PRESS RELEASE
For immediate release

Strong fiscal 2010 results for COGECO

Montréal, October 28, 2010 – Today, COGECO Inc. (TSX: CGO) ("COGECO" or the "Company") announced its financial results for the fourth quarter and 2010 fiscal year ended August 31, 2010.

For the fourth quarter and fiscal 2010:

- Fiscal 2010 fourth-quarter consolidated revenue increased by 5.5% to reach $333.7 million, when compared to the corresponding period of the prior year. Revenue in the cable subsidiary, Cogeco Cable Inc. ("Cogeco Cable") went up by $16.5 million, or 5.4%. For the fiscal year 2010, consolidated revenue grew by 5.5% to reach $1,321.7 million;

- Fiscal 2010 fourth-quarter operating income before amortization[(1)] decreased by $6.9 million, or 4.7%, to reach $137.8 million. The cable sector contributed to the decrease by $5.7 million as a result of the favourable impact on operating costs, in fiscal 2009, of $19.8 million from the settlement of the Part II licence fees payable to the Canadian Radio-television Commission ("CRTC") for the 2007 to 2009 fiscal years (the "Part II licence fee favourable settlement agreement"), partly offset by the revenue increase described above. For fiscal 2010, consolidated operating income before amortization grew by 0.7% to reach $519.3 million;

- Operating margin[(1)] decreased at 41.3% for the fourth quarter compared to 45.7%[(2)] in the corresponding period of the prior year, and decreased at 39.3% during fiscal 2010 from 41.1%[(2)] the year before;

- Fourth quarter of 2010 consolidated net income amounted to $12.3 million, or $0.73 per share compared to $14.6 million, or $0.87 per share for the corresponding period of the prior year. Excluding, in 2009, the favourable impacts from the reduction of withholding and stamp tax contingent liabilities in the amount of $1.7 million in Europe and from the $5.3 million with respect to the Part II licence fee favourable settlement agreement in Canada, both net of related income taxes and non-controlling interest, fourth-quarter fiscal 2009 adjusted net income[(1)] would have amounted to $7.6 million, or $0.46 per share[(1)]. When compared to adjusted net income for the prior year, fourth-quarter fiscal 2010 net income increased by $4.6 million, or 60.4%;

- Fiscal 2010 net income amounted to $56.3 million, or $3.36 per share. Fiscal 2010 net income includes a favourable income tax adjustment of $29.8 million related to the reduction of Ontario provincial corporate income tax rates for the Canadian operations of the cable sector. This adjustment, net of non-controlling interest, amounts to $9.6 million. The fiscal 2009 net loss of $79 million, or $4.73 per share, included an impairment loss of $399.6 million recorded on Cogeco Cable's investment in Cabovisão-Televisão por Cabo, S.A. ("Cabovisão"). Net of related income taxes and non-controlling interest, the impairment loss reduced net income by $124 million in fiscal 2009. Furthermore, the 2009 net loss in the cable sector included an unfavourable impact of $2 million from the utilization of Cabovisão's pre-acquisition tax losses and a favourable impact from the reduction of withholding and stamp tax contingent liabilities in the amount of $5.2 million described above, also in Cabovisão, both net of non-controlling interest, and a favourable impact of $5.3 million from the Part II licence fee favourable settlement agreement net of related income taxes and non-controlling interest. Excluding the effect of these items for both fiscal years, adjusted net income for fiscal 2010 would have amounted to $46.6 million, or $2.79 per share compared to $36.4 million, or $2.18 per share for the previous year, representing increases of 28.1% and 28%, respectively;

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(1) The indicated terms do not have a standardized definition prescribed by Canadian Generally Accepted Accounting Principles ("GAAP") and therefore, may not be comparable to similar measures presented by other companies. For further details, please consult the "Non-GAAP financial measures" section of the Results overview.

(2) Includes the favourable impact from the Part II licence fee settlement agreement of $21.3 million, $19.8 million of which stems from the cable sector.

