non-GAAP financial measures” section.

Continuous improvement of networks and equipment

- During the first quarter of fiscal 2009, the Corporation invested approximately $23 million in its infrastructure including head-ends and upgrades and rebuilds.

Tight control over costs and business processes

- For the first quarter ended November 30, 2008, consolidated operating costs excluding management fees payable to COGECO Inc. increased by 16.2% while revenue grew by 18.9%;
- Cabovisão maintained tight cost control and continued to improve its business processes;
- The design of internal controls over financial reporting as per National Instrument 52-109 is still ongoing. As discussed in the 2008 annual MD&A, the Corporation had identified certain material weaknesses in the design of internal controls over financial reporting and has been working to improve the design and efficiency of internal controls on some significant processes during the quarter. The documentation and remediation of key internal controls are progressing normally.

Effective management of capital

- October 1, the Corporation completed, pursuant to a private placement, the issue of 7.00% Senior Secured Notes Series A for US$190 million maturing October 1, 2015, and 7.60% Senior Secured Notes Series B for $55 million maturing October 1, 2018. The Corporation also entered into cross-currency swap agreements to fix the liability for interest and principal payments on the total of its Senior Secured Notes Series A. Interest on the Notes is payable semi-annually on April 1 and October 1 of each year commencing April 1, 2009. The aggregate gross proceeds from the issuance of these Notes amounted to approximately $257 million. Net proceeds of approximately $255 million, after underwriters' fees and other expenses, were used to repay maturing debt and reduce bank indebtedness.

RGU growth

During the quarter ended November 30, 2008, the consolidated number of RGU increased by 52,714, or 1.9%, to reach 2,769,588 RGU, on target to attain the Corporation's RGU growth projections of 100,000 net additions issued on October 29, 2008, which represents approximately 3.7%, for the fiscal year ending August 31, 2009.

Revenue growth

First-quarter revenue increased by $47.6 million, or 18.9%, to reach $299.4 million when compared to the same period of the prior year.

Free cash flow

In the quarter ended November 30, 2008, Cogeco Cable generated free cash flow of $17.8 million compared to $21.6 million for the same period last year. The free cash flow decrease resulted mainly from an increase in capital expenditures and deferred charges to support HD and Digital Television services as well as to acquire a power generator for the newly acquired Canadian data communications subsidiary and by the impact of the rapid appreciation of the US dollar over the Canadian dollar. This increase was partly offset by the increase in cash flow from operations resulting primarily from the improvement of the Corporation's operating income before amortization(1).

(1) Operating income before amortization does not have a standardized definition prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section.

OPERATING RESULTS – CONSOLIDATED OVERVIEW

	Quarters ended November 30,		
($000,except percentages)	2008	2007[1]	Change
	$	$	%
	(unaudited)	(unaudited)	
Revenue	299,438	251,833	18.9
Operating costs	173,734	149,496	16.2
Management fees - COGECO Inc.	5,981	5,035	18.8
Operating income before amortization	119,723	97,302	23.0
Operating margin[2]	40.0%	38.6%	

(1) Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.

(2) Operating margin does not have a standardized definition prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section.

Revenue

Fiscal 2009 first-quarter consolidated revenue improved by $47.6 million, or 18.9%, when compared to the prior year, to reach $299.4 million. Driven by an increased number of RGU combined with rate increases and the acquisition of MaXess Networx®, FibreWired Burlington Hydro Communications and Cogeco Data Services (the "recent acquisitions") in the second half of fiscal 2008, first-quarter Canadian operations revenue went up by $41.1 million, or 21%.

Fiscal 2009 first-quarter European operations revenue increased by $6.5 million, or 11.6%, to reach $62.1 million compared to the same period last year. The increase is essentially due to the strength of the Euro against the Canadian dollar. Rate increases also generated higher revenue despite a RGU loss in the first quarter.

Operating costs

For the first quarter of fiscal 2009, operating costs, excluding management fees payable to COGECO Inc., increased by $24.2 million, or 16.2% compared to the prior year, to reach $173.7 million. Operating costs increased due to the servicing of additional RGU and the impact of the recent acquisitions in Canada.

Operating income before amortization

Operating income before amortization increased by $22.4 million, or 23%, to reach $119.7 million in the first quarter of fiscal 2009, as a result of various rate increases, recent acquisitions, and RGU growth generating additional revenues which outpaced operating cost increases. Cogeco Cable's 2009 first-quarter operating margin increased to 40% from 38.6% for the same period of fiscal 2008. The operating margin in Canada increased for the first quarter of 2009 to 41.6% compared to 40.7% and in Europe improved to 33.6% from 31.3% in the same period of the prior year.

RELATED PARTY TRANSACTIONS

Cogeco Cable is a subsidiary of COGECO Inc., which holds 32.3% of the Corporation's equity shares, representing 82.7% of the votes attached to the Corporation's voting shares. Under a management agreement, the Corporation pays COGECO Inc. monthly management fees equal to 2% of its total revenue for certain executive, administrative, legal, regulatory, strategic and financial planning and additional services. In 1997, management fees were capped at $7 million per year, subject to annual upwards adjustments based on increases in the Consumer Price Index in Canada. Accordingly, for fiscal 2009, management fees have been set at a maximum of $9 million, which is expected to be reached in the second quarter. For fiscal 2008, management fees were set at a maximum of $8.7 million, and were fully paid in the first six months of the year. Management fees for the first quarter of fiscal 2009 stood at $6 million compared to $5 million for the same period last year.

Furthermore, Cogeco Cable granted 29,711 stock options to COGECO Inc.'s employees during the first quarter of fiscal 2009, compared to 22,683 for the same period last year. During the quarter ended November 30, 2008, Cogeco Cable charged COGECO Inc. an amount of less than $0.1 million with regards to Cogeco Cable's options granted to COGECO Inc.'s employees. Details regarding the management agreement and stock options granted to COGECO Inc.'s employees are provided in the MD&A of the Corporation's 2008 Annual Report. There were no other material related party transactions during the quarter.

FIXED CHARGES

($000, except percentages)	Quarters ended November 30, 2008	2007[1]	Change
	$	$	%
	(unaudited)	(unaudited)	
Amortization	63,922	52,687	21.3
Financial expense	23,394	15,877	47.3

(1) Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.

2009 first-quarter amortization amounted to $63.9 million compared to $52.7 million for the same period the year before. The increase is mainly due to additional capital expenditures arising from customer premise equipment acquisitions to sustain RGU growth in Canada and the deployment of the Digital Television service in Portugal, and to the recent acquisitions.

First-quarter financial expense increased by $7.5 million compared to the same period in 2008 due to the rapid appreciation of the US dollar and the Euro over the Canadian dollar, the increase in the level of Indebtedness (defined as bank indebtedness, derivative financial instruments and long-term debt) and by an increase in the average cost of Indebtedness. More specifically, financial expense was adversely impacted by foreign exchange losses amounting to $3.8 million in the first quarter of fiscal 2009 as the majority of customer premise equipment is purchased and subsequently paid in US dollars. These losses were essentially due to the unusually high US dollar volatility, with the Bank of Canada closing rate fluctuating from CA$1.0620 per US dollar at August 31, 2008 to CA$1.2370 per US dollar at November 30, 2008, reaching a maximum of CA$1.2935 per US dollar on November 20, 2008. For the corresponding period of the prior year, the Corporation recorded a foreign exchange gain of $1 million.

INCOME TAXES

Fiscal 2009 first quarter income tax expense amounted to $8.9 million compared to $8.4 million in fiscal 2008, mainly due to the increase in operating income before amortization surpassing that of the fixed charges.

NET INCOME

Fiscal 2009 first quarter net income amounted to $23.6 million, or $0.49 per share, compared to $20.4 million, or $0.42 per share, for the same period in 2008, an increase of 15.7% and 16.7%, respectively. Net income progression has resulted mainly from the growth in operating income before amortization exceeding that of fixed charges.

CASH FLOW AND LIQUIDITY

($000)	Quarters ended November 30, 2008 $	2007 $
	(unaudited)	(unaudited)
Operating activities		
Cash flow from operations(1)	91,610	79,753
Changes in non-cash operating items	(63,136)	(34,408)
	28,474	45,345
Investing activities(2)	(72,858)	(58,070)
Financing activities(2)	39,420	(34,401)
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	687	(153)
Net change in cash and cash equivalents	(4,277)	(47,279)
Cash and cash equivalents, beginning of period	36,371	64,208
Cash and cash equivalents, end of period	32,094	16,929

(1) Cash flow from operations does not have a standardized definition prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section.
(2) Excludes assets acquired under capital leases.

