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The infinite power of cable

PRESS RELEASE

For immediate release

VIDÉOTRON MAINTAINS MOMENTUM IN SECOND QUARTER

Montréal, August 2, 2005 – Vidéotron today reported its financial results for the second quarter of 2005. The positive numbers reflect significant customer growth for all of the Company's services: cable television, Internet access and residential telephone service.

Vidéotron has become the leader among telecom companies offering IP (Internet Protocol) telephone service. After less than two quarters, the Company had more than 41,800 subscribers to its new cable telephone service and customers continue flocking to Vidéotron's reliable, affordable alternative to conventional telephone service. After launching its telephone service in Montréal South Shore and Laval in the first quarter of 2005, Vidéotron rolled out the service in the West Island on May 25 and the Québec City area on July 11. The consumer response in Québec City has been particularly promising thus far.

In addition to steadily expanding its cable telephone service into new markets, Vidéotron added 18 000 customers to its cable modem Internet access service during the second quarter. The subscriber base for Vidéotron's *illico Digital TV* service increased from 355,200 to over 381,000 during the quarter and grew by more than 92,400 over the 12-month period ended June 30, 2005. The *illico on Demand* service registered record numbers with 475,900 paid orders placed from Vidéotron set-top boxes during the quarter, not counting the highly popular free orders which increase customer satisfaction and foster loyalty.

Highlights of the second quarter included important progress in diversified content offerings, the launch of a major network upgrade plan in the Québec City area, and the renewal of Vidéotron's collective agreements with its unionized employees.

The age of digital TV: the ultimate in entertainment

Enhancements continue to the exclusive *illico on Demand* service, which Vidéotron offers in conjunction with Archambault Group. Archambault signed an important agreement with Warner Bros Entertainment to carry its productions. Vidéotron, the provider of the only Video on Demand service in its service area, becomes the first major cable company in Canada to deliver Warner films on demand. *illico on Demand* now offers a catalogue of over 1,000 titles. In June, Vidéotron launched a barker channel to promote the films and other content available on *illico on Demand*.

illico Digital TV delivers freedom of choice, full-featured interactivity and access to a host of exclusive services, combined with crisp, rich image, clear sound and robust reliability. Vidéotron's unique *à la carte* subscription option lets customers pick and choose among an impressive selection of channels. On June 5, 2005, Vidéotron added RAI International, the international service of Italy's largest television network, to its channel line-up. The eagerly awaited launch has proved highly popular with customers.

In June, Vidéotron further expanded its offerings with the introduction of a *Supertrio Italiano* package that includes three channels: Video Italia Canada, Leonardo World Canada and Sky TG 24 Canada. At the same time, to make digital television and the associated array of exclusive services still more affordable, Vidéotron lowered the prices of its set-top boxes.

Québec firsts on Vidéotron's High-Speed Zone

Experts expect strong growth to continue in the booming interactive gaming market. In May, Vidéotron and Reeves Interactive announced the launch of Microplay Online™, Québec's first French-language networked multiplayer gaming service. Subscribers to Vidéotron's High Speed Internet service can now play online games in French on a province-wide private network. Vidéotron is the first cable provider to offer a service of this type over its own servers.

In June, for the first time in Québec, a prestigious boxing event was webcast live on the Internet. A partnership between Vidéotron, INTERBOX and La Cage aux Sports made it possible for boxing fans to watch the Lucian Bute / Jose Spearman fight live, exclusively on Vidéotron's High-Speed Zone.

Also during the second quarter of 2005, Vidéotron changed the French name of its basic cable Internet access service to *Internet intermédiaire*.

A dynamic, constructive work environment that supports growth

Vidéotron management was pleased by the ratification of its agreement in principle with the executives of its unions. The union membership voted by wide margins in favour of the agreement, which extends Vidéotron's collective agreements until December 31, 2009 in the Montréal and Québec City areas, January 31, 2010 in the Saguenay Lac St-Jean region, and August 31, 2011 in Gatineau. Vidéotron management's goal at the bargaining table was to secure the increased operational flexibility the Company needs in order to proceed with investments for purposes such as network upgrades and new product launches.

The success of new products such as the cable telephone service also means the Company needs to respond to strong consumer demand. Vidéotron is therefore continuing its recruitment campaign to fill a large number of openings for customer service and technical support staff at its customer contact centres in Montréal, St-Hubert and Québec City. Vidéotron has six call centres in Québec.

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. As of June 30, 2005, Vidéotron served 1,443,000 cable television customers in Québec; including over 381,000 *illico* subscribers. Vidéotron is the Québec leader in high-speed Internet access, with 568,000 subscribers to its cable modem and dial-up services. Vidéotron was also providing residential telephone service to more than 41,800 customers in Laval, South Shore Montréal and the West Island.