- Free cash flow[(1)] reached $18.7 million for the fourth quarter, representing an increase of 27% over the prior year. The increase in free cash flow is the result of an increase in cash flow from operations[(1)] outpacing the increase in capital expenditures. Free cash flow stands at $181.3 million for fiscal 2010, a significant increase of $80.2 million, or 79.4% over fiscal 2009;

- In the cable sector, Revenue-Generating Units ("RGU")[(2)] grew by 64,303 net additions in the quarter and 287,111 net additions in the fiscal year, for a total of 3,179,349 RGU at August 31, 2010.

"Despite the slow stabilization of the global economic environment in fiscal 2010, COGECO managed to achieve strong results, surpassing nearly all of our key performance indicators, notably RGU growth, both in Canada and Portugal. This is attributable to our focus on improving our service offering in Canada and the acquisition and retention strategies implemented in the second half of fiscal 2009 in Portugal. Our radio operations have also done very well, with number one stations in the Québec and Montréal adult 25-54 markets. Furthermore, we announced in April 2010 an agreement to purchase the Corus Entertainment Inc.'s radio stations in Québec, which will make COGECO the second radio broadcaster in importance in the province of Québec. The transaction, which is subject to regulatory approval, should be closed in the first half of fiscal 2011. It is a promising source of growth for our shareholders. Our fiscal 2011 financial guidelines currently do not include these new stations, but will be adjusted when the transaction is finalized. For fiscal 2011, we anticipate continued growth in most of our performance indicators, including an increase in financial results of our European cable operations", declared Louis Audet, President and CEO of COGECO.

Fiscal 2011 Financial Guidelines

For fiscal 2011, COGECO maintains its preliminary projections issued on July 7, 2010. The Company expects to achieve revenue of $1,380 million, representing growth of $58 million, or 4.4% when compared to fiscal 2010 results. Operating income before amortization should amount to $538 million, an increase of $19 million, or 3.7%, when compared to 2010 actuals. Capital expenditures and the increase in deferred charges should increase by $20 million, reaching $341 million for the 2011 fiscal year. Fiscal 2011 free cash flow is expected to decline to $60 million. The decrease of approximately $121 million, when compared to the results for the 2010 fiscal year, is primarily due to the projected fiscal 2011 income tax payments of approximately $65 million compared to the expected fiscal 2010 income tax recoveries of $39 million as a result of modifications to the corporate structure and to the increase of approximately $20 million in capital expenditures in the cable sector. Please consult the "Fiscal 2011 financial guidelines" section of the Company's 2010 Annual Report for further details.

(1) The indicated terms do not have a standardized definition prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For further details, please consult the "Non-GAAP financial measures" section of the Results overview.

(2) Represents the sum of Basic Cable, High Speed Internet ("HSI"), Digital Television and Telephony service customers.

FINANCIAL HIGHLIGHTS

($000, except percentages, RGU growth and per share data)	Quarters ended August 31, 2010 $	2009[1] $	Change %	Years ended August 31, 2010 $	2009[1] $	Change %
	(unaudited)	(unaudited)		(audited)	(audited)	
Operations						
Revenue	333,671	316,284	5.5	1,321,694	1,252,794	5.5
Operating income operations before amortization[2]	137,785	144,654	(4.7)	519,339	515,494	0.7
Operating margin[2]	41.3%	45.7%	–	39.3%	41.1%	–
Operating income	73,942	76,244	(3.0)	259,882	258,867	0.4
Impairment of goodwill and intangible assets	–	–	–	–	399,648	–
Net income (loss)	12,265	14,631	(16.2)	56,264	(79,014)	–
Adjusted net income[2]	12,265	7,647	60.4	46,644	36,406	28.1
Cash Flow						
Cash flow from operating activities	198,492	177,032	12.1	425,336	420,704	1.1
Cash flow from operations[2]	127,230	108,744	17.0	502,219	390,288	28.7
Capital expenditures and increase in deferred charges	108,515	94,002	15.4	320,962	289,270	11.0
Free cash flow[2]	18,715	14,742	27.0	181,257	101,018	79.4
Financial Condition						
Total assets	–	–	–	2,744,656	2,670,128	2.8
Indebtedness[3]	–	–	–	961,354	1,064,542	(9.7)
Shareholders' equity	–	–	–	381,635	332,122	14.9
RGU growth	64,303	48,170	33.5	287,111	175,364	63.7
Per Share Data[4]						
Earnings (loss) per share						
Basic	0.73	0.87	(16.1)	3.36	(4.73)	–
Diluted	0.73	0.87	(16.1)	3.35	(4.73)	–
Adjusted earnings per share[2]						
Basic	0.73	0.46	58.7	2.79	2.18	28.0
Diluted	0.73	0.46	58.7	2.78	2.18	27.5