Fiscal 2009 first quarter cash flow from operations reached $91.6 million, 14.9% higher than the comparable period last year, primarily due to the increase in operating income before amortization. Changes in non-cash operating items generated greater cash outflows compared to the same period last year, mainly as a result of a decrease in accounts payable and accrued liabilities and in income tax liabilities. The significant decrease in income tax liabilities is due to payments made during the first quarter of the 2009 fiscal year related to the 2008 fiscal year.
Investing activities, including capital expenditures segmented according to the National Cable Television Association (NCTA) standard reporting categories, are as follows:

($000)	Quarters ended November 30, 2008 $	2007 $
	(unaudited)	(unaudited)
Customer premise equipment (1)	31,824	23,796
Scalable infrastructure	12,542	9,823
Line extensions	4,287	2,589
Upgrade / Rebuild	10,442	11,862
Support capital	7,511	2,657
Total capital expenditures(2)	66,606	50,727
Deferred charges and others	7,191	7,416
Total investing activities(2)	73,797	58,143

(1) Includes mainly new and replacement drops as well as home terminal devices.
(2) Includes capital leases, which are excluded from the statements of cash flows.

Fiscal 2009 first quarter total capital expenditures amounted to $66.6 million, an increase of 31.3%, when compared to the corresponding period of last year, due to the following factors:

- An increase in customer premise equipment capital spending resulting from RGU growth fuelled in part by increased interest for the HD Television service for the Canadian operations combined with the deployment of Digital Television in Portugal;
- An increase in support capital spending due to the acquisition of a power generator for the newly acquired Canadian data communications subsidiary;
- An increase in scalable infrastructure capital spending mainly due to the timing of the expansion and head-end improvements, system powering and equipment reliability to sustain increased customer demand for HSI and Telephony services in Canada;

- The appreciation of the US dollar and the Euro over the Canadian dollar also had a significant impact on the total capital expenditures in the first quarter of 2009.

Deferred charges and others are mainly attributable to reconnect costs. For the first quarter, the increase in deferred charge amounted to $7.2 million compared to $7.4 million for the same period the year before. Slower RGU growth explained the lower increase recorded in fiscal 2009.

In the first quarter, the Corporation generated free cash flow amounting to $17.8 million, compared to $21.6 million for the same period of the preceding year. The lower free cash flow over the same period of the prior year is mainly due to an increase in capital expenditures, partly offset by an increase in operating income before amortization net of financial expense. The aggregate amount of total capital expenditures and deferred charges increased by $15.7 million for the quarter ended November 30, 2008 compared to the corresponding period of last year due to the factors explained above.

In the first quarter of 2009, Indebtedness affecting cash increased by $45 million due to the reduction of non-cash operating items of $63.1 million, partly offset by the free cash flow of $17.8 million. Indebtedness was increased through the issuance on October 1, 2008 of Senior Secured Notes, Series A and Series B, maturing October 1, 2015 and October 1, 2018, respectively, for net proceeds of approximately $255 million, net of the repayment of US$150 million Senior Secured Notes Series A and the related derivative financial instrument of $88.7 million, both maturing on October 31, 2008, for a total of $238.7 million, and by an increase of $21.6 million in bank indebtedness. During the first quarter of fiscal 2008, the level of Indebtedness affecting cash decreased by $32.6 million, essentially due to the free cash flow of $21.6 million, the reduction of $47.1 million in cash and cash equivalents partly used to offset the $34.4 million reduction in changes in non-cash operating items, and the increase of $3.1 million in capital stock from the exercise of stock options. In addition, during the first quarter of fiscal 2009, a dividend of $0.12 per share was paid to the holders of subordinate and multiple voting shares, totalling $5.8 million, compared to a dividend of $0.10 per share, or $4.8 million the year before.

As at November 30, 2008, the Corporation had a working capital deficiency of $334.8 million compared to $607.8 million as at August 31, 2008. The decrease in the deficiency is mainly attributable to the repayment of the US$150 million Senior Secured Notes, Series A and the related derivative financial instrument for a total of $238.7 million on October 31, 2008, using the proceeds of issuance of the Senior Secured Notes Series A and B. As part of the usual conduct of its business, Cogeco Cable maintains a working capital deficiency due to a low level of accounts receivable as a large portion of the Corporation’s customers pay before their services are rendered, unlike accounts payable and accrued liabilities, which are paid after products are delivered or services are rendered, thus enabling the Corporation to use cash and cash equivalents to reduce Indebtedness.

At November 30, 2008, the Corporation had used $513.7 million of its $885 million Term Facility for a remaining availability of $371.3 million.

On October 1, 2008, the Corporation completed, pursuant to a private placement, the issue of US$190 million Senior Secured Notes Series A maturing October 1, 2015, and $55 million Senior Secured Notes Series B maturing October 1, 2018. The Senior Secured Notes Series B bear interest at the coupon rate of 7.60% per annum, payable semi-annually. The Corporation has entered into cross-currency swap agreements to fix the liability for interest and principal payments on the Senior Secured Notes Series A in the amount of US$190 million, which bear interest at the coupon rate of 7.00% per annum, payable semi-annually. Taking into account these agreements, the effective interest rate on the Senior Secured Notes Series A is 7.24% and the exchange rate applicable to the principal portion of the US dollar-denominated debt has been fixed at CA$1.0625 per US dollar.

FINANCIAL POSITION

Since August 31, 2008, there have been major changes to the balance of “fixed assets”, “accounts payable and accrued liabilities”, “income tax liabilities” and “Indebtedness”.

The $14.6 million increase in fixed assets is mainly related to increased capital expenditures to sustain RGU growth, to the recent acquisitions in Canada and to the appreciation of the Euro and the US dollar over the Canadian dollar. The $42.7 million decrease in accounts payable and accrued liabilities is related to the timing of payments made to suppliers. The $16.9 million decrease in income tax liabilities is due to income tax payments relating to fiscal 2008 that were made in the first quarter of fiscal 2009. Indebtedness has increased by $53 million as a result of the unfavourable impact of the appreciation of the US dollar and the Euro over the Canadian dollar and to the factors previously discussed in the “Cash Flow and Liquidity” section, partly offset by the increase of $29.2 million in the fair value of the cross-currency swaps related to the Senior Secured Notes Series A issued on October 1, 2008.

A description of Cogeco Cable's share data as of December 31, 2008 is presented in the table below:

	Number of shares/options	Amount ($000)
Common shares		
Multiple voting shares	15,691,100	98,346
Subordinate voting shares	32,851,870	891,243
Options to purchase Subordinate voting shares		
Outstanding options	928,713	
Exercisable options	540,243	

In the normal course of business, Cogeco Cable has incurred financial obligations, primarily in the form of long-term debt, operating and capital leases and guarantees. Cogeco Cable's obligations, as discussed in the 2008 annual MD&A, have not materially changed since August 31, 2008 except for the new financing discussed in the "Cash Flow and Liquidity" section.

DIVIDEND DECLARATION

At its January 13, 2009 meeting, the Board of Directors of Cogeco Cable declared a quarterly eligible dividend of $0.12 per share for subordinate and multiple voting shares, payable on February 10, 2009, to shareholders of record on January 27, 2009. The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, the amount and periodicity may vary.

FINANCIAL MANAGEMENT

Cogeco Cable entered into cross-currency swap agreements to set the liability for interest and principal payments on its US$190 million Senior Secured Notes, Series A maturing in October 1, 2015. These agreements have the effect of converting the U.S. interest coupon rate of 7.00% per annum to an average Canadian dollar interest rate of 7.24% per annum. The exchange rate applicable to the principal portion of the debt has been fixed at CA$1.0625 per US dollar. Since the issuance on October 1, 2008, amounts due under the US$190 million Senior Secured Notes Series A increased by $33.2 million due to the US dollar's appreciation over the Canadian dollar. The fair value of cross-currency swaps increased by a net amount of $29.2 million, of which $33.2 million offsets the foreign exchange loss on the debt denominated in US dollars. The difference of $4 million was recorded as a decrease of other comprehensive income, net of income taxes of $1.1 million.

