PRESS RELEASE
For immediate release

Cogeco Cable Inc. to acquire PEER 1 Network Enterprises, Inc.

- Cogeco Cable to Offer $3.85 in cash consideration per share
- Acquisition increases scale and reach of Cogeco Cable's IT hosting business
- Enhances Cogeco Cable's data centre capabilities in key strategic growth areas including managed hosting, dedicated hosting, cloud services and co-location
- Positions Cogeco Cable to provide an expanded suite of network and hosting services particularly to small and medium sized businesses
- Addition of world class infrastructure including 19 data centres and 21 points-of-presence throughout North America and Europe
- Transaction fully supported by the Board of Directors of PEER 1
- Lock-up agreements representing in aggregate 62% of PEER 1's fully diluted shares outstanding in support of the transaction
- Mailing of Circulars on or about December 24th with an expiry date of on or about January 29, 2013

Montréal and Vancouver, December 21, 2012 – Cogeco Cable Inc. ("Cogeco Cable") (TSX: CCA) and PEER 1 Network Enterprises, Inc. ("PEER 1") (TSX: PIX) announced today that they have entered into an agreement ("Support Agreement"), pursuant to which Cogeco Cable has agreed to acquire all of the issued and outstanding shares of PEER 1 by way of takeover bid (the "Offer"). PEER 1 shareholders will receive $3.85 in cash per share valuing PEER 1's equity at approximately $526 million on a fully diluted basis and its enterprise value at approximately $635 million. The Offer represents a premium of 32.1% to PEER 1's 20 day volume weighted average share price. Cogeco Cable has entered into lock-up agreements with the board of directors, certain key management, and certain key shareholders of PEER 1 representing in aggregate approximately 62% of the fully diluted shares outstanding to tender their shares to the Offer.

PEER 1 is one of the world's leading internet infrastructure providers, specializing in managed hosting, dedicated servers, cloud services and colocation. The acquisition of PEER 1 and combining it with Cogeco Cable's existing data centre capabilities, will increase the scale and scope by adding the capability to service an additional 10,000 businesses worldwide through 19 data centres and 21 points-of-presence across North America and Europe. PEER 1's primary network centre and headquarters are located in Vancouver, Canada.

"Data centre services are a key strategic focus for Cogeco Cable, and this acquisition is consistent with Cogeco Cable's commitment to grow its presence in the sector. This acquisition enhances the company's ability to provide complex co-location and managed data centre services to our customers. There are significant opportunities for growth including increasing Cogeco Cable's penetration of the small and medium-sized business segment, gaining market share in the enterprise services market and maximizing the potential of current services offered" said Louis Audet, President and CEO of Cogeco Cable.

“Cogeco Cable is a well positioned telecommunications company in Canada and its commitment to invest growth capital in the internet infrastructure business, and demonstrated success in serving the technology needs of enterprises makes it an ideal match for PEER 1,” said Fabio Banducci, President and CEO of PEER 1. “Both of our companies strive for exceptional customer service and technological excellence. Cogeco Cable’s Offer is attractive to our shareholders and recognizes the value and potential of our company, management and employees.”

“PEER 1 is a leading business and technology service company with talented and committed employees and long-term customer relationships,” said Louis Audet, President and CEO of Cogeco Cable. “It further underscores our ongoing commitment to support our customers as they expand their businesses locally and globally. We warmly welcome PEER 1 professionals and believe that our combined businesses will provide new and larger growth opportunities for all our employees and customers.”

The Board of Directors of PEER 1 has received an opinion from RBC Capital Markets that, based upon and subject to the assumptions, limitations, and qualifications in such opinion, the consideration to be received under the Offer is fair, from a financial point of view, to PEER 1’s shareholders. The Board of Directors of PEER 1, after receiving the unanimous recommendation of a special committee of the Board of Directors formed to consider the Offer, has unanimously approved entering into the Support Agreement and unanimously recommends that PEER 1 shareholders tender their shares pursuant to the Offer.

The Support Agreement is subject to customary non-solicitation provisions, subject to PEER 1’s right to consider and accept superior proposals. In the event of a superior proposal, Cogeco Cable will have a five day right to match the superior proposal. If the transaction is not completed as a result of PEER 1 accepting a superior proposal or in other specified circumstances, a termination fee equal to $18.5 million will be paid to Cogeco Cable.

A take-over bid circular containing the full details of the Offer and other related documents will be filed and mailed to PEER 1 shareholders on or about December 24, 2012. The Offer is conditional on the tendering of at least 66 2/3% of the issued and outstanding PEER 1 shares to the Offer, the receipt of regulatory approvals and the satisfaction or waiver of other customary conditions. The Offer will be open for acceptance for a period of not less than 35 days and is not conditional on financing. Cogeco Cable is financing the transaction through available resources, including a new acquisition facility provided by National Bank of Canada.