(1) Certain comparative figures have been reclassified to conform to the current year's presentation. Financial information has been restated to reflect the application of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064. Please refer to the "Critical accounting policies and estimates" section of the Company's 2010 Annual Report for more details.

(2) The indicated terms do not have standardized definitions prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section of the Results overview.

(3) Indebtedness is defined as the total of bank indebtedness, principal on long-term debt and obligations under derivative financial instruments.

(4) Per multiple and subordinate voting shares.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to COGECO's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Company's future operating results and economic performance and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which COGECO believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to the Company, they may prove to be incorrect. The Company cautions the reader that the economic downturn experienced over the past two years make forward-looking information and the underlying assumptions subject to greater uncertainty and that, consequently, they may not materialize, or the results may significantly differ from the Company's expectations. It is impossible for COGECO to predict with certainty the impact that this economic environment may have on future results. Forward-looking information is also subject to certain factors, including risks and uncertainties (described in the "Uncertainties and main risk factors" section of the Company's 2010 annual Management's discussion and analysis (MD&A)) that could cause actual results to differ materially from what COGECO currently expects. These factors include technological changes, changes in market and competition, governmental or regulatory developments, general economic conditions, the development of new products and services, the enhancement of existing products and services, and the introduction of competing products having technological or other advantages, many of which are beyond the Company's control. Therefore, future events and results may vary significantly from what management currently foresees. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While management may elect to, the Company is under no obligation (and expressly disclaims any such obligation), and does not undertake to update or alter this information before the next quarter, except as required by Law.

This press release should be read in conjunction with the Company's consolidated financial statements, and the notes thereto, prepared in accordance with Canadian GAAP and the MD&A included in the Company's 2010 Annual Report. Throughout this discussion, all amounts are in Canadian dollars unless otherwise indicated.

RESULTS OVERVIEW

This analysis should be read in conjunction with the Company's 2010 Annual Report available on SEDAR at *www.sedar.com*. Please refer to the Company's 2010 Annual Report for more details on annual results.

CUSTOMER STATISTICS

						Net additions
			August 31, 2010		Quarters ended August 31, 2010	
	Canada	Europe	Consolidated	Canada	Europe	Consolidated
RGU	2,350,577	828,772	3,179,349	43,707	20,596	64,303
Basic Cable service customers	874,505	260,267	1,134,772	433	1,591	2,024
HSI service customers	559,057	163,187	722,244	8,904	2,778	11,682
Digital Television service customers	559,418	159,852	719,270	17,472	12,017	29,489
Telephony service customers	357,597	245,466	603,063	16,898	4,210	21,108
						Net additions (losses)
			August 31, 2009		Quarters ended August 31, 2009	
	Canada	Europe	Consolidated	Canada	Europe	Consolidated
RGU	2,159,863	732,375	2,892,238	27,740	20,430	48,170
Basic Cable service customers	864,805	259,480	1,124,285	(924)	(5,318)	(6,242)
HSI service customers	515,052	143,614	658,666	5,619	1,430	7,049
Digital Television service customers	498,398	102,753	601,151	9,674	23,456	33,130
Telephony service customers	281,608	226,528	508,136	13,371	862	14,233

In the cable sector, Canadian operations' fiscal 2010 fourth-quarter RGU net additions was higher than in the comparable period of the prior year, and the Canadian operations continue to generate RGU growth despite early signs of maturation of some of its services. The net customer additions for Basic Cable service customers stood at 433 for the quarter, compared to a net customer loss of 924 in the fourth quarter of the prior year. In the quarter, Telephony service customers grew by 16,898 compared to 13,371 for the same period last year, and the number of net additions to the HSI service stood at 8,904 customers for the quarter, compared to 5,619 customers for the same period last year. HSI and Telephony net additions continue to stem from the enhancement of the product offering, the impact of the bundled offer (Cogeco Complete Connection) of Television, HSI and Telephony services, and promotional activities. The Digital Television service net additions stood at 17,472 customers compared to 9,674 customers for the three month period of the prior year. Digital Television service net additions are due to targeted marketing initiatives to improve penetration and to the continuing interest for High Definition ("HD") television service.