The Corporation's net investment in the self-sustaining foreign subsidiary, Cabovisão, is exposed to market risk attributable to fluctuations in foreign currency exchange rates, primarily changes in the values of the Canadian dollar versus the Euro. This risk is mitigated since the major part of the purchase price for Cabovisão was borrowed directly in Euros. This debt is designated as a hedge of the net investment in self-sustaining foreign subsidiaries and accordingly, the Corporation realized a foreign exchange gain of $2.7 million in the first quarter of fiscal 2009 which is presented in other comprehensive income. The exchange rate used to convert the Euro into Canadian dollars for the balance sheet accounts at November 30, 2008 was $1.5711 per Euro compared to $1.5580 per Euro at August 31, 2008. The average exchange rates prevailing during the first quarter used to convert the operating results of the European operations was $1.5462 per Euro, compared to $1.4119 per Euro for the same period last year.

The following table shows the Canadian dollar impact of a 10% change in the average exchange rate of the Euro currency into Canadian dollars on European operating results for the first quarter ended November 30, 2008:

Quarter ended November 30, 2008	As reported	Exchange rate impact
($000)	$	$
	(unaudited)	(unaudited)
Revenue	62,064	6,206
Operating income before amortization	20,857	2,086
Net income	1,754	175

CANADIAN OPERATIONS

CUSTOMER STATISTICS

	November 30, 2008	Net additions Quarters ended November 30, 2008	2007	% of Penetration[1] November 30, 2008	2007
RGU	2,057,371	65,463	72,826	–	–
Basic Cable service customers	865,927	8,833	8,064	–	–
HSI service customers[2]	492,976	19,509	25,294	59.6	54.8
Digital Television service customers	459,966	18,220	16,253	54.0	47.3
Telephony service customers[3]	238,502	18,901	23,215	31.6	24.9

(1) As a percentage of Basic Cable service customers in areas served.
(2) Customers subscribing only to the HSI service totalled 77,466 as at November 30, 2008 compared to 71,182 as at November 30, 2007.
(3) Customers subscribing only to the Telephony service totalled 1,720 as at November 30, 2008 compared to 1,029 as at November 30, 2007.

Fiscal 2009 first-quarter RGU net additions were lower than for the same period last year and reflect an early sign of maturation in some services. The number of net additions for Basic Cable stood at 8,833 customers compared to 8,064 customers for the same period last year. This increase is primarily due to continuous improvements to the service offering, targeted marketing activities and an upswing in subscription activity in border markets due to the impending over-the-air digital conversion in the United States. Telephony customers grew by 18,901 to reach 238,502 compared to a growth of 23,215 for the same period last year. The lower growth is mostly attributable to the increased penetration in areas where the service is already offered and to fewer new areas where the service was launched. Telephony service coverage, as a percentage of homes passed, has now reached 87% compared to 78% at November 30, 2007. The number of net additions to HSI service stood at 19,509 customers compared to 25,294 customers for the same period last year. During the first quarter of 2009, the growth in HSI customer net additions continues to stem from the enhancement of the product offering, the impact of the bundled offer (*Cogeco Complete Connection*) of Television, HSI and Telephony services, and promotional activities. The Digital Television service net additions stood at 18,220 customers compared to 16,253 customers for the same period in the prior year due to targeted marketing initiatives in the second half of fiscal 2008 and in 2009 to improve penetration and to the continuing strong interest for the HD Television service.

OPERATING RESULTS

($000, except percentages)	Quarters ended November 30, 2008 $	2007[1] $	Change %
	(unaudited)	(unaudited)	
Revenue	237,374	196,241	21.0
Operating costs	132,527	111,303	19.1
Management fees - COGECO Inc.	5,981	5,035	18.8
Operating income before amortization	98,866	79,903	23.7
Operating margin	41.6%	40.7%	

(1) Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.

Revenue

First-quarter revenue rose by $41.1 million, or 21%, to reach $237.4 million. This growth is explained mainly by the growth in RGU mentioned in the "Customer Statistics" section, combined with the impact of the recent acquisitions as well as the various rate increases implemented by the Corporation during fiscal 2008. The rate increases represent an average increase of approximately $1.60 per Basic Cable service customer.

Operating costs

2009 first-quarter operating costs, excluding management fees payable to COGECO Inc., increased by $21.2 million, or 19.1%, to reach $ 132.5 million. The increase in operating costs is mainly attributable to servicing additional RGU and to the impact of the recent acquisitions.

Operating income before amortization

First-quarter operating income before amortization rose by $19 million, or 23.7%, to reach $98.9 million. The operating income before amortization has risen due to the increased revenue outpacing the operating cost growth including the impact of the recent acquisitions. Cogeco Cable’s Canadian operations’ first-quarter operating margin increased to 41.6% compared to 40.7% for the same period in the prior year.

EUROPEAN OPERATIONS

CUSTOMER STATISTICS

		Net additions (losses) Quarters ended November 30,		% of Penetration[1] November 30,	
	November 30, 2008	2008	2007	2008	2007
RGU	712,217	(12,749)	10,198	–	–
Basic Cable service customers	288,100	(8,035)	4,933	–	–
HSI service customers[2]	154,092	(5,209)	3,806	53.5	54.8
Digital Television service customers[3]	29,849	5,397	–	10.4	–
Telephony service customers[4]	240,176	(4,902)	1,459	83.4	81.8

(1) As a percentage of Basic Cable service customers in areas served.
(2) Customers subscribing only to the HSI service totalled 7,264 as at November 30, 2008 compared to 8,317 as at November 30, 2007.
(3) The Digital Television service was launched in the third quarter of 2008.
(4) Customers subscribing only to the Telephony service totalled 9,421 as at November 30, 2008 compared to 8,611 as at November 30, 2007.

The first quarter of 2009 was marked by a continuing unfavourable economic environment in the Iberian Peninsula, aggressive advertising campaigns by competitors and the emergence of multiple triple-play service providers in the Portuguese market. Cabovisão chose not to match the competition’s intensive advertising programs due to the difficult economic environment. These factors were the main contributors to net customer losses in the Basic Cable, HSI and Telephony services compared to the same period last year. The Digital Television service was launched in the third quarter of 2008, with net additions of 5,397 customers in the first quarter of fiscal 2009, for a total of 29,849 net additions since the launch. Fiscal 2009 first-quarter Basic Cable service customers decreased by 8,035 customers compared to a growth of 4,933 in 2008, HSI service customers decreased by 5,209 customers compared to an increase of 3,806 in 2008, and Telephony service decreased by 4,902 customers compared to a growth of 1,459 for the same period of the preceding year. Management considers the current adverse market conditions in Portugal to be transitory. However, management anticipates that the difficult economic and competitive environment will continue throughout the current fiscal year and is currently aligning its marketing strategy to respond to the market conditions prevailing in Portugal.

OPERATING RESULTS

	Quarters ended November 30,		
($000, except percentages)	2008 $	2007[1] $	Change %
	(unaudited)	(unaudited)	
Revenue	62,064	55,592	11.6
Operating costs	41,207	38,193	7.9
Operating income before amortization	20,857	17,399	19.9
Operating margin	33.6%	31.3%	

(1) Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.

Revenue

2009 first-quarter revenue increased by $6.5 million to reach $62.1 million, an increase of 11.6% compared to fiscal 2008. This growth for the quarter is mainly due to the favourable impact of the appreciation of the Euro over the Canadian dollar, to monthly rate increases implemented by Cabovisão averaging $2.00 (€1.30) per Basic Cable customer during fiscal 2008 and by the additional RGU from the launch of the Digital Television service despite a decrease in overall RGU in the first quarter of fiscal 2009. Revenue from the European operations in the local currency for the first quarter amounted to €40.1 million, an increase of €0.8 million, or 1.9%.

Operating costs

For the first quarter, operating costs increased by $3 million to reach $41.2 million, an increase of 7.9% compared to last year. The increase in operating costs for the quarter is mainly attributable to the unfavourable impact of the appreciation of the Euro over the Canadian dollar. Operating costs from the European operations in the local currency for the first quarter of fiscal 2009 amounted to €26.7 million, a decrease of €0.3 million or 1.1%. The operating costs decreased in local currency mainly due to cost reduction initiatives in 2009 and the one-time brand repositioning program during the first quarter of fiscal 2008.

