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News release

For immediate release

Independent Production Fund to Assume Production Funding Activities of Cogeco Program Development Fund and Receive Annual Financial Contributions from Cogeco Communications Inc.

Montréal, Québec and Toronto, Ontario, December 4, 2017 – The Cogeco Program Development Fund (CPDF), the Independent Production Fund (IPF) and Cogeco Communications Inc. ("Cogeco") announced today that they have concluded an agreement with a view to ensuring the sustainability of the CPDF's Canadian television production funding activities. This new agreement will become effective on January 1, 2018.

The CPDF and the IPF had been cooperating with each other since