In the European operations of the Cable sector, 2010 fourth-quarter net additions show a return to customer growth for Cogeco Cable, and the Basic Cable service customer base has begun to stabilize and reflect the benefits of Cabovisão's customer retention and acquisition strategies launched at the end of the 2009 fiscal year in order to reduce the customer attrition brought on by the difficult competitive landscape in Portugal and the economic environment in Europe throughout the previous fiscal year. In the fourth quarter of fiscal 2010, the number of Basic Cable service customers grew by 1,591 customers compared to a loss of 5,318 customers in the comparable period of the prior year. HSI service customers increased by 2,778 customers for the quarter, compared to 1,430 customers in the fourth quarter of fiscal 2009. The number of Digital Television service customers grew by 12,017 customers in the fourth quarter ended August 31, 2010, compared to 23,456 customers in the comparable period of the previous fiscal year mainly due to the extensive Digital roll-out period during fiscal 2009. The Telephony service customers gained 4,210 customers in the fourth quarter of fiscal 2010, compared to 862 customers for the comparable period of the preceding year.

OPERATING RESULTS – CONSOLIDATED OVERVIEW

	Quarters ended August 31,			Years ended August 31,		
($000, except percentages)	2010 $	2009[1] $	Change %	2010 $	2009[1] $	Change %
	(unaudited)	(unaudited)		(audited)	(audited)	
Revenue	333,671	316,284	5.5	1,321,694	1,252,794	5.5
Operating costs	195,866	171,630	14.1	802,355	737,300	8.8
Operating income before amortization[2]	137,785	144,654	(4.7)	519,339	515,494	0.7
Operating margin[2]	41.3%	45.7%		39.3%	41.1%	

(1) Certain comparative figures have been reclassified to conform to the current year's presentation. Financial information has been restated to reflect the application of the CICA Handbook Section 3064. Please refer to the "Critical accounting policies and estimates" section of the Company's 2010 Annual Report for more details.

(2) The indicated terms do not have standardized definitions prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section.

Consolidated revenue for the fourth quarter rose by $17.4 million, or 5.5% compared to the corresponding period last year. Cable revenue, driven by increased RGU, the introduction of HSI usage billing, various rate increases implemented at the end of fiscal 2009 and in fiscal 2010 and the revenue related to the new Local Programming Improvement Fund ("LPIF") in the Canadian operations, increased by $16.5 million, or 5.4%. Other sector revenue increased by $0.9 million, or 10.3%, in the fourth quarter of 2010 due to favourable ratings for the Company's radio stations.

Operating costs increased by $24.3 million, or 14.1%, at $195.9 million compared to the fourth quarter of fiscal 2009 mainly due to the cable sector. The increase in operating costs in the cable sector is mainly attributable to servicing additional RGU, the launch of new HD channels, additional marketing initiatives and the new levy amounting to 1.5% of gross Cable Television service revenue imposed by the CRTC in order to finance the LPIF in Canada. Fourth-quarter operating costs were also favourably affected by the decline of the value of the Euro over the Canadian dollar, which surpassed increases in operating costs related to additional marketing initiatives and the launch of new channels, net of the impact of cost reduction initiatives implemented by Cabovisão in the European operations. On a consolidated basis, fiscal 2009 operating costs also included an impact of $21.3 million from the Part II licence fee favourable settlement agreement.

Operating income before amortization decreased by $6.9 million, or 4.7%, at $137.8 million in the fourth quarter of 2010, compared to $144.7 million for the corresponding period last year. Fiscal 2009 operating income before amortization included the impact of the Part II licence fee favourable settlement agreement. As a result, the Company's fourth-quarter operating margin decreased to 41.3% from 45.7% for the corresponding period of the prior year. Nothwithstanding the Part II licence fee favourable settlement agreement, the operating margin increased year over year as a result of rate increases, partly offset by the launch of new services which generate lower margins, the migration of customers from Analogue to Digital Television services and the revenue from the new LPIF which does not generate operating income before amortization, all in the Canadian operations. The reduction in the operating margin also reflects a decrease in revenue in the European operations which outpaced the decrease in operating costs.