Operating income before amortization

For the quarter ended November 30, 2008 operating income before amortization increased to $20.9 million from $17.4 million, an increase of 19.9%, mainly due to revenue growth outpacing the increase in operating costs. First-quarter European operations' operating margin increased to 33.6% from 31.3%. Operating income before amortization in the local currency amounted to €13.5 million for the first quarter, an increase of €1.1 million or 8.6%.

UNCERTAINTIES AND MAIN RISK FACTORS

There has been no significant change in the uncertainties and main risk factors faced by the Corporation since August 31, 2008, except as described below. A detailed description of the uncertainties and main risk factors faced by Cogeco Cable can be found in the 2008 annual MD&A.

Cogeco Cable's footprint includes certain regions in Ontario (Burlington and Windsor) and in Portugal (Palmela) where the automobile industry is a significant driver of economic activity. The sharp downturn experienced by the automobile industry in recent months may have an adverse impact on the level of economic activity and consumer expenditures on goods and services within those communities. In previous recessionary periods, demand for cable telecommunications services has generally proved to be resilient. However, there is no assurance that demand will remain resilient in a prolonged global recession.

Despite Cogeco Cable's strong balance sheet and the proactive management of debt maturities, the present situation in financial markets and the credit crisis may result in reduced availability of capital in both the debt and equity markets in the coming years. As Cogeco Cable's current credit facilities and other sources of financing reach their respective maturities, the terms of bank and other debt facilities may be less favourable upon renewal.

The Corporation is exposed to interest rate risks for both fixed interest rate and floating interest rate instruments. Fluctuations in interest rates will have an effect on the valuation and the collection or repayment of these instruments which could result in a significant impact on the Corporation's financial expense.

The current volatility of currency exchange and interest rates in the financial markets is unusually high and could lead to an increase in the level of risk on hedging instruments to which Cogeco Cable is a party should one or more of the counterparts to these instruments become financially distressed and unable to meet their obligations.

ACCOUNTING POLICIES AND ESTIMATES

There has been no significant change in Cogeco Cable's accounting policies, estimates and future accounting pronouncements since August 31, 2008, except as described below. A description of the Corporation's policies and estimates can be found in the 2008 annual MD&A.

Financial instruments

Effective September 1, 2008, the Corporation adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, *Capital Disclosures*, Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation*.

Capital disclosures

Section 1535 of the CICA Handbook requires that an entity disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences for non-compliance. These new disclosures are included in note 13 of the Corporation's interim consolidated financial statements.

Financial instruments

Section 3862 on financial instrument disclosures requires the disclosure of information about the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equities, the classification of related interest, dividends, gains and losses, and circumstances in which financial assets and financial liabilities are offset.

The adoption of these standards did not have any impact on the classification and measurements of the Corporation's financial instruments. The new disclosures pursuant to these new Sections are included in note 13 of the Corporation's interim consolidated financial statements.

General standards of financial statement presentation

The CICA amended Section 1400 of the CICA Handbook, *General Standards of Financial Statement Presentation*, to include a requirement for management to make an assessment of the entity's ability to continue as a going concern when preparing financial statements. These changes, including the related disclosure requirements, were adopted by the Corporation on September 1, 2008 and had no impact on the interim consolidated financial statements.

FUTURE ACCOUNTING PRONOUNCEMENTS

Harmonization of Canadian and International accounting standards

In March 2006, the Accounting Standards Board of the CICA released its new strategic plan, which proposed to abandon Canadian GAAP and effect a complete convergence to the International Financial Reporting Standards ("IFRS") for publicly accountable entities.

In April 2008, the CICA published an exposure draft as guidance which requires the transition to IFRS to replace Canadian GAAP as currently employed by Canadian publicly accountable enterprises. The changeover will occur no later than fiscal years beginning on or after January 1, 2011. Accordingly, the Corporation expects that its first interim consolidated financial statements presented in accordance with IFRS will be for the three-month period ending November 30, 2011, and its first annual consolidated financial statements presented in accordance with IFRS will be for the year ending August 31, 2012.

IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosure requirements. As a result, the Corporation is developing a plan to convert its consolidated financial statements to IFRS. The plan highlights the need to identify key accounting policy changes as the first step in the conversion process. Once these changes have been identified, other elements of the plan will be addressed. The Corporation has selected an external advisor to assist with the project and is currently in the process of assessing the differences between IFRS and the Corporation's current accounting policies.

As implications of the conversion are identified, information technology and data system impacts as well as impacts on business activities will be assessed. Changes in accounting policies are likely. These changes may materially impact the Corporation's consolidated financial statements. The conversion project is progressing according to the plan established by management.

NON-GAAP FINANCIAL MEASURES

This section describes non-GAAP financial measures used by Cogeco Cable throughout this MD&A. It also provides reconciliations between these non-GAAP measures and the most comparable GAAP financial measures. These financial measures do not have standard definitions prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. These measures include "cash flow from operations", "free cash flow", "operating income before amortization", and "operating margin".

Cash flow from operations and free cash flow

Cash flow from operations is used by Cogeco Cable's management and investors to evaluate cash flows generated by operating activities, excluding the impact of changes in non-cash operating items. This allows the Corporation to isolate the cash flows from operating activities from the impact of cash management decisions. Cash flow from operations is subsequently used in calculating the non-GAAP measure, "free cash flow". Free cash flow is used, by Cogeco Cable's management and investors, to measure its ability to repay debt, distribute capital to its shareholders and finance its growth.

Cash flow from operations is calculated as follows:

	Quarters ended November 30,	
($000)	2008 $	2007 $
	(unaudited)	(unaudited)
Cash flow from operating activities	28,474	45,345
Changes in non-cash operating items	63,136	34,408
Cash flow from operations	91,610	79,753

Free cash flow is calculated as follows:

	Quarters ended November 30,	
($000)	2008 $	2007 $
	(unaudited)	(unaudited)
Cash flow from operations	91,610	79,753
Acquisition of fixed assets	(65,667)	(50,654)
Increase in deferred charges	(7,207)	(7,417)
Assets acquired under capital leases – as per note 11b)	(939)	(73)
Free cash flow	17,797	21,609

Operating income before amortization and operating margin

Operating income before amortization is used by Cogeco Cable's management and investors to assess the Corporation's ability to seize growth opportunities in a cost effective manner, to finance its ongoing operations and to service its debt. Operating income before amortization is a proxy for cash flows from operations excluding the impact of the capital structure chosen, and is one of the key metrics used by the financial community to value the business and its financial strength. Operating margin is a measure of the proportion of the Corporation's revenue which is left over, before taxes, to pay for its fixed costs, such as interest on Indebtedness. Operating margin is calculated by dividing operating income before amortization by revenue.

The most comparable Canadian GAAP financial measure is operating income. Operating income before amortization and operating margin are calculated as follows:

	Quarters ended November 30,	
($000, except percentages)	2008 $	2007[1] $
	(unaudited)	(unaudited)
Operating income	55,801	44,615
Amortization	63,922	52,687
Operating income before amortization	119,723	97,302
Revenue	299,438	251,833
Operating Margin	40.0%	38.6%

[1] Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.

ADDITIONAL INFORMATION

This MD&A was prepared on January 13, 2009. Additional information relating to the Corporation, including its Annual Information Form, is available on the SEDAR website at www.sedar.com.

/s/ Jan Peeters
Jan Peeters
Chairman of the Board

/s/ Louis Audet
Louis Audet
President and Chief Executive Officer

Cogeco Cable Inc.
Montréal, Québec
January 14, 2009

Supplementary Quarterly Financial Information
(unaudited)

Quarters ended	November 30,		August 31,		May 31,		February 29 / 28,	
	2008	2007[1]	2008[1]	2007[1]	2008[1]	2007[1]	2008[1]	2007[1]
($000, except percentages and per share data)	$	$	$	$	$	$	$	$
Revenue	299,438	251,833	284,908	244,314	274,944	240,612	265,102	231,952
Operating income before amortization[2]	119,723	97,302	122,000	102,586	117,492	96,616	108,658	87,378
Operating margin[2]	*40.0%*	*38.6%*	*42.8%*	*42.0%*	*42.7%*	*40.2%*	*41.0%*	*37.7%*
Amortization	63,922	52,687	61,414	54,164	58,209	47,278	55,989	43,572
Operating income	55,801	44,615	60,586	48,422	59,283	49,338	52,669	43,806
Financial expense	23,394	15,877	18,752	18,684	17,374	20,015	17,136	24,138
Income taxes	8,856	8,375	9,968	(6,630)	10,767	8,942	(14,378)	4,261
Net income	23,551	20,363	31,866	36,368	31,142	20,381	49,911	15,407
Cash flow from operations[2]	91,610	79,753	99,547	83,825	95,829	76,416	85,273	62,264
Cash flow from operating activities	28,474	45,345	143,748	112,615	112,799	53,387	90,991	55,657
Free cash flow[2]	17,797	21,609	21,075	14,861	36,901	18,599	19,305	9,420
Earnings per share								
Basic	0.49	0.42	0.66	0.79	0.64	0.45	1.03	0.37
Diluted	0.48	0.42	0.65	0.78	0.64	0.45	1.02	0.37

(1) Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.

