PRESS RELEASE
For immediate release

COGECO INC. RELEASES ITS RESULTS FOR THE THIRD QUARTER OF FISCAL 2017

- **Revenue increased by $25.6 million, or 4.5%, to reach $599.7 million;**
- **Adjusted EBITDA(1) increased by $11.7 million, or 4.6%, to reach $264.8 million;**
- **Free cash flow(1) reached $109.6 million, an increase of $17.7 million, or 19.3%;**
- **Cogeco Communications' subsidiary, Atlantic Broadband, announced the acquisition of all MetroCast cable systems; and**
- **A quarterly eligible dividend of $0.34 per share was declared, an increase of 15.3%, compared to the same period of fiscal 2016.**

Montréal, July 13, 2017 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the third quarter ended May 31, 2017, in accordance with International Financial Reporting Standards ("IFRS").

For the third quarter of fiscal 2017:

- Revenue increased by $25.6 million, or 4.5%, to reach $599.7 million driven by growth in the Communications segment;
- Adjusted EBITDA increased by $11.7 million, or 4.6%, to reach $264.8 million compared to the same period of fiscal 2016 as a result of the improvement in the Communications segment;
- Profit for the period amounted to $82.1 million of which $30.0 million, or $1.81 per share, was attributable to owners of the Corporation compared to a loss for the period of $381.9 million for the third quarter of fiscal 2016 of which $117.7 million, or $7.03 per share, was attributable to the owners of the Corporation. The profit progression resulted from last year's non-cash pre-tax impairment of goodwill and intangible assets of $450 million and from the claims and litigations of $10.5 million which both occurred in the Communications segment. The remaining variation is mainly explained by the improvement of adjusted EBITDA combined with the decrease in depreciation and amortization, partly offset by the increase in income taxes;
- Free cash flow reached $109.6 million, an increase of $17.7 million, or 19.3%, compared to the same quarter of the prior year mainly due to the improvement of adjusted EBITDA combined with last year's claims and litigations, partly offset by higher acquisitions of property, plant and equipment, intangible and other assets in the Communications segment;
- Cash flow from operating activities increased by $57.4 million, or 30.8%, to reach $243.6 million compared to fiscal 2016 third-quarter. The increase for the period is mostly attributable to the improvement in adjusted EBITDA, the decrease in income taxes paid and last year's claims and litigations, partly offset by the decrease in changes in non-cash operating activities primarily due to changes in working capital;

(1) The indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-IFRS financial measures" section of the Management's discussion and analysis ("MD&A").

- A quarterly eligible dividend of $0.34 per share was paid in the third quarter to the holders of multiple and subordinate voting shares, an increase of 15.3%, compared to a quarterly eligible dividend of $0.295 per share paid in the third quarter of fiscal 2016;

- During the third quarter, Cogeco purchased and canceled 69,354 subordinate voting shares, for consideration of $4.4 million, under its normal course issuer bid program which started in August 2016. The Corporation intends to renew its normal course issuer bid program from August 2, 2017 to August 1, 2018, to enable it to acquire for cancellation up to 550,000 subordinate voting shares. The renewal is subject to Toronto Stock Exchange approval;

- The Corporation released its fiscal 2018 preliminary financial guidelines and expects revenue to reach between $2,425 million and $2,455 million, adjusted EBITDA to reach between $1,055 million and $1,080 million and free cash flow should remain in the same range compared to the fiscal 2017 revised financial guidelines due to strategic investments in the Communications segment. These preliminary financial guidelines do not include the expected financial results from the announcement of the MetroCast acquisition;

- At its July 13, 2017 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.34 per share for multiple and subordinate voting shares payable on August 10, 2017; and

- On July 10, 2017, Cogeco Communications Inc. announced that its subsidiary, Atlantic Broadband, entered into an agreement with Harron Communications, L.P. to acquire substantially all of the assets of its cable systems operating under the MetroCast brand name ("MetroCast") which serves about 120,000 Internet, 76,000 video and 37,000 telephony customers. The transaction valued at US$1.4 billion includes the expected present value of future tax benefits of US $310 million and is subject to customary closing adjustments. This acquisition is expected to be financed through a combination of non-recourse debt financing at Atlantic Broadband and an equity investment by Caisse de Dépôt et Placement du Québec ("CDPQ") in Atlantic Broadband's holding company. The transaction is subject to usual closing conditions, regulatory approvals and other customary conditions. The Corporation expects the transaction to close in January 2018. Pursuant to the announcement of this acquisition, all credit ratings for Cogeco Communications and Atlantic Broadband were confirmed.

