

PRESS RELEASE
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GROWTH CONTINUES FOR COGECO AND ITS SUBSIDIARIES

Montreal, December 11, 2001 – COGECO improved its performance in many respects during fiscal year 2000-2001. Mr. Louis Audet, President and Chief Executive Officer of COGECO said that “this performance is the result, on the one hand, of the Cogeco Cable subsidiary’s improved financial results, and, on the other hand, of the Cogeco Radio-Television subsidiary’s remarkable results, its advertising revenue having grown substantially and its profitability improved.”

COGECO’s revenue totaled \$479 million, an increase of 17% over last year’s revenue of \$408 million, reflecting increased sales of high-speed Internet and digital services, as well as the integration of the recently acquired systems in the cable sector, and an increase of 8% in advertising revenue, which reached \$40 million in the media sector.

Operating income before depreciation and amortization increased markedly by 16% from last year to reach \$174 million. Net income, excluding unusual items and a change in accounting policy related to income taxes, was \$7 million, or \$0.41 per share, compared to \$8 million or \$0.52 per share last year.

Cogeco Radio-Television had another fine year with a 28% increase in operating income before depreciation and amortization reaching \$12 million. Quebec City station FM-93 further strengthened its leading position in that market, and Montreal station 105,7 RYTHME FM achieved a breakthrough, as evidenced in the Fall of 2001, with an increase in its hours tuned of 43% over the previous year.

Based on the popularity of the Rythme FM concept, CRTI has filed for new licences to operate RYTHME FM stations in Quebec City, Trois-Rivières, Sherbrooke and Chicoutimi/Jonquière. The Montreal station will act as the lead station and will provide the other stations with network programming. However, these other stations will produce and manage their own local programming on weekdays and weekends during peak morning and afternoon hours. A RYTHME FM network operating province-wide will offer Quebec listeners, client media advertisers and event organizers the only viable alternative to the three Astral Group networks in these regions.

Television stations CKTV/CFRS-TV Chicoutimi/Jonquière, CKTM/CFKM-TV Trois-Rivières and CKSH/CFKS-TV Sherbrooke, affiliated to the SRC and TQS networks, also saw their performance improve.

On September 18, 2001, COGECO and Bell Globemedia Inc. signed an agreement to acquire Quebecor's 86% interest in the TQS television network and stations through a joint acquisition company for a cash consideration of approximately \$74 million. Their participation in this company is respectively of 60% and 40%. COGECO's participation in the equity of TQS was 13% prior to this transaction. Last December 7th, the Canadian Radio-television and Telecommunications Commission (CRTC) authorized the transfer of the controlling interest in TQS from Quebecor Inc. to COGECO and Bell Globemedia. In conjunction with the TQS transaction, the six COGECO television stations will be rolled into the joint acquisition company, at an agreed transfer price of \$95 million.

Cogeco Radio-Television and the CBC recently reached an agreement in principle establishing a renewed affiliation agreement with respect to stations CKTM-TV, CKSH-TV and CKTV-TV, respectively in the Trois-Rivières, Sherbrooke and Chicoutimi/Jonquière regions, which agreement will bind the parties at least until August 31, 2008. According to this agreement, COGECO retains control of the broadcasting licences and continues to operate the three stations affiliated to the Radio-Canada network. COGECO also continues to sell the local and national commercial inventory on these stations, and undertakes to produce a minimum 100 hours per year of local programming. CBC, pursuant to the agreement, becomes responsible for the production of regional newscasts from separate newsrooms and with editorial control for these affiliated stations.

On the cable side, subsidiary Cogeco Cable generated net income of \$3 million excluding unusual items and a change in accounting policy related to income taxes. Revenue increased by 18% to reach \$439 million, and operating income before depreciation and amortization increased by a satisfying 15% to attain \$161 million.

Cogeco Cable's operating income before depreciation and amortization improved markedly, mainly due to cable system acquisitions, increased sales of high-speed Internet and digital services and the completion, in the Fall of 2000, of the systematic review of various business processes for the provision of its services

During the past fiscal year, the number of high-speed Internet customers increased considerably, from 70,716 on August 31, 2000, to 107,938 on August 31, 2001.

Cogeco Cable is now in a position to provide over a single connection and with a single bill many different services, such as traditional video, digital services (including video-

on-demand and interactive television) and high-speed Internet service and, eventually, telephony. Cogeco Cable will thus be in a position to multiply its revenue from all households served.

On November 1st, 2001, Cogeco Cable completed a private placement issue totalling approximately \$CDN 414 million with US insurance companies and financial institutions thus securing 7 and 10-year long-term debt.

In its continued quest for future growth opportunities, Cogeco Cable recently entered into a joint venture marketing agreement with equal interest partner SNC-Lavalin, called Cogeco/SNC-Lavalin Broadband International. The purpose of this joint venture is to seek out and select opportunities with a view to eventually building and operating broadband infrastructures to offer combined video, telephone and high-speed Internet services on wireline or wireless networks in countries other than Canada, the United States and the European Union.

COGECO is active in the communications sector. Through its Cogeco Cable subsidiary, COGECO provides nearly 1 million units of cable distribution and telecommunication services to approximately 1,358,000 households passed in its service areas, including recent cable system acquisitions completed by this cable subsidiary. Through its Cogeco Radio-Television subsidiary, COGECO operates six television stations and two radio stations in Quebec. COGECO's subordinate voting shares are listed on the Toronto Stock Exchange (CGO). The subordinate voting shares of Cogeco Cable Inc. are also listed on the Toronto Stock Exchange (CCA).

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