(2) The indicated terms do not have standardized definitions prescribed by Canadian Generally Accepted Accounting Principles ("GAAP") and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section of the Management's discussion and analysis.

Cogeco Cable's operating results are not generally subject to material seasonal fluctuations. However, the loss of Basic Service customers is usually greater, and the addition of HSI service customers is generally lower, in the third quarter, mainly due to students leaving campuses at the end of the school year. Cogeco Cable offers its services in several university and college towns, such as Kingston, Windsor, St. Catharines, Hamilton, Peterborough, Trois-Rivières and Rimouski in Canada, and Aveiro, Covilhã, Evora, Guarda and Coimbra in Portugal. Furthermore, the third and fourth quarters' operating margin is usually higher as lower or no management fees are paid to COGECO Inc. Under a Management Agreement, Cogeco Cable pays a fee equal to 2% of its total revenue subject to a maximum amount. For more details, please refer to the "Related Party Transactions" section.

COGECO CABLE INC.

Customer Statistics

	November 30, 2008	August 31, 2008
Homes Passed		
Ontario	**1 033 452**	1 029 121
Québec	**506 850**	502 490
Canada	**1 540 302**	1 531 611
Portugal	**900 328**	895 923
Total	**2 440 630**	2 427 534
Revenue Generating Units		
Ontario	**1 428 230**	1 387 054
Québec	**629 141**	604 854
Canada	**2 057 371**	1 991 908
Portugal	**712 217**	724 966
Total	**2 769 588**	2 716 874
Basic Cable Service Customers		
Ontario	**601 511**	596 229
Québec	**264 416**	260 865
Canada	**865 927**	857 094
Portugal	**288 100**	296 135
Total	**1 154 027**	1 153 229
Discretionnary Service Customers		
Ontario	**493 642**	493 858
Québec	**220 916**	215 820
Canada	**714 558**	709 678
Portugal	**-**	-
Total	**714 558**	709 678
Pay TV Service Customers		
Ontario	**103 745**	97 753
Québec	**50 009**	47 075
Canada	**153 754**	144 828
Portugal	**59 398**	57 715
Total	**213 152**	202 543
High Speed Internet Service Customers		
Ontario	**365 810**	352 553
Québec	**127 166**	120 914
Canada	**492 976**	473 467
Portugal	**154 092**	159 301
Total	**647 068**	632 768
Digital Television Service Customers		
Ontario	**299 887**	288 345
Québec	**160 079**	153 401
Canada	**459 966**	441 746
Portugal	**29 849**	24 452
Total	**489 815**	466 198
Telephony Service Customers		
Ontario	**161 022**	149 927
Québec	**77 480**	69 674
Canada	**238 502**	219 601
Portugal	**240 176**	245 078
Total	**478 678**	464 679

COGECO CABLE INC.
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three months ended November 30,	
(In thousands of dollars, except per share data)	**2008**	2007
	$	$
Revenue		
Service	**297,393**	250,406
Equipment	**2,045**	1,427
	299,438	251,833
Operating costs	**173,734**	149,496
Management fees – COGECO Inc.	**5,981**	5,035
Operating income before amortization	**119,723**	97,302
Amortization (note 3)	**63,922**	52,687
Operating income	**55,801**	44,615
Financial expense (note 4)	**23,394**	15,877
Income before income taxes	**32,407**	28,738
Income taxes (note 5)	**8,856**	8,375
Net income	**23,551**	20,363
Earnings per share (note 6)		
Basic	**0.49**	0.42
Diluted	**0.48**	0.42

COGECO CABLE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

	Three months ended November 30,	
(In thousands of dollars)	**2008**	2007
	$	$
Net income	**23,551**	20,363
Other comprehensive income		
Unrealized gains (losses) on derivative financial instruments designated as cash flow hedges, net of income taxes expense of $3,387,000 (income taxes recovery of $1,143,000 in 2007)	**25,789**	(6,653)
Reclassification to net income of realized gains (losses) on derivative financial instruments designated as cash flow hedges, net of income taxes expense of $4,323,000 (income taxes recovery of $1,345,000 in 2007)	**(28,391)**	7,085
Unrealized gains on translation of a net investment in self-sustaining foreign subsidiaries	**6,080**	10,340
Unrealized losses on translation of long-term debts designated as hedges of a net investment in self-sustaining foreign subsidiaries	**(3,359)**	(6,376)
	119	4,396
Comprehensive income	**23,670**	24,759

COGECO CABLE INC.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(unaudited)

(In thousands of dollars)	Three months ended November 30, **2008** **$**	2007 $
Balance at beginning, as reported	**297,150**	181,952
Changes in accounting policies	—	1,307
Balance at beginning, as restated	**297,150**	183,259
Net income	**23,551**	20,363
Dividends on multiple voting shares	**(1,883)**	(1,569)
Dividends on subordinate voting shares	**(3,940)**	(3,272)
Balance at end	**314,878**	198,781

COGECO CABLE INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(In thousands of dollars)	**November 30, 2008**	August 31, 2008
	$	$
Assets		
Current		
Cash and cash equivalents	**32,094**	36,371
Accounts receivable	**61,268**	59,582
Income taxes receivable	**6,125**	2,267
Prepaid expenses	**11,505**	12,892
Future income tax assets	**5,378**	8,661
	116,370	119,773
Fixed assets	**1,272,586**	1,257,965
Deferred charges	**58,779**	57,751
Intangible assets (note 7)	**1,087,666**	1,091,042
Goodwill (note 7)	**490,923**	487,805
Derivative financial instruments	**29,176**	—
Future income tax assets	**3,951**	4,819
	3,059,451	3,019,155
Liabilities and Shareholders' equity		
Liabilities		
Current		
Bank indebtedness	**31,933**	10,302
Accounts payable and accrued liabilities	**204,914**	247,638
Income tax liabilities	**3,315**	20,212
Deferred and prepaid income	**33,180**	32,859
Derivative financial instruments	**—**	79,791
Current portion of long-term debt (note 8)	**177,783**	336,807
	451,125	727,609
Long-term debt (note 8)	**1,017,637**	718,234
Deferred and prepaid income and other liabilities	**12,767**	11,859
Pension plan liabilities and accrued employees benefits	**3,393**	3,139
Future income tax liabilities	**251,224**	253,235
	1,736,146	1,714,076
Shareholders' equity		
Capital stock (note 9)	**989,264**	988,889
Contributed surplus	**3,690**	3,686
Retained earnings	**314,878**	297,150
Accumulated other comprehensive income (note 10)	**15,473**	15,354
	1,323,305	1,305,079
	3,059,451	3,019,155

COGECO CABLE INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(In thousands of dollars)	Three months ended November 30, 2008 $	2007 $
Cash flow from operating activities		
Net income	**23,551**	20,363
Adjustments for:		
Amortization (note 3)	**63,922**	52,687
Amortization of deferred transaction costs	**648**	722
Future income taxes (note 5)	**2,911**	5,186
Stock-based compensation	**56**	236
Loss on disposal of fixed assets	**223**	342
Other	**299**	217
	91,610	79,753
Changes in non-cash operating items (note 11 a))	**(63,136)**	(34,408)
	28,474	45,345
Cash flow from investing activities		
Acquisition of fixed assets (note 11 b))	**(65,667)**	(50,654)
Increase in deferred charges	**(7,207)**	(7,417)
Other	**16**	1
	(72,858)	(58,070)
Cash flow from financing activities		
Increase in bank indebtedness	**21,631**	—
Increase in long-term debt, net of transaction costs	**277,457**	—
Repayment of long-term debt	**(254,123)**	(32,616)
Issue of subordinate voting shares	**278**	3,056
Dividends on multiple voting shares	**(1,883)**	(1,569)
Dividends on subordinate voting shares	**(3,940)**	(3,272)
	39,420	(34,401)
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	**687**	(153)
Net change in cash and cash equivalents	**(4,277)**	(47,279)
Cash and cash equivalents at beginning	**36,371**	64,208
Cash and cash equivalents at end	**32,094**	16,929

See supplemental cash flow information in note 11.