For the nine-month period ended May 31, 2017:

- Revenue increased by $33.8 million, or 1.9%, to reach $1.77 billion driven by growth in the Communications segment, partly offset by lower revenue in the media activities attributable to the sale of Métromédia CMR Plus Inc. (" Métromédia") on January 5, 2016;

- Adjusted EBITDA increased by $23.7 million, or 3.1%, to reach $784.1 million compared to the same period of fiscal 2016 as a result of the improvement in the Communications segment;

- Profit for the period amounted to $242.3 million of which $86.7 million, or $5.21 per share, was attributable to owners of the Corporation compared to a loss for the period $239.4 million for the same period of fiscal 2016 of which $59.1 million, or $3.54 per share, was attributable to the owners of the Corporation. The profit progression resulted from last year's non-cash pre-tax impairment of goodwill and intangible assets of $450 million and from the claims and litigations of $10.5 million which both occurred in the Communications segment. The remaining variation is explained by the improvement of adjusted EBITDA combined with the decrease in depreciation and amortization, partly offset by the increase in income taxes and last year's gain on disposal of Métromédia;

- Free cash flow reached $338.4 million, an increase of $128.4 million, or 61.1%, compared to the same period of the prior year mainly due to lower acquisitions of property, plant and equipment, intangible and other assets in the Communications segment as a result of the timing of certain initiatives combined with a greater focus on capital expenditure optimization. The improvement of adjusted EBITDA combined with last year's claims and litigations and the decrease in integration, restructuring and acquisition costs also contributed to the increase in free cash flow; and

- Cash flow from operating activities increased by $132.4 million, or 27.1%, to reach $620.3 million compared to the same period of fiscal 2016. The increase for the period is mostly attributable to the improvement in adjusted EBITDA combined with last year's claims and litigations and the decreases in income taxes paid and financial expense paid, partly offset by the decrease in changes in non-cash operating activities primarily due to changes in working capital.

"Overall we are pleased with our results for the third quarter of fiscal 2017," declared Louis Audet, President and Chief Executive Officer of Cogeco Inc. "Cogeco Connexion, our Canadian broadband subsidiary, has seen marked growth in terms of both revenue and EBITDA."

"Atlantic Broadband continues to produce positive results, in line with expectations," added M. Audet. "Our American subsidiary is concentrating its efforts on investments in Florida, a region with a strong potential for growth. On this note, we were very pleased to announce on July 10, the acquisition of the MetroCast cable systems, allowing Atlantic Broadband to increase its presence in

the growing and lucrative U.S. cable market. Moreover, we are delighted to be partnering with CDPQ in this transaction, providing us with a long-term partner with a similar vision," stated Mr. Audet.
"At Cogeco Peer 1, our Business ICT subsidiary, the leadership team continues to build and consolidate its client relationships, with a focus on medium and large customers, positioning themselves as a trusted advisor bringing more relevant solutions to market and cross-selling services," stated Mr. Audet.

"At Cogeco Media, our radio subsidiary, the latest Numeris ratings results confirm that we continue to maintain our leadership position in the Québec radio market, with very strong audience ratings backed by our solid financial performance," concluded Louis Audet. "Our results in this sector are excellent and I am proud of our team's outstanding work."

