



PRESS RELEASE
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COGECO'S RESULTS UP ON THE STRENGTH OF THE CABLE SECTOR; MORE DIFFICULT SITUATION IN TELEVISION

Montréal, December 18, 2007 – COGECO inc. (TSX: CGO) has announced improvements across most of its performance indicators for 2007. Much of the improvement owes to the cable sector, which enjoyed strong growth in revenue-generating units. As for the media sector, COGECO reports growth in radio and is greatly displeased with the current situation prevailing in conventional television.

During 2007:

- Consolidated revenue increased 43.4% to \$1,071 million.
- Operating income before amortization rose 44.5% to \$366 million.
- Net income more than tripled, reaching \$74.7 million, and free cash flow amounted to \$19.4 million.

Cable sector

- The strong growth in revenue-generating units held steady, bringing total net additions to 300,688.
- Two public offerings totalling 8,000,000 subordinate voting shares generated gross proceeds of \$346 million.
- A new operating structure was implemented in the Canadian operation in order to achieve greater synergies among the Canadian business units.

Media sector

Radio

- Radio station 93³ in Québec City continued to expand its audience.
- RYTHME FM held its dominant position in Montréal and Trois-Rivières.

Television

- TQS, operating in the French-speaking conventional television market in Québec, is facing difficult times and has experienced a notable decline.
- A gradual loss in advertising revenues to specialty television stations and content services available over the Internet combined with higher production costs; the Canadian Radio-Television and Telecommunications Commission's (CRTC) refusal to allow conventional television stations to collect subscription fees for the distribution of their signal, as is done by specialty television stations; the broadcast strategy of Société Radio-Canada (SRC), which is acting as a commercial player and not a publicly-owned television station; and the termination-of-affiliation notice that TQS received from the SRC with respect to the stations in Saguenay, Sherbrooke and Trois-Rivières: all these factors contributed to the decision made today by TQS's board of directors.

- The measures taken in recent months (reorganization, cost reductions, quality additions to the TQS team, investments, and representations made to regulatory bodies) to maintain a quality standard of television and ensure the continuity of TQS's operations have not produced the anticipated minimum results.
- CIBC World Markets has been mandated to evaluate the strategic options.
- TQS's board of directors has reviewed the report produced by CIBC World Markets and concluded that it is in the best interest of TQS, its employees, and its creditors to file for court protection under the *Companies' Creditors Arrangement Act* and to appoint a monitor in order to contemplate a restructuring strategy under the supervision of the court.
- The court has appointed RSM Richter inc. as the monitor. The order received today is effective for 30 days and protects TQS and its subsidiaries from any legal actions by its creditors and allows for a restructuring of its operations. This order also applies to the parent company of TQS, 3947424 Canada inc.

"COGECO's financial results for 2007 are satisfactory. In the cable sector, our position allows us to continue meeting the needs of our various customer segments. Thanks to the new structure implemented in Canada, our Canadian operation will be able to achieve greater synergies, thereby having a favourable impact on the service delivery approach. We expect this sector to enjoy solid results in 2008. As for radio, we will work to expand the audience of our radio stations. Our projections for 2008 will be revised in light of today's events and will be presented in the disclosure of our first quarter report in January," said Louis Audet, President and Chief Executive Officer of COGECO.

About COGECO inc.

COGECO is a diversified communications company. Through its Cogeco Cable subsidiary, COGECO provides 2,485,000 revenue-generating units (RGUs) to 2,343,000 homes passed in its Canadian and Portuguese service territories. Through its two-way broadband cable networks, Cogeco Cable provides its residential and commercial customers with Analogue and Digital Television services, High Speed Internet access as well as Telephony services. Through its Cogeco Radio-Television subsidiary, COGECO holds a 60% interest and operates the TQS network in partnership with CTV Television (40%). Cogeco Radio-Television also wholly owns and operates the RYTHME FM radio stations in Montréal, Québec City, Trois-Rivières and Sherbrooke as well as the 93³ station in Québec City. COGECO's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Cable are also listed on the Toronto Stock Exchange (TSX: CCA).

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