



**PRESS RELEASE**  
**For immediate release**

**COGECO IS PLEASED WITH THE CRTC's DECISION**

**Montréal, December 17, 2010** – COGECO Inc. (TSX: CGO) is satisfied and will comply with the Canadian Radio-television and Telecommunications Commission's (CRTC) decision concerning its proposal to purchase all of Corus Québec's radio stations.

Under the transaction, COGECO subsidiary Cogeco Diffusion Inc., which already owns and operates the RYTHME FM radio stations in Montréal, Québec City, Sherbrooke and Trois-Rivières as well as FM 93 in Québec City, will acquire the following stations:

- CKAC-AM 730 (Montréal)
- CFQR-FM 92.5 (Montréal)
- CKOI-FM 96.9 (Montréal)
- CHMP-FM 98.5 (Montréal)
- CFEL-FM 102.1 (Québec City)
- CFOM-FM 102.9 (Québec City)
- CIME-FM 103.9 (St-Jérôme)
- CJRC-FM 104.7 (Gatineau)
- CHLN-FM 106.9 (Trois-Rivières)
- CHLT-FM 107.7 (Sherbrooke)
- CKOY-FM 104.5 (Sherbrooke)

As proposed by Cogeco Diffusion in its application to the CRTC, it will put up for sale two stations in the Québec City market – CJEC-FM and CFEL-FM. In addition, as required by the CRTC in its decision, Cogeco Diffusion will also sell station CKOY-FM 104.5 in Sherbrooke. The three stations will be put up for sale following the closure of the transaction with Corus expected to take place on February 1<sup>st</sup>, 2011, and the trustee appointed to manage the stations taking office.

"We are very happy with the CRTC's decision, and more confident than ever that it will be highly fruitful for the radio broadcasting system in Québec and diversity of voices in radio news. Promising for the future, the strategy proposed by Cogeco Diffusion represents a sustainable project that will restore competitive balance to Québec's radio landscape," declared Louis Audet, President and CEO of Cogeco Inc.

**Cogeco Diffusion's radio strategy**

The strategy proposed by Cogeco Diffusion, which focuses on local content, will revitalize and ensure the sustainability of the financially troubled regional stations, allowing them to survive as a relevant information sources to survive throughout the province.

It involves the following:

- Creation of a new credible and complementary source of information via a news agency, Cogeco News, to be fed and accessed not only by all of the Cogeco group's own radio stations, but also by independent stations operating in small Québec markets and by community radio stations;
- Greater use of the resources and expertise of the stations acquired in Montréal to support the development of our regional operations;
- Revamping of the regional stations with the ability to offer locally relevant, quality programming for broadcast at peak listening times;
- Allocation of a contribution of 9% of the total transaction value of \$97.7 million as determined by the CRTC, or \$8.8 million over seven years. This amount will be paid out in large part to develop Canadian music and to various organizations and initiatives to support the Canadian radio broadcasting system.

Elated with the idea of contributing to the future of French-language commercial radio in Québec, Cogeco Diffusion Inc. Vice President Richard Lachance had a message of unity for all the employees who now become part of the wider Cogeco Diffusion's family.

"We're eager to work together and innovate to make all our stations radio hubs that are close to people's lives. Our solution will provide us with access to the means to serve the whole of Québec, which will make local and national advertisers happy because they'll have a communication tool that's now even more efficient," explained Mr. Lachance.

An active member of the broadcasting industry for 53 years, COGECO shows with this acquisition its determination to carry on with that tradition. "We are pleased to now have the opportunity to take part in developing these radio stations for the benefit of the members of the Québec communities where we have grown," Mr. Audet concluded.

## **ABOUT COGECO**

COGECO is a diversified communications company. Through its Cogeco Cable subsidiary, COGECO provides its residential customers with Audio, Analogue and Digital Television, as well as HSI and Telephony services using its two-way broadband cable networks. Cogeco Cable also provides, to its commercial customers, through its subsidiary Cogeco Data Services, data networking, e-business applications, video conferencing, hosting services, Ethernet, private line, VoIP, HSI access, dark fibre, data storage, data security and co-location services and other advanced communication solutions. Through its Cogeco Diffusion subsidiary, COGECO owns and operates the Rythme FM radio stations in Montréal, Québec City, Trois-Rivières and Sherbrooke, as well as the FM 93 radio 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).

**Information:**

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