



PRESS RELEASE
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Cable and media contribute to return to shareholders

Montréal, December 10, 2003 – Fiscal year 2002-2003 was a good year for COGECO, its operations in the cable distribution and media sectors having both yielded a positive return for shareholders.

COGECO's net income from operations was \$9.9 million, or \$0.61 per share, compared to \$11.6 million, or \$0.72 per share, in the previous year as a transitory result of the TQS acquisition. Revenue increased by 13% to \$604 million. Operating income increased by 8% to reach \$203 million, a substantial improvement over last year.

"We are extremely pleased with the progression recorded in both our business sectors. The success enjoyed by our high-speed Internet and digital services, as well as the increase recorded by TQS in generalist TV market share and our solid RYTHME FM format had a favorable impact on our bottom line," said Mr. Louis Audet, President and Chief Executive Officer of COGECO.

The first complete year of the integration of the TQS network yielded positive net income. Also, the positioning and consolidation of the RYTHME FM radio network were further enhanced through the launch of a radio station in Québec City and the granting of two new FM radio licences allowing for the expansion of the network to Trois-Rivières and Sherbrooke by the Fall of 2004. Cogeco Radio-Télévision registered a 7% increase in Operating Income which reached \$18 million and its revenues, at \$124 million, were up 48% compared to the previous fiscal year.

"In the cabledistribution sector, high-speed Internet and digital connections continued to blossom generating a positive yield of which we are very proud," added Mr. Louis Audet. Net income of this sector reached \$183 million, an increase of 9%, revenues increased 7% to reach \$ 479 million and free cash flow of \$3 million was generated for the first time in many years. These are the highlights of the report submitted to shareholders at the Company's annual meeting held today in Montréal.

Media

In the radio sector, station 105.7 RYTHME FM continued its progression and recorded strong results. This station is now the foundation upon which now rests the expansion of the winning formula in the popular adult contemporary music format to many locations in Québec. Indeed, station 91.9 RYTHME FM first broadcast on August 25, 2003, in Québec City and two new stations will be on the airwaves in the Fall of 2004.

As to radio station CJMF-FM 93 in Québec City, whose programming focuses on a talk show format, it had its difficult moments following the departure of three on-air personalities. Management is developing a plan to reposition the station.

On the television side, the first complete year of integrating TQS television yielded positive results and its increase in generalist TV audience share confirmed that TQS is indeed TVA's main competitor. The growth potential in TQS' audience share is considerable and is expected to significantly bolster Cogeco Radio-Télévision's growth and profitability.

Meanwhile, TQS continues to hold a leading position in local news in the cities it serves. Also, additions to its programming have supported the expansion of its audience. A new morning program, *Caféine*, and a reality television show called *Loft Story* are on air since the Fall of 2003 and have gotten remarkable audience ratings.

Cable

In cable distribution, high-speed Internet connections have increased by 30% and totaled 205,179 customers. Digital service also grew significantly, digital terminals now numbering 183,087 at fiscal year-end, an increase of 26% compared to the previous fiscal year. Customer losses were also reduced significantly by 63% compared to last year as a result of better retention efforts.

"We are very satisfied with our gains in this sector. These results confirm the appeal of our product bundles with consumers and the improvement in service quality implemented over the last few years. Our high-speed Internet service operated at downstream speeds outpacing the digital subscriber line (DSL) competition by a factor of up to 2:1 is a competitive advantage that we intend to continue to market aggressively," said Mr. Louis Audet.

Cogeco Cable's Video-on-Demand service is now available to 85% of homes passed, one of the largest deployments, percentage wise, in North America. Also, in November 2003, Cogeco Cable concluded an agreement with MGM Home Entertainment, the largest modern film library in the world, adding to the number of titles offered to its customers.

Early in 2004, Cogeco Cable will be making its Personal Video Recorder solution available to customers for the first time, using DCT-6208 units supplied by Motorola that also include High Definition Television tuning capability, a new service also to be commercialized in 2004.

The high speed Internet service, highly prized by clients, will also see some improvements in 2004, adding value to the customer experience with services like Webmail, the new COGECO portal and increased speed. Security products from a recognized third party will also be available to our customers very shortly.

"Dialogue with our customers has improved tremendously through heightened research, better communications and tangible service improvements. Our call centers are dealing more effectively with customer requests and service in the field is being delivered on a timely basis," concluded Mr. Audet.

About COGECO Inc.

COGECO is a diversified communications company. Through its Cogeco Cable subsidiary, COGECO provides about 1,188,000 units of cable distribution and telecommunication services to about 1,397,000 households passed in its service areas. Through its two-way broadband cable infrastructure, Cogeco Cable provides its mostly residential customers with video and audio services, both in analogue and digital form, as well as high-speed Internet access services. Through its Cogeco Radio-Television subsidiary, COGECO has a 60% ownership interest and operates the TQS network, six TQS television stations, and three CBC affiliated television stations in partnership with CTV Television. Cogeco Radio-Television also wholly owns and operates RYTHME FM radio stations in Montreal and Québec City as well as FM 93 in Québec City. Two other RYTHME FM stations in Sherbrooke and Trois-Rivières should be launched next September. COGECO's subordinate voting shares are listed on the Toronto Stock Exchange (CGO). The subordinate voting shares of Cogeco Cable are also listed on the Toronto Stock Exchange (CCA).

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Source: **COGECO Inc.**
Pierre Gagné
Vice President, Finance and Chief Financial Officer
Tel.: (514) 874-2600

Information: **BDDS | Weber Shandwick**
Lise Perras
Tel.: (514) 393-1180