



PRESS RELEASE
For immediate release

TQS Obtains Order Under *Companies' Creditors Arrangement Act*

Montréal, December 18, 2007— TQS inc. ("TQS") announced today that it obtained an order by Québec Superior Court under the *Companies' Creditors Arrangement Act with a view to* protecting TQS and its subsidiaries from claims by creditors and allow it to reorganize its operations. Issued for a period of 30 days, the order also applies to subsidiaries and to TQS' parent, 3947424 Canada Inc.

In October 2007, the Board of Directors of TQS engaged CIBC World Markets to advise on and assess strategic options to strengthen the TQS network in the face of financial difficulties. At a meeting on December 17, 2007, after considering CIBC World Markets' report and discussing its assessment and recommendations, the Board of Directors of TQS concluded that it was in the best interest of TQS, its employees and creditors to request court protection. Under the order, RSM Richter Inc. has been appointed as monitor by Mr. Justice Journet of the Québec Superior Court. His mandate is to support the applicants, under Court supervision, in preparing a creditors arrangement plan.

Combination of circumstances beyond its control

TQS' position in the Québec Francophone over-the-air television market deteriorated markedly in spite of the measures and investments initiated by the Company over the last several months. The gradual loss of advertising revenue to specialty TV networks and content accessible over the Internet, combined with increased production costs, the Canadian Radio-television and Telecommunications Commission's (CRTC) refusal to grant general interest television networks the same ability to charge subscriber fees for signal distribution as the speciality television networks, the programming strategy of Société Radio-Canada's (SRC), which acts like a commercial player rather than a publicly-owned television broadcaster and SRC's notice of disaffiliation in Saguenay, Sherbrooke and Trois-Rivières after a 50-year partnership all contributed to today's decision by TQS' Board of Directors.

"TQS is a victim of circumstances beyond its control. However, other people besides ourselves—all TQS' shareholders—have the required levers to bring about at a lasting solution. We are hopeful that they will seize the opportunity to make the necessary adjustments to save Francophone general interest television," declared Louis Audet, President and Chief Executive Officer of COGECO Inc. and Chairman of TQS' Board of Directors.

TQS' mission remains relevant in the Québec Francophone television market with approximately 12% market share very close to SRC's. The support of all TQS contributors, which include the equivalent of 649 full time employees as well as its many announcers, producers and artists, will be needed to pull through this unfortunate moment. "We've done all we could. Today we were forced to make a decision that was difficult—but necessary. Now, it's up to others to see this stage in TQS' life as an opportunity and to take up the torch before the end of the initial order on January 17, 2008," concluded Mr. Audet, who also indicated that all TQS operations would be maintained until further notice.

About TQS

TQS is a Francophone general interest television broadcaster with more than 600 employees and over a hundred freelance TV artists and skilled technicians. With five of its own stations (Montréal, Québec City, Saguenay, Sherbrooke, Trois-Rivières) and four affiliates (Gatineau - Ottawa, Val-d'Or - Rouyn-Noranda, Rimouski and Rivière-du-Loup) the network covers all of Québec. TQS also operates its own production house, Les Productions Point-Final.

- 30 -

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