CASH FLOW ANALYSIS

($000)	Quarters ended August 31, 2010 $ (unaudited)	Quarters ended August 31, 2009[1] $ (unaudited)	Years ended August 31, 2010 $ (audited)	Years ended August 31, 2009[1] $ (audited)
Operating activities				
Cash flow from operations[2]	127,230	108,744	502,219	390,288
Changes in non-cash operating items	71,262	68,288	(76,883)	30,416
	198,492	177,032	425,336	420,704
Investing activities[3]	(108,492)	(91,529)	(320,653)	(284,112)
Financing activities[3]	(75,671)	(92,348)	(106,955)	(134,614)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	402	546	(1,344)	8
Net change in cash and cash equivalents	14,731	(6,299)	(3,616)	1,986
Cash and cash equivalents, beginning of period	21,111	45,757	39,458	37,472
Cash and cash equivalents, end of period	35,842	39,458	35,842	39,458

(1) Certain comparative figures have been reclassified to conform to the current year's presentation. Financial information has been restated to reflect the application of the CICA Handbook Section 3064. Please refer to the "Critical accounting policies and estimates" section of the Company's 2010 Annual Report for more details.

(2) The indicated terms do not have standardized definitions prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section.

(3) Excludes assets acquired under capital leases.

During the fourth quarter of 2010, cash flow from operations reached $127.2 million, 17% higher than the comparable period last year, primarily due to the reduction in income tax payments stemming from modifications to the corporate structure in the cable sector. Changes in non-cash operating items generated cash inflows of $71.3 million, mainly as a result of an increase in accounts payable and accrued liabilities. In the fourth quarter of the prior year, the cash inflows of $68.3 million mainly stemmed from increases in accounts payable and accrued liabilities which were partly offset by the Part II licence fee favourable settlement agreement, an increase in income tax liabilities and a decrease in income taxes receivable.

Investing activities in the fourth quarter of fiscal 2010 rose to $108.5 million compared to $91.5 million in the prior year, primarily due to an increase in customer premise equipment spending to support RGU growth in the cable sector, partly offset by depreciation of the Euro over the Canadian dollar.

In the fourth quarter of 2010, the Company generated free cash flow(amounting to $18.7 million, compared to $14.7 million for the same period of the preceding year. The increase in free cash flow is the result of an increase in cash flow from operations outpacing the increase in capital expenditures.

In the fourth quarter of 2010, Indebtedness affecting cash decreased by $63.8 million mainly due to the inflows generated by changes in non-cash operating items of $71.3 million and the free cash flow of $18.7 million, partly offset by the increase in cash and cash equivalents of $14.7 million and the payment of dividends totalling $6.3 million described below and an increase in deferred transaction costs of $5.8 million. Indebtedness mainly reduced through a decrease of $52.2 million in bank indebtedness and net repayments on Cogeco Cable's term and revolving loans of $7.6 million. In the fourth quarter of fiscal 2009, Indebtedness affecting cash decreased by $87.1 million mainly due to the increase in non-cash operating items of $68.3 million, the free cash flows of $14.7 million and the decrease in cash and cash equivalents of $6.3 million, net of the dividend payment of $5.3 million described below. Indebtedness mainly decreased through the net repayments, in the cable sector, on Cogeco Cable's term and revolving loans of $175.4 million, the repayment of Cogeco Cable's $150 million Senior Secured Debentures Series 1 at maturity on June 4, 2009, and by a decrease of $55 million in bank indebtedness, partly offset by the issuance by the cable subsidiary on June 9, 2009 of Senior Secured Debentures Series 1 for $300 million maturing June 9, 2014.