COGECO CABLE INC.
Notes to Consolidated Financial Statements
November 30, 2008
(unaudited)
(amounts in tables are in thousands of dollars, except number of shares and per share data)

1. Basis of Presentation

In the opinion of management, the accompanying unaudited interim consolidated financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), present fairly the financial position of Cogeco Cable Inc. ("the Corporation") as at November 30, 2008 and August 31, 2008 as well as its results of operations and its cash flows for the three month periods ended November 30, 2008 and 2007.

While management believes that the disclosures presented are adequate, these unaudited interim consolidated financial statements and notes should be read in conjunction with Cogeco Cable Inc.'s annual consolidated financial statements for the year ended August 31, 2008. These unaudited interim consolidated financial statements follow the same accounting policies as the most recent annual consolidated financial statements, except for the adoption of the new accounting policies described below.

<u>Financial instruments</u>

Effective September 1, 2008, the Corporation adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, *Capital Disclosures*, Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation*.

Capital disclosures

Section 1535 of the CICA Handbook requires that an entity disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences for non-compliance. These new disclosures are included in note 13.

Financial instruments

Section 3862 on financial instrument disclosures requires the disclosure of information about the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equities, the classification of related interest, dividends, gains and losses, and circumstances in which financial assets and financial liabilities are offset.

The adoption of these standards did not have any impact on the classification and measurements of the Corporation's financial instruments. The new disclosures pursuant to these new Sections are included in note 13.

<u>General standards of financial statement presentation</u>

The CICA amended Section 1400 of the CICA Handbook, *General Standards of Financial Statement Presentation*, to include a requirement for management to make an assessment of the entity's ability to continue as a going concern when preparing financial statements. These changes, including the related disclosure requirements, were adopted by the Corporation on September 1, 2008 and had no impact on the consolidated financial statements.

COGECO CABLE INC.
Notes to Consolidated Financial Statements
November 30, 2008
(unaudited)
(amounts in tables are in thousands of dollars, except number of shares and per share data)

2. Segmented Information

The Corporation's activities are comprised of Cable Television, High Speed Internet and Telephony services. The Corporation considers its Cable Television, High Speed Internet and Telephony activities as a single operating segment. The Corporation's activities are carried out in Canada and in Europe.

The principal financial information per business segment is presented in the tables below:

	Canada		Europe		Consolidated	
Three months ended November 30,	**2008**	2007	**2008**	2007	**2008**	2007
	$	$	**$**	$	**$**	$
Revenue	**237,374**	196,241	**62,064**	55,592	**299,438**	251,833
Operating costs	**132,527**	111,303	**41,207**	38,193	**173,734**	149,496
Management fees − COGECO Inc.	**5,981**	5,035	**—**	—	**5,981**	5,035
Operating income before amortization	**98,866**	79,903	**20,857**	17,399	**119,723**	97,302
Amortization	**43,276**	35,879	**20,646**	16,808	**63,922**	52,687
Operating income	**55,590**	44,024	**211**	591	**55,801**	44,615
Financial expense (revenue)	**23,405**	15,943	**(11)**	(66)	**23,394**	15,877
Income taxes	**10,388**	9,314	**(1,532)**	(939)	**8,856**	8,375
Net income	**21,797**	18,767	**1,754**	1,596	**23,551**	20,363
Total assets (1)	**2,262,300**	2,214,840	**797,151**	804,315	**3,059,451**	3,019,155
Fixed assets (1)	**960,027**	940,683	**312,559**	317,282	**1,272,586**	1,257,965
Intangible assets (1)	**1,026,074**	1,027,268	**61,592**	63,774	**1,087,666**	1,091,042
Goodwill (1)	**116,890**	116,890	**374,033**	370,915	**490,923**	487,805
Acquisition of fixed assets (2)	**55,751**	38,293	**10,855**	12,434	**66,606**	50,727

(1) At November 30, 2008 and August 31, 2008.
(2) Includes capital leases that are excluded from the statements of cash flows.

COGECO CABLE INC.
Notes to Consolidated Financial Statements
November 30, 2008
(unaudited)
(amounts in tables are in thousands of dollars, except number of shares and per share data)

3. Amortization

	Three months ended November 30,	
	2008	2007
	$	$
Fixed assets	**54,270**	44,874
Deferred charges	**5,783**	5,370
Intangible assets	**3,869**	2,443
	63,922	52,687

4. Financial expense

	Three months ended November 30,	
	2008	2007
	$	$
Interest on long-term debt	**20,027**	16,525
Foreign exchange losses (gains)	**3,784**	(1,035)
Amortization of deferred transaction costs	**407**	407
Other	**(824)**	(20)
	23,394	15,877

5. Income Taxes

	Three months ended November 30,	
	2008	2007
	$	$
Current	**5,945**	3,189
Future	**2,911**	5,186
	8,856	8,375

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5. Income Taxes (continued)

The following table provides a reconciliation between Canadian statutory federal and provincial income taxes and the consolidated income tax expense:

	Three months ended November 30,	
	2008	2007
	$	$
Income before income taxes	**32,407**	28,738
Combined income tax rate	**32.56 %**	34.17 %
Income taxes at combined income tax rate	**10,552**	9,820
Adjustment for loss or income subject to lower or higher tax rates	**(227)**	(385)
Income taxes arising from non-deductible expenses	**77**	101
Effect of foreign income tax rate differences	**(1,604)**	(1,164)
Other	**58**	3
Income taxes at effective income tax rate	**8,856**	8,375

6. Earnings per Share

The following table provides a reconciliation between basic and diluted earnings per share:

	Three months ended November 30,	
	2008	2007
	$	$
Net income	**23,551**	20,363
Weighted average number of multiple voting and subordinate voting shares outstanding	**48,523,769**	48,380,353
Effect of dilutive stock options [1]	**212,875**	337,568
Weighted average number of diluted multiple voting and subordinate voting shares outstanding	**48,736,644**	48,717,921
Earnings per share		
Basic	**0.49**	0.42
Diluted	**0.48**	0.42

[1] For the three month period ended November 30, 2008, 109,497 stock options (97,214 in 2007) were excluded from the calculation of diluted earnings per share as the exercise price of the options was greater than the average share price of the subordinate voting shares.

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7. Goodwill and Other Intangible Assets

	November 30, 2008	August 31, 2008
	$	$
Customer relationships	**98,114**	101,490
Customer base	**989,552**	989,552
	1,087,666	1,091,042
Goodwill	**490,923**	487,805
	1,578,589	1,578,847

a) Intangible assets

During the first three months, intangible assets variations were as follows:

	Customer relationships	**Customer base**	**Total**
	$	**$**	**$**
Balance as at August 31, 2008	**101,490**	**989,552**	**1,091,042**
Amortization	**(3,869)**	**—**	**(3,869)**
Foreign currency translation adjustment	**493**	**—**	**493**
Balance as at November 30, 2008	**98,114**	**989,552**	**1,087,666**

b) Goodwill

During the first three months, goodwill variation was as follows:

	$
Balance as at August 31, 2008	**487,805**
Foreign currency translation adjustment	**3,118**
Balance as at November 30, 2008	**490,923**

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8. Long-Term Debt

	Maturity	Interest rate	**November 30, 2008**	August 31, 2008
		%	**$**	$
Parent company				
Term Facility				
Term loan – €94,096,350	2011	5.94 (1)	**147,166**	145,832
Term loan – €17,358,700	2011	5.94 (1)	**27,108**	26,881
Revolving loan – €117,000,000 (€126,000,000 as at August 31, 2008)	2011	5.81 (1)	**183,819**	196,308
Revolving loan	2011	3.62 (1)	**116,980**	94,375
Senior Secured Debentures Series 1	2009	6.75	**149,873**	149,814
Senior Secured Notes				
Series A – US$150 million	2008	6.83 (2)	**—**	159,233
Series B	2011	7.73	**174,386**	174,338
Senior Secured Notes (3)				
Series A – US$190 million	2015	7.00	**233,417**	—
Series B	2018	7.60	**54,552**	—
Senior Unsecured Debenture	2018	5.94	**99,772**	99,768
Subsidiaries				
Obligations under capital leases	2013	6.42 – 8.30	**8,347**	8,492
			1,195,420	1,055,041
Less current portion			**177,783**	336,807
			1,017,637	718,234

(1) Average interest rate on debt as at November 30, 2008, including stamping fees.