ABOUT COGECO

Cogeco Inc. is a diversified holding corporation which operates in the communications and media sectors. Through its Cogeco Communications Inc. subsidiary, Cogeco provides its residential and business customers with video, Internet and telephony services through its two-way broadband fibre networks. Cogeco Communications Inc. operates in Canada under the Cogeco Connexion name in Québec and Ontario, and in the United States under the Atlantic Broadband name in western Pennsylvania, south Florida, Maryland/Delaware, South Carolina and eastern Connecticut. Through Cogeco Peer 1, Cogeco Communications Inc. provides its business customers with a suite of information technology services (colocation, network connectivity, hosting, cloud and managed services), through its 16 data centres, extensive FastFiber Network® and more than 50 points of presence in North America and Europe. Through its subsidiary Cogeco Media, Cogeco owns and operates 13 radio stations across most of Québec with complementary radio formats serving a wide range of audiences as well as Cogeco News, its radio news agency. Cogeco Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Communications Inc. are also listed on the Toronto Stock Exchange (TSX: CCA).

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Source:	**Cogeco Inc.** Patrice Ouimet Senior Vice President and Chief Financial Officer Tel.: 514-764-4700
Information:	**Media** René Guimond Senior Vice-President, Public Affairs and Communications Tel.: 514-764-4700
Analyst Conference Call:	**Friday, July 14, 2017 at 11:00 a.m.** (Eastern Daylight 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/United States Access Number: **1 877-291-4570** International Access Number: **+ 1 647-788-4919** **IMPORTANT NOTE**: In order to join this conference, participants are only required to provide the operator with the company name, that is, Cogeco Inc. or Cogeco Communications Inc. **No confirmation code is required.** By Internet at corpo.cogeco.com/cgo/en/investors/

FINANCIAL HIGHLIGHTS

	Quarters ended			Nine months ended		
	May 31, 2017	May 31, 2016	Change	May 31, 2017	May 31, 2016	Change
(in thousands of dollars, except percentages and per share data)	$	$	%	$	$	%
Operations						
Revenue	599,654	574,005	4.5	1,769,159	1,735,358	1.9
Adjusted EBITDA[1]	264,831	253,151	4.6	784,141	760,434	3.1
Integration, restructuring and acquisition costs	—	1,126	—	—	7,476	—
Claims and litigations	—	10,499	—	—	10,499	—
Impairment of goodwill and intangible assets	—	450,000	—	—	450,000	—
Gain on disposal of a subsidiary	—	—	—	—	(12,940)	—
Profit (loss) for the period	82,082	(381,886)	—	242,273	(239,367)	—
Profit (loss) for the period attributable to owners of the Corporation	30,043	(117,670)	—	86,673	(59,143)	—
Cash Flow						
Cash flow from operating activities	243,584	186,209	30.8	620,267	487,916	27.1
Acquisitions of property, plant and equipment, intangible and other assets	100,742	94,905	6.2	285,122	359,355	(20.7)
Free cash flow[1]	109,639	91,934	19.3	338,433	210,044	61.1
Financial Condition[2]						
Cash and cash equivalents	—	—	—	146,661	68,344	—
Property, plant and equipment	—	—	—	1,967,042	2,004,247	(1.9)
Total assets	—	—	—	5,551,804	5,495,520	1.0
Indebtedness[3]	—	—	—	2,834,890	2,974,119	(4.7)
Equity attributable to owners of the Corporation	—	—	—	569,840	503,344	13.2
Per Share Data[4]						
Earnings (loss) per share						
Basic	1.81	(7.03)	—	5.21	(3.54)	—
Diluted	1.80	(7.03)	—	5.17	(3.54)	—
Dividends	0.34	0.295	15.3	1.02	0.885	15.3

(1) The indicated terms do not have standardized definitions prescribed by the International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the “Non-IFRS financial measures” section of the MD&A.
(2) At May 31, 2017 and August 31, 2016. Total assets and shareholders' equity were restated for the year ended August 31, 2016 as reported in note 2 of the Condensed Interim Consolidated Financial Statements.
(3) Indebtedness is defined as the aggregate of bank indebtedness, balance due on a business combination, principal on long-term debt and obligations under derivative financial instruments.
(4) Per multiple and subordinate voting share.