During the fourth quarter of fiscal 2010, the Company paid a dividend of $0.10 per share to the holders of subordinate and multiple voting shares totalling $1.7 million, compared to a quarterly dividend of $0.08 per share totalling $1.3 million in fiscal 2009. Dividends paid by a subsidiary to non-controlling interests amounted to $4.6 million during the fourth quarter of fiscal 2010 compared to $3.9 million in the fourth quarter of fiscal 2009, bringing the consolidated dividend payments to $6.3 million in the current year compared to $5.3 million in the prior year.

NON-GAAP FINANCIAL MEASURES

This section describes non-GAAP financial measures used by COGECO throughout this Press release. It also provides reconciliations between these non-GAAP measures and the most comparable GAAP financial measures. These financial measures do not have standard definitions prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. These measures include “cash flow from operations”, “free cash flow”, “operating income before amortization”, “operating margin”, “adjusted net income”, and “adjusted earnings per share”.

Cash flow from operations and free cash flow

Cash flow from operations is used by COGECO’s management and investors to evaluate cash flows generated by operating activities excluding the impact of changes in non-cash operating items. This allows the Company to isolate the cash flow from operating activities from the impact of cash management decisions. Cash flow from operations is subsequently used in calculating the non-GAAP measure “free cash flow”. Free cash flow is used by COGECO’s management and investors to measure COGECO’s ability to repay debt, distribute capital to its shareholders and finance its growth.

The most comparable Canadian GAAP financial measure is cash flow from operating activities. Cash flow from operations is calculated as follows:

	Quarters ended August 31,		Years ended August 31,	
($000)	2010 $	2009[1] $	2010 $	2009[1] $
	(unaudited)	(unaudited)	(audited)	(audited)
Cash flow from operating activities	198,492	177,032	425,336	420,704
Changes in non-cash operating items	(71,262)	(68,288)	76,883	(30,416)
Cash flow from operations	127,230	108,744	502,219	390,288

(1) Certain comparative figures have been reclassified to conform to the current year’s presentation. Financial information has been restated to reflect the application of the CICA Handbook Section 3064. Please refer to the “Critical accounting policies and estimates” section of the Company’s 2010 Annual Report for more details.

Free cash flow is calculated as follows:

	Quarters ended August 31,		Years ended August 31,	
($000)	2010 $	2009[1] $	2010 $	2009[1] $
	(unaudited)	(unaudited)	(audited)	(audited)
Cash flow from operations	127,230	108,744	502,219	390,288
Acquisition of fixed assets	(105,513)	(89,199)	(309,752)	(273,733)
Increase in deferred charges	(3,002)	(2,462)	(11,069)	(10,773)
Assets acquired under capital leases	–	(2,341)	(141)	(4,764)
Free cash flow	18,715	14,742	181,257	101,018

(1) Certain comparative figures have been reclassified to conform to the current year’s presentation. Financial information has been restated to reflect the application of the CICA Handbook Section 3064. Please refer to the “Critical accounting policies and estimates” section of the Company’s 2010 Annual Report for more details.

Operating income before amortization and operating margin

Operating income before amortization is used by COGECO's management and investors to assess the Company's ability to seize growth opportunities in a cost effective manner, to finance its ongoing operations and to service its debt. Operating income before amortization is a proxy for cash flows from operations excluding the impact of the capital structure chosen, and is one of the key metrics used by the financial community to value the business and its financial strength. Operating margin is a measure of the proportion of the Company's revenue which is left over, before income taxes, to pay for its fixed costs, such as interest on Indebtedness. Operating margin is calculated by dividing operating income before amortization by revenue.

The most comparable Canadian GAAP financial measure is operating income. Operating income before amortization and operating margin are calculated as follows:

	Quarters ended August 31,		Years ended August 31,	
($000, except percentages)	2010 $	2009[1] $	2010 $	2009[1] $
	(unaudited)	(unaudited)	(audited)	(audited)
Operating income	73,942	76,244	259,882	258,867
Amortization	63,843	68,410	259,457	256,627
Operating income before amortization	137,785	144,654	519,339	515,494
Revenue	333,671	316,284	1,321,694	1,252,794
Operating margin	41.3%	45.7%	39.3%	41.1%

(1) Certain comparative figures have been reclassified to conform to the current year's presentation. Financial information has been restated to reflect the application of the CICA Handbook Section 3064. Please refer to the "Critical accounting policies and estimates" section of the Company's 2010 Annual Report for more details.