(2) Cross-currency swap agreements have resulted in an effective interest rate of 7.254% on the Canadian dollar equivalent of the US denominated debt.

(3) On October 1, 2008, the Corporation issued US$190 million Senior Secured Notes Series A maturing October 1, 2015, and $55 million Senior Secured Notes Series B maturing October 1, 2018, net of transaction costs of $2.1 million. The Senior Secured Notes Series B bear interest at the coupon rate of 7.60% per annum, payable semi-annually. The Corporation has entered into cross-currency swap agreements to fix the liability for interest and principal payments on the Senior Secured Notes Series A in the amount of US$190 million, which bear interest at the coupon rate of 7.00% per annum, payable semi-annually. Taking into account these agreements, the effective interest rate on the Senior Secured Notes Series A is 7.24% and the exchange rate applicable to the principal portion of the US dollar-denominated debt has been fixed at $1.0625.

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9. Capital Stock

Authorized, an unlimited number

Class A Preference shares, non-voting, redeemable by the Corporation and retractable at the option of the holder at any time at a price of $1 per share, carrying a cumulative preferential cash dividend at a rate of 11% of the redemption price per year.

Class B Preference shares, non-voting, issuable in series.

Multiple voting shares, 10 votes per share.

Subordinate voting shares, 1 vote per share.

	November 30, 2008	August 31, 2008
	$	$
Issued		
15,691,100 multiple voting shares	**98,346**	98,346
32,839,840 subordinate voting shares (32,826,611 as at August 31, 2008)	**890,918**	890,543
	989,264	988,889

During the first three months, subordinate voting share transactions were as follows:

	Number of shares	**Amount**
		$
Balance as at August 31, 2008	**32,826,611**	**890,543**
Shares issued for cash under the Stock Option Plan	**13,229**	**278**
Compensation expense previously recorded in contributed surplus for options exercised	**—**	**97**
Balance as at November 30, 2008	**32,839,840**	**890,918**

(amounts in tables are in thousands of dollars, except number of shares and per share data)

9. Capital Stock (continued)

Stock-based plans

The Corporation offers, for the benefit of its employees and those of its subsidiaries, an Employee Stock Purchase Plan and a Stock Option Plan for certain executives, which are described in the Corporation's annual consolidated financial statements. During the first quarter, the Corporation granted 133,381 stock options (97,214 in 2007) with an exercise price of $34.46 ($49.82 in 2007) of which 29,711 stock options (22,683 in 2007) were granted to COGECO Inc.'s employees. During the first quarter, the Corporation charged an amount of $12,000 ($84,000 in 2007) with regards to the Corporation's options granted to COGECO Inc.'s employees. The Corporation records compensation expense for options granted on or after September 1, 2003. As a result, a compensation expense of $89,000 ($236,000 in 2007) was recorded for the three month period ended November 30, 2008.

The fair value of stock options granted for the three month period ended November 30, 2008 was $8.96 ($12.88 in 2007) per option. The fair value of each option granted was estimated at the grant date for purposes of determining the stock-based compensation expense using the binomial option pricing model based on the following assumptions:

	2008	2007
	%	%
Expected dividend yield	**1.40**	0.90
Expected volatility	**29**	27
Risk-free interest rate	**4.22**	4.25
Expected life in years	**4.0**	4.0

At November 30, 2008, the Corporation had outstanding stock options providing for the subscription of 928,713 subordinate voting shares. These stock options, which include 125,333 conditional stock options, can be exercised at various prices ranging from $7.05 to $49.82 and at various dates up to October 29, 2018.

The Corporation also offers a deferred share unit plan ("DSU Plan") which is described in the Corporation's annual consolidated financial statements. During the first quarter, the Corporation did not award any deferred share units to the participants in connection with the DSU Plan. A reduction of $45,000 was recorded for the three month period ended November 30, 2008 for the liability related to this plan.

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10. Accumulated Other Comprehensive Income

	Translation of a net investment in self-sustaining foreign subsidiaries $	Cash flow hedges $	Total $
Balance as at August 31, 2008	**15,660**	**(306)**	**15,354**
Other comprehensive income	**2,721**	**(2,602)**	**119**
Balance as at November 30, 2008	**18,381**	**(2,908)**	**15,473**

11. Statements of Cash Flows

a) Changes in non-cash operating items

	Three months ended November 30,	
	2008	2007
	$	$
Accounts receivable	**(1,565)**	(443)
Income taxes receivable	**(3,833)**	101
Prepaid expenses	**1,397**	1,335
Accounts payable and accrued liabilities	**(43,459)**	(38,992)
Income tax liabilities	**(16,902)**	2,616
Deferred and prepaid income and other liabilities	**1,226**	975
	(63,136)	(34,408)

b) Other information

	Three months ended November 30,	
	2008 **$**	2007 $
Fixed asset acquisitions through capital leases	**939**	73
Interest paid	**21,497**	20,922
Income taxes paid	**26,686**	–

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12. Employees Future Benefits

The Corporation and its Canadian subsidiaries offer their employees contributory defined benefit pension plans, a defined contribution pension plan or a collective registered retirement savings plan, which are described in the Corporation's annual consolidated financial statements. The total expenses related to these plans are as follows:

	Three months ended November 30,	
	2008	2007
	$	$
Contributory defined benefit pension plans	**346**	282
Defined contribution pension plan and collective registered retirement savings plan	**896**	690
	1,242	972

13. Financial and Capital Management

a) Financial management

Management's objectives are to protect Cogeco Cable Inc. and its subsidiaries against material economic exposures and variability of results, and against certain financial risks including credit risk, liquidity risk, interest rate risk and foreign exchange risk.

Credit risk

Credit risk represents the risk of financial loss for the Corporation if a customer or counterpart to a financial asset fails to meet its contractual obligations. The Corporation is exposed to credit risk arising from the derivative financial instruments, cash equivalents and trade accounts receivable, the maximum exposure of which is represented by the carrying amounts reported on the balance sheet.

Credit risk from the derivative financial instruments arises from the possibility that counterparts to the cross-currency swap agreements may default on their obligations in instances where these agreements have positive fair values for the Corporation. The Corporation reduces this risk by completing transactions with financial institutions that carry a credit rating equal to or superior to its own credit rating. The Corporation assesses the creditworthiness of the counterparts in order to minimize the risk of counterparts default under the agreements. At November 30, 2008, management believes that the credit risk relating to cross-currency swaps is minimal, since the lowest credit rating of the counterparts to the agreements is A$^-$.

Cash equivalents consist mainly of highly liquid investments, such as money market deposits. The Corporation has deposited the cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote.

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13. Financial and Capital Management (continued)

The Corporation is also exposed to credit risk in relation to its trade accounts receivable. The Corporation continuously monitors the financial condition of its customers and reviews the credit history or worthiness of each new major customer. At November 30, 2008, no customer balance represents a significant portion of the Corporation's consolidated trade receivables. The Corporation establishes an allowance for doubtful accounts based on specific credit risk of its customers by examining such factors as the number of overdue days of the customer's balance outstanding as well as the customer's collection history. The Corporation believes that its allowance for doubtful accounts is sufficient to cover the related credit risk. The Corporation has credit policies in place and has established various credit controls, including credit checks, deposits on accounts and advance billing, and has also established procedures to suspend the availability of services when customers have fully utilized approved credit limits or have violated existing payment terms. Since the Corporation has a large and diversified clientele dispersed throughout Canada and Portugal, there is no significant concentration of credit risk. The following table provides further details on the Corporation's accounts receivable balances:

	November 30, 2008	August 31, 2008
	$	$
Trade accounts receivable	**69,119**	66,559
Allowance for doubtful accounts	**(14,259)**	(12,357)
	54,860	54,202
Other accounts receivable	**6,408**	5,380
	61,268	59,582

The following table provides further details on trade accounts receivable, net of allowance for doubtful accounts. Trade accounts receivable past due is defined as amount outstanding beyond normal credit terms and conditions for the respective customers. A large portion of the Corporation's customers are billed in advance and are required to pay before their services are rendered. The Corporation considers amount outstanding at the due date as trade accounts receivable past due.