The Board of Directors of PEER 1 has agreed that its Directors’ Circular recommending the Offer will be mailed to shareholders at the same time or as soon as reasonably practicable after the mailing of the Cogeco Cable take-over bid circular.

National Bank Financial Inc. acted as financial adviser and McCarthy Tétrault LLP acted as legal adviser to Cogeco Cable in connection with the transaction and Stikeman Elliott LLP acted as legal adviser to Cogeco Cable in connection with the acquisition financing. National Bank of Canada has underwritten the acquisition financing with Norton Rose Canada LLP acting as legal adviser. In addition, Cheverny Capital Inc. provided certain additional financial advice in the context of the transaction. The Special Committee of PEER 1 was advised by RBC Capital Markets and Torys LLP acted as legal adviser.

Cogeco Cable has retained Kingsdale Shareholder Services Inc. (“Kingsdale”) to act as its solicitation agent in connection with the Offer. PEER 1 shareholders with questions about the process to submit their certificates or to tender to the Offer may contact the Information Agent, Kingsdale Shareholder Services Inc. toll-free at 1 866-581-0507. Outside of North America, please dial +1 416-867-2272, or email contactus@kingsdaleshareholder.com.

Conference Call Details

Cogeco Cable will host a conference call for investors and analysts to discuss the transaction:

Friday, December 21, 2012 at 8:30 a.m. (Eastern Standard Time)

Media representatives may attend as listeners only.
Please use the following dial-in number to have access to the conference call by dialing five minutes before the start of the conference:

Canada/USA Access Number: 1 866-322-2356
International Access Number: + 1 416-640-3405
Confirmation Code: 4920589

The presentation is available on our website at
www.cogeco.ca /press room/events

ABOUT COGECO CABLE

Cogeco Cable (www.cogeco.ca) is a telecommunications corporation and is the second largest hybrid fibre coaxial cable operator in Ontario and Québec. Through its two-way broadband cable networks, Cogeco Cable provides its residential customers with Analogue and Digital Television, High Speed Internet («HSI») and Telephony services. Cogeco Cable is also present in the United States through its subsidiary, Atlantic Broadband, whose head office is located in Quincy, Massachusetts. Atlantic Broadband is ranked the 12th largest cable television system operator in the United States and, serves the following areas: Western Pennsylvania, Southern Florida, Maryland, Delaware and South Carolina. Cogeco Cable provides as well 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, data storage, data security, co-location services, managed IT services, cloud services and other advanced communication solutions. Cogeco Cable's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

ABOUT PEER 1 Hosting

PEER 1 Hosting (www.peer1.com) is one of the world's leading IT hosting providers. The company is built on two obsessions: Ping & People. Ping, represents its commitment to best-in-breed technology, founded on a high performance 10Gbps FastFiber Network™ connected by 19 state-of-the-art data centres and 21 points-of-presence throughout North America and Europe. People, represents its commitment to delivering outstanding customer service to its more than 10,000 customers worldwide, backed by a 100 percent uptime guarantee and 24x7x365 FirstCall Support™. Info-Tech Research Group recently named PEER 1 Hosting as a "Champion" in its Canadian colocation and managed services Vendor Landscape report, recognizing the company's strength in product offerings and enterprise strategy in the global IT marketplace. PEER 1 Hosting's portfolio includes Managed Hosting, Dedicated Servers under the ServerBeach brand, Colocation and Cloud Services under the Zunicore brand. Founded in 1999, the company is headquartered in Vancouver, Canada, with European operations headquartered in Southampton, UK. PEER 1 Hosting shares are traded on the TSX under the symbol PIX. For more information visit: www.peer1.com or www.peer1hosting.co.uk.

-30-

Medias: René Guimond
Vice President, Public Affairs and Communications
Tél.: (514) 764-4746

Analysts and investors: Pierre Gagné
Senior Vice President and Chief Financial Officer
Tél.: (514) 764-4756

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this press release may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Cable's or PEER 1'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 Cogeco Cable's or PEER 1'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 Cable or PEER 1, as applicable, believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to Cogeco Cable or PEER 1, as applicable, they may prove to be incorrect. Cogeco Cable and PEER 1 caution 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 Cogeco Cable's and PEER 1's expectations. It is impossible for Cogeco Cable or PEER 1 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, that could cause actual results to differ materially from what Cogeco Cable or PEER 1 currently expect. 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 Cogeco Cable's and PEER 1's control. These factors also include actions taken by PEER 1 shareholders in respect of the Offer and the failure to satisfy the conditions of the Offer. Therefore, future events and results may vary significantly from what management currently foresees. For more exhaustive information on these risks and uncertainties, prospective purchasers should refer to the risk factors described in the management's discussion and analysis of Cogeco Cable for the year ended August 31, 2012 and the risk factors described in the annual information form of PEER 1 for the fiscal year ended June 30, 2012. Prospective purchasers 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, Cogeco Cable and PEER 1 are under no obligation and does not undertake to, update or alter this information at any particular time, except as may be required by law.