Adjusted net income and adjusted earnings per share

Adjusted net income and adjusted earnings per share are used by COGECO's management and investors to evaluate what would have been the net income and earnings per share excluding the impairment of goodwill and intangible assets, non-recurring tax adjustments and the Part II licence fee favourable settlement agreement, all net of non-controlling interest. This allows the Company to isolate the unusual adjustments in order to evaluate net income and earnings per share from ongoing activities.

The most comparable Canadian GAAP financial measures are net income and earnings per share. Adjusted net income and adjusted earnings per share are calculated as follows:

	Quarters ended August 31,		Years ended August 31,	
($000, except number of shares and per share data)	2010 $	2009[1] $	2010 $	2009[1] $
	(unaudited)	(unaudited)	(audited)	(audited)
Net income (loss)	12,265	14,631	56,264	(79,014)
Adjustments:				
Impairment of goodwill and intangible assets net of related income taxes and non-controlling interest	–	–	–	123,951
Non-recurring tax adjustments net of non-controlling interest:				
Reduction of Ontario provincial income tax rates	–	–	(9,620)	–
Reduction of withholding and stamp tax contingent liabilities	–	(1,680)	–	(5,211)
Utilization of pre-acquisition tax losses	–	–	–	1,984
Part II licence fee favourable settlement agreement net of related income taxes and non-controlling interest	–	(5,304)	–	(5,304)
Adjusted net income	12,265	7,647	46,644	36,406
Weighted average number of multiple voting and subordinate voting shares outstanding	16,730,336	16,728,881	16,726,135	16,704,962
Effect of dilutive stock options	9,299	730	10,681	8,757
Effect of dilutive subordinate voting shares held in trust under the Incentive Share Unit Plan	71,862	56,449	67,837	51,648
Weighted average number of diluted multiple voting and subordinate voting shares outstanding	16,811,497	16,786,060	16,804,653	16,765,367
Adjusted earnings per share				
Basic	0.73	0.46	2.79	2.18
Diluted	0.73	0.46	2.78	2.17

(1) Certain comparative figures have been reclassified to conform to the current year's presentation. Financial information has been restated to reflect the application of the CICA Handbook Section 3064. Please refer to the "Critical accounting policies and estimates" section of the Company's 2010 Annual Report for more details.

ADDITIONAL INFORMATION

Additional information relating to the Company, including its 2010 Annual Report and Annual Information Form, is available on the SEDAR website at www.sedar.com.

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, data networking, e-business applications, video conferencing, hosting services, Ethernet, private line, Voice over Internet Protocol ("VoIP"), HSI access, dark fibre, data storage, data security and co-location services and other advanced communication solutions. Through its Cogeco Diffusion Inc. 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)

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Source: **Cogeco Cable Inc.**
Pierre Gagné
Senior Vice President and Chief Financial Officer
Tel.: 514-764-4700

Information: **Media**
Alex Tessier
Vice President and Treasurer
Tel.: 514-764-4700

Analyst Conference Call: **Thursday, October 28, 2010 at 11:00 A.M.** (EDT)
Media representatives may attend as listeners only.

Please use the following dial-in number to have access to the conference call by dialing ten minutes before the start of the conference:
Canada/USA Access Number: 1 888 300-0053
International Access Number: + 1 647 427-3420
Confirmation Code: 97583458

A rebroadcast of the conference call will be available until November 4, by dialing:
Canada and US Access Number: 1 800 642-1687
International Access Number: + 1 706 645-9291
Confirmation code: 97583458

Supplementary Quarterly Financial Information
(unaudited)