	November 30, 2008	August 31, 2008
	$	$
Net trade accounts receivable not past due	**40,326**	40,945
Net trade accounts receivable past due	**14,534**	13,257
	54,860	54,202

(amounts in tables are in thousands of dollars, except number of shares and per share data)

13. Financial and Capital Management (continued)

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk through the management of its capital structure and access to different capital markets. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure sufficient liquidity to meet its obligations when due. At November 30, 2008, the available amount of the Corporation's Term Facility was $371.3 million. Management believes that the committed Term Facility will, until its maturity in July 2011, provide sufficient liquidity to manage its long-term debt maturities and support working capital requirements.

The following table summarizes the contractual maturities of the financial liabilities and related capital amounts:

	2009	2010	2011	2012	2013	Thereafter	Total
	$	$	$	$	$	$	$
Bank indebtedness	31,933	–	–	–	–	–	31,933
Accounts payable and accrued liabilities	204,914	–	–	–	–	–	204,914
Long-term debt [(1)]	174,639	41,065	410,221	175,000	–	390,030	1,190,955
Derivative financial instruments							
Cash outflows (Canadian dollar)	–	–	–	–	–	201,875	201,875
Cash inflows (Canadian dollar equivalent of US dollar)	–	–	–	–	–	(235,030)	(235,030)
Obligations under capital leases [(2)]	2,932	3,134	1,929	1,195	25	–	9,215
	414,418	44,199	412,150	176,195	25	356,875	1,403,862

[(1)] Principal excluding obligations under capital leases.
[(2)] Including interest.

The following table is a summary of interest payable on long-term debt (excluding interest on capital leases) that are due for each of the next five years and thereafter, based on the current debt at November 30, 2008 and their respective maturities:

	2009	2010	2011	2012	2013	Thereafter	Total
	$	$	$	$	$	$	$
Interest payments on long-term debt	54,000	63,746	59,727	28,823	26,568	82,236	315,100
Interest payments on derivative financial instruments	10,960	14,614	14,614	14,614	14,614	30,445	99,861
Interest receipts on derivative financial instruments	(12,339)	(16,452)	(16,452)	(16,452)	(16,452)	(34,275)	(112,422)
	52,621	61,908	57,889	26,985	24,730	78,406	302,539

13. Financial and Capital Management (continued)

Interest rate risk

The Corporation is exposed to interest rate risks for both fixed interest rate and floating interest rate instruments. Fluctuations in interest rates will have an effect on the valuation and collection or repayment of these instruments. At November 30, 2008, all of the Corporation's long-term debt was at fixed rate, except for the Corporation's Term Facility. The sensitivity of the Corporation's annual financial expense to a variation of 1% in the interest rate applicable to the Term Facility is approximately $4.8 million based on the current debt at November 30, 2008.

Foreign exchange risk

The Corporation is exposed to foreign exchange risk related to its long-term debt denominated in US dollars. In order to mitigate this risk, the Corporation has established guidelines whereby currency swap agreements can be used to fix the exchange rates applicable to its US dollar denominated long-term debt. All such agreements are exclusively used for hedging purposes. Accordingly, on October 2, 2008, the Corporation entered into cross-currency swap agreements to set the liability for interest and principal payments on its US$190 million Senior Secured Notes Series A issued on October 1, 2008. These agreements have the effect of converting the US interest coupon rate of 7.00% per annum to an average Canadian dollar interest rate of 7.24% per annum. The exchange rate applicable to the principal portion of the debt has been fixed at $1.0625.

The Corporation is also exposed to foreign exchange risk on cash and cash equivalents, bank indebtedness and accounts payable denominated in US dollars or Euros. At November 30, 2008, cash and cash equivalents denominated in US dollars amounted to US$240,000 (bank indebtedness of US$286,000 as at August 31, 2008) while accounts payable denominated in US dollars amounted to US$9,946,000 (US$16,121,000 as at August 31, 2008). At November 30, 2008, Euro-denominated cash and cash equivalents amounted to €670,000 (€219,000 as at August 31, 2008) while accounts payable denominated in Euros amounted to €1,767,000 (€163,000 as at August 31, 2008). Due to their short-term nature, the risk arising from fluctuations in foreign exchange rates is usually not significant, except for the unusual high volatility of the US dollar compared to the Canadian dollar during the first three months of fiscal 2009. During the three month period ended November 30, 2008, the exchange rate increased from $1.0620 at September 1, 2008, to $1.2370 at November 30, 2008, reaching a maximum of $1.2935 on November 20, 2008. The impact of a 10% change in the foreign exchange rates (US dollar and Euros) would change financial expense by approximately $1.4 million.

Furthermore, the Corporation's net investment in self-sustaining foreign subsidiaries is exposed to market risk attributable to fluctuations in foreign currency exchange rates, primarily changes in the values of the Canadian dollar versus the Euro. This risk is mitigated since the major part of the purchase price for Cabovisão-Televisão por Cabo, S.A. was borrowed directly in Euros. At November 30, 2008, the net investment amounted to €437,051,000 (€446,051,000 as at August 31, 2008) while long-term debt denominated in Euros amounted to €228,455,000 (€237,455,000 as at August 31, 2008). The exchange rate used to convert the Euro currency into Canadian dollars for the balance sheet accounts at November 30, 2008 was $1.5711 per Euro compared to $1.5580 per Euro at August 31, 2008. The impact of a 10% change in the exchange rate of the Euro into Canadian dollars would change financial expense by approximately $2.1 million and other comprehensive income by approximately $32.8 million.

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13. Financial and Capital Management (continued)

Fair value

Fair value is the amount at which willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. Fair values are estimated at a specific point in time, by discounting expected cash flows at rates for debts of the same remaining maturities and conditions. These estimates are subjective in nature and involve uncertainties and matters of significant judgement, and therefore, cannot be determined with precision. In addition, income taxes and other expenses that would be incurred on disposition of these financial instruments are not reflected in the fair values. As a result, the fair values are not necessarily the net amounts that would be realized if these instruments were settled. The carrying value of all of the Corporation's financial instruments approximates fair value, except as otherwise noted in the following table.

	November 30, 2008		August 31, 2008	
	Carrying value	**Fair value**	Carrying value	Fair value
Long-term debt	**1,195,420**	**1,152,979**	1,055,041	1,049,329

b) Capital management

The Corporation's objectives in managing capital are to ensure sufficient liquidity to support the capital requirements of its various businesses, including growth opportunities. The Corporation manages its capital structure and makes adjustments in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements. Management of the capital structure involves the issuance of new debt, the repayment of existing debts using cash generated by operations and the level of distribution to shareholders.

The capital structure of the Corporation is composed of shareholders' equity, bank indebtedness, long-term debt and assets or liabilities related to derivative financial instruments.

The provisions under the Term Facility provide for restrictions on the operations and activities of the Corporation. Generally, the most significant restrictions relate to permitted investments and dividends on multiple and subordinate voting shares, as well as incurrence and maintenance of certain financial ratios primarily linked to the operating income before amortization, financial expense and total Indebtedness. At November 30, 2008, the Corporation was in compliance with all of its debt covenants and was not subject to any other externally imposed capital requirements.

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13. Financial and Capital Management (continued)

The following table summarizes certain of the key ratios used to monitor and manage the Corporation's capital structure:

	November 30, 2008	August 31, 2008
Net indebtedness [1] / Shareholders' equity	**0.9**	0.8
Net indebtedness [1] / Operating income before amortization [2]	**2.5**	2.5
Operating income before amortization / Financial expense	**5.1**	6.4

[1] Net indebtedness is defined as the total of bank indebtedness, long-term debt and derivative financial instrument liability, less cash and cash equivalents and assets related to derivative financial instruments.
[2] Calculation based on operating income before amortization for the last twelve month period ended November 30, 2008.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation to reflect the reclassification of foreign exchange gains or losses from operating costs to financial expense.