



PRESS RELEASE
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**COGECO BEENFITS FROM STRONG PERFORMANCE OF
RADIO AND TELEVISION PROPERTIES**

Montreal, December 11, 2002 – Fiscal year 2001-2002 was an interesting year for COGECO, with improved audience ratings and the successful integration of the TQS network in mid-year by subsidiary Cogeco Radio-Television. Also, revenue related to Cogeco Cable's high-speed Internet and digital services showed strong growth and the operating margin before depreciation and amortization increased compared to the previous fiscal year. These are the highlights of the report submitted to shareholders during the company's annual meeting held today in Montreal.

“We are particularly pleased with the performance of the TQS television network, the only general-interest TV network to have experienced audience growth compared to 2001. Also, we are delighted with the remarkable growth achieved by radio, particularly RYTHME FM which posted a more than 40% audience rating increase over last year,” said Mr. Louis Audet, President and Chief Executive Officer of COGECO.

Net income from COGECO's recurring operations was \$12 million or \$0.72 per share compared to \$17 million or \$1.03 per share in the last fiscal year. Revenue increased 11% reaching \$532 million. Operating income before depreciation and amortization increased 7% to reach \$187 million, a significant improvement over the previous fiscal year.

Television

The TQS network, including its television stations in Montreal, Quebec City and Rimouski, was acquired on February 15, 2002. Cogeco Radio-Television (CRTI) holds a 60% controlling interest of the television properties. These include the pre-existing six CRTI television stations in Sherbrooke, Trois-Rivières and Saguenay, affiliated to both Société Radio-Canada and TQS in each city, that were rolled into the joint company, dispensing almost entirely CRTI from paying a cash consideration for the acquisition of TQS.

Results for the first six months of CRTI's stewardship of TQS are quite satisfying and overall television income before depreciation and amortization at CRTI grew 34% thus reaching \$10 million. This acquisition is strategically significant for COGECO as it triples, on a pro forma basis, company revenues derived from broadcasting and extends the company's television activities throughout the Province of Quebec.

On November 2, 2001, CRTI and Société Radio-Canada (SRC) renewed up to 2008 their affiliation agreement for the SRC-affiliated stations in Sherbrooke, Trois-Rivières and Saguenay.

TQS is the only general-interest TV network to have experienced audience growth in Quebec and held its own against the specialty television segment. The daily newscast “Le Grand Journal” has enjoyed remarkable growth in audience throughout the day, reaching more than 2,373,000 viewers every week.

Radio

Radio station 105,7 RYTHME FM in Montreal registered a more than 40% increase in audience ratings compared to last year and, consequently, its advertising revenues continue to increase. Recently announced BBM results, for the Fall of 2002, show that the station has set a new record with 664,900 listeners.

On July 15, 2002, following a competitive process, the CRTC awarded CRTI a second FM radio licence in Quebec City, on the 91.9 MHz frequency, to serve the provincial capital with the popular RYTHME FM format. The new FM radio station will begin broadcasting in September 2003. CRTI has filed similar licence applications, now pending before the CRTC, for Sherbrooke, Trois-Rivières and Saguenay.

Cable

With respect to the cable sector, a spectacular increase of 50,000 customers or 47% was posted in the number of high-speed Internet subscribers, who totalled 158,192 at August 31, 2002. Digital services also showed strong growth, with subscriptions totalling 129,798, an impressive 40,000 customers or 35% increase over the previous fiscal year.

This increase reflects the continued market appeal of Cogeco Cable’s high-speed Internet service, with growing numbers of consumers appreciating its reliability and speed, twice as fast as the regular DSL high-speed service offered by competing telephone companies in most of Cogeco Cable’s service areas. With respect to digital services, the results obtained clearly demonstrate that customers greatly enjoy the flexibility provided to choose programming of their liking among an increased selection of bundled channel offerings or à la carte selections.

Revenue for fiscal year 2001-2002 has grown 2% to \$448 million thanks to prior-year acquisitions. The operating margin before depreciation and amortization improved by a full percentage point to 37.6% owing to the successful implementation of cost reduction measures.

Net income from recurring operations was \$7 million or \$0.18 per share, compared to \$27 million or \$0.69 per share last year. Operating income before depreciation and amortization increased 5% to reach \$168 million, a marked improvement over the previous fiscal year.

In early September 2001, Cogeco Cable launched 50 new digital TV programming services to its digital customer base in Ontario. As of August 31, 2002, 27% of customers had subscribed to at least one digital service. In May 2002, the Quebec division of Cogeco Cable launched the

28 most popular new English-language digital services and followed in June with the introduction of four new French-language European services.

The Cogeco Cable's Video-On-Demand (VOD) service is currently being rolled out in various Quebec and Ontario systems and is very well received by customers. By this Christmas, more than 40% of customers served by Cogeco Cable's major systems will have access to VOD. By February 2003, that proportion is expected to reach 70% and by the end of calendar 2003, the service should be available to a high proportion of Cogeco Cable's basic customers. True VOD is exclusive to cable and the genuine added value of this service should boost cable's attractiveness compared to satellite and even help win back customers who have left cable.

“With networks well upgraded, with the introduction of VOD and iTV in the works, and with the perspective of positive and growing free cash flow after FY 2003, Cogeco Cable remains a promising investment vehicle,” concluded Mr. Audet.

COGECO is active in the communications sector. Through its Cogeco Cable subsidiary, COGECO provides 1,124,358 units of cable distribution and telecommunication services (defined as basic, digital or Internet service customers) to approximately 1,375,494 households passed in its service areas. Through its Cogeco Radio-Television subsidiary, COGECO operates the TQS network, six TQS television stations, and three SRC-affiliated television stations, in partnership with Bell Globemedia, as well as wholly owned radio stations 105.7 RYTHME FM in Montreal and FM 93 in Quebec City. 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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Source: COGECO Inc.

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