	Fiscal 2010				Fiscal 2009			
Quarters ended[1]	Nov. 30	Feb. 28	May 31	Aug. 31	Nov. 30[2]	Feb. 28[2]	May 31[2]	Aug. 31[2]
($000, except percentages and per share data)	$	$	$	$	$	$	$	$
Revenue	328,003	329,087	330,933	333,671	308,375	311,825	316,310	316,284
Operating income before amortization[3]	129,263	124,363	127,928	137,785	120,711	123,505	126,624	144,654
Operating margin[3]	39.4%	37.8%	38.7%	41.3%	39.1%	39.6%	40.0%	45.7%
Operating income	63,562	58,370	64,008	73,942	59,829	60,171	62,623	76,244
Impairment of goodwill and intangible assets	–	–	–	–	–	(399,648)	–	–
Net income (loss)	22,748	10,511	10,740	12,265	10,861	(115,210)	10,704	14,631
Adjusted net income[3]	13,128	10,511	10,740	12,265	10,861	8,741	9,157	7,647
Cash flow from operating activities	(1,410)	117,498	110,756	198,492	26,477	117,322	99,873	177,032
Cash flow from operations[3]	135,518	120,331	119,140	127,230	91,633	97,193	92,718	108,744
Capital expenditures and increase in deferred charges	68,387	74,549	69,511	108,515	69,862	65,104	60,302	94,002
Free cash flow[3]	67,131	45,782	49,629	18,715	21,771	32,089	32,416	14,742
Earnings (loss) per share[4]								
Basic	1.36	0.63	0.64	0.73	0.65	(6.90)	0.64	0.87
Diluted	1.35	0.63	0.64	0.73	0.65	(6.90)	0.64	0.87
Adjusted earnings per share[3][4]								
Basic	0.79	0.63	0.64	0.73	0.65	0.52	0.55	0.46
Diluted	0.78	0.63	0.64	0.73	0.65	0.52	0.55	0.46

[1] The addition of quarterly information may not correspond to the annual total given rounding.
[2] Certain comparative figures have been reclassified to conform to the current year's presentation. Financial information has been restated to reflect the application of the CICA Handbook Section 3064. Please refer to the "Critical accounting policies and estimates" section of the Company's 2010 Annual Report for more details.
[3] The indicated terms do not have standardized definitions prescribed by Canadian GAAP and therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-GAAP financial measures" section of the Results overview.
[4] Per multiple and subordinate voting share

SEASONAL VARIATIONS

Cogeco Cable's operating results are not generally subject to material seasonal fluctuations. However, the customer growth in the Basic Cable and HSI service are generally lower in the second half of the fiscal year as a result of a decrease in economic activity due to the beginning of the vacation period, the end of the television seasons, and students leaving their campuses at the end of the school year. Cogeco Cable offers its services in several university and college towns such as Kingston, Windsor, St. Catharines, Hamilton, Peterborough, Trois-Rivières and Rimouski in Canada, and Aveiro, Covilhã, Evora, Guarda and Coimbra in Portugal. Furthermore, the operating margin in the third and fourth quarters is generally higher as the maximum amount payable to COGECO under the management agreement is usually reached in the second quarter of the year. As part of the management agreement between Cogeco Cable and COGECO, Cogeco Cable pays management fees to COGECO equivalent to 2% of its revenue subject to an annual maximum amount, which is adjusted annually to reflect the increase in the Canadian Consumer Price index. Since the maximum amount was reached in the second quarters of fiscal 2010 and 2009, Cogeco Cable has paid no management fees in the second halves of either fiscal year.

Cable Customer Statistics
(unaudited)

	August 31, 2010	August 31, 2009
Homes Passed		
Canada	1,593,743	1,565,145
Portugal[1]	905,359	905,129
Total	2,499,102	2,470,274
Homes Connected[2]		
Canada	979,590	944,634
Portugal	269,194	269,022
Total	1,248,784	1,213,656
RGU		
Canada	2,350,577	2,159,863
Portugal	828,772	732,375
Total	3,179,349	2,892,238
Basic Cable service customers		
Canada	874,505	864,805
Portugal	260,267	259,480
Total	1,134,772	1,124,285
HSI service customers		
Canada	559,057	515,052
Portugal	163,187	143,614
Total	722,244	658,666
Digital Television service customers		
Canada	559,418	498,398
Portugal	159,852	102,753
Total	719,270	601,151
Telephony service customers		
Canada	357,597	281,608
Portugal	245,466	226,528
Total	603,063	508,136

(1) Cogeco Cable is currently assessing the number of homes passed.
(2) Represents the sum of Basic Cable service customer and HSI and Telephony service customers who do not subscribe to the Basic Cable service.