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The infinite power of cable

PRESS RELEASE

For immediate release

Vidéotron announces \$29 million investment and launches residential cable telephone service in Québec City area

(Québec City, July 6, 2005) –Vidéotron will spend \$29 million between now and the end of 2006 to upgrade its network in the Québec City area to support new technologies in the years ahead. The Company is also pleased to announce that its residential cable telephone service will be available in the Québec City area as of July 11, 2005, giving consumers an advantageous and innovative alternative to conventional telephone service for both local and long-distance calls.

State-of-the-art network

Vidéotron's \$29 million upgrade project is in addition to its major investments in the Québec City area since 1995, which have added fibre optic capacity to its coax cable system and created a two-way network. The network improvements have enabled Vidéotron to become the first carrier in Québec to offer interactive services such as video on demand, pay per view, interactive games and an interactive television schedules. The current project will increase the bandwidth of Vidéotron's network and enable the Company to offer Québec City area consumers cutting-edge progressive digital TV, high-definition TV, Internet and telephone services. For example, with the increased capacity, Vidéotron's network will be able to support 800 digital television channels or 126 high-definition channels.

Work on project design began in late 2004 and will continue until spring 2006. Roll-out began last week in the Cap-Rouge area and will be completed in late 2006. More than 4,700 linear kilometres of the network will be upgraded within the area bounded by Portneuf and Lotbinière to the west, Beaupré and Berthier-sur-Mer to the east, Lévis to the south and Québec City to the north. During the project, one-day service cuts will have to be made to Vidéotron customers. Approximately 1,000 households will be affected at a time. Customers will be informed several days in advance.

Speaking at a press conference at the Centre des Congrès de Québec, a Vidéotron partner, Robert Dépatie, President and Chief Executive Officer of Vidéotron, said: "Vidéotron's mission is to serve up the best possible user experience. This project is consistent with that vision. It will enable us to remain the first to offer distinctive, reliable services that meet consumers' real needs."

Cable telephone service in Québec City starts on July 11

Consumer response to Vidéotron's cable telephone service has been enthusiastic. As of June 30, only five months after the service was launched in Québec, nearly 42,000 consumers in Laval, Montréal South Shore and the West Island had subscribed.

Simple and economical

Residents of Québec City and environs who subscribe to the new service will see substantial savings on their phone bill, especially if they are already Vidéotron customers. They will also be able to obtain residential telephone, cable television and Internet services from a single provider and enjoy the advantages of one-stop shopping at Vidéotron: one call to customer service, one

technician, one bill for all their services. Advantageous discount packages will be available to customers who take service bundles.

Vidéotron's exceptional deal on telephone service starts at just \$15.95 per month for basic service. Switching couldn't be easier: customers can keep their existing telephone number, equipment and access to the services and options to which they are accustomed.

Free long-distance calls between Vidéotron subscribers

Long-distance calls between subscribers to Vidéotron telephone service are free – an exclusive benefit supported by the infinite power of cable. A Québec City customer can therefore call a Vidéotron telephone subscriber in another locality, such as Laval, toll free.

The technology used by Vidéotron will support distinctive progressive services such as video phone service and unified messaging. Unlike the vast majority of VoIP digital telephone services, Vidéotron's cable telephone service does not require an Internet connection. Vidéotron's telephone service uses the Internet Protocol, a data transfer protocol, to transmit voice over its private network, which is managed entirely by Vidéotron. Calls are not routed over the public information highway, as they are in the case of other Internet telephone providers.

Looking to the future

The announcement of the network upgrade and the launch of cable telephone service in Québec City comes on the heels of an agreement between Vidéotron management and employees to extend for three years the collective agreements expiring in December 2006 and subsequent months. Meanwhile, the Company is continuing its recruitment drive to fill positions for customer service and technical support representatives at its Québec City customer contact centre in order to deliver optimal service to its customers.

Vidéotron Itée (www.videotron.com), a wholly-owned subsidiary of Quebecor Media Inc., is an integrated communications company engaged in cable television, interactive multimedia development, Internet access services and residential telephone service. Vidéotron is a leader in new technologies with its *illico* interactive television system and its broadband network, which supports high-speed cable Internet access, analog and digital cable television, and other services. Vidéotron serves 1,455,000 cable television customers in Québec; including over 355,000 *illico* subscribers. Vidéotron is also the Québec leader in high-speed Internet access, with 552,000 subscribers to its cable modem and dial-up services. As of June 30, 2005, Vidéotron was also providing residential telephone service to more than 41,840 customers in Laval, South Shore Montréal and the West Island.