

UNDER EMBARGO until 6 p.m.
Press release

Solidarity Fund QFL Reports A Positive Six-Month Return and An Increase in Share Price to \$25.40

Montréal, January 4, 2008 – The Solidarity Fund QFL (the “Fund”) has announced a positive return for the first six-month period of its fiscal year (June 1 to November 30, 2007) and reports a tenth straight semi-annual increase in share price, which will go up \$0.04 to \$25.40.

The QFL’s new president and chairman of the Fund’s board of directors, Michel Arsenault, expressed his confidence in the Fund as a solid institution that plays a fundamental role in terms of allowing its shareholders to build their savings for retirement and in the Québec economy by promoting job creation. With its investments, the Fund provides businesses with a lever to help them grow and prosper.

The Fund managed to hold its own despite a drop in the principal Canadian and U.S. stock markets, a soaring loonie that hurt business, particularly in the manufacturing sector, and higher interest rates for companies that raise capital through bond issues. Thus, the Fund generated a return of 0.2% and net earnings of \$13 million during the six-month period, and now has \$7.4 billion in net assets.

“By carefully managing our assets, we were able to soften the impact of the market’s turbulence on our results and to generate a return that under the circumstances is acceptable. Our partner companies, mainly those in the manufacturing sector, are facing many challenges, and our investment teams continue to work tirelessly with them to improve productivity and competitiveness in the medium and long term,” stated the Fund’s President and Chief Executive Officer, Yvon Bolduc.

The Fund continued to back Québec businesses. For example, in the bio-pharmaceutical sector, it invested \$37 million in Atrium Innovations to foster the company’s growth; in the aerospace manufacturing sector, it backed Mecachrome International with an additional investment of \$15 million; it also continued to stand behind Bluestreak Technology in the IT sector, providing the firm with another \$8 million; and finally, in the value-added textile sector, it brought its investment in Stedfast up to \$3.6 million to help the company maintain jobs, expand and sharpen its competitive edge.

Moreover, it bears mentioning that the Fund closed its subscription campaign on December 28, 2007 for lump-sum contributions or new requests for pre-authorized withdrawals as it has reached the ceiling for these two types of contributions. This measure does not affect shareholders who contribute or who wish to begin contributing through payroll deduction or those enrolled in an employer contribution program. It also has no impact on redemptions. The limit for contributions giving rise to tax credits is \$600 million for the current fiscal year.

On another note, the Québec government recently reiterated its confidence in the Fund by temporarily modifying the 60% rule and pointing out that funds such as the Solidarity Fund QFL *are an important economic development tool for Québec because they play a key role in the development of local businesses, especially in the regions.* “The government therefore recognizes the important role we play in the economy. The positioning we have carved is directly tied to our desire to back the growth projects of Québec businesses,” concluded Mr. Arsenault.

Financial highlights

	November 30, 2007	May 31, 2007
	(in dollars)	(in dollars)
Net share value	25.40	25.36
	(in millions of dollars)	
Net assets	7,411	7,239
	November 30	
	2007	2006
	(6 months)	
Revenues	61	230
Net earnings	13	176
Six-month return	0.2%	2.7%
Average annual return since inception: 5.0%		

About the Solidarity Fund QFL

With net assets of over \$7.4 billion as at November 30, 2007, the Solidarity Fund QFL is a development capital company that through its RRSP channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and to further Québec's economic growth. The Fund is a partner, either directly or through its network members, in 1,696 companies. It currently has more than 575,000 shareholders and has helped, on its own or with other financial partners, to create, maintain and protect over 122,000 jobs. For more information, visit www.fondsftq.com.

Note: The telephone number provided below is for the exclusive use of journalists and other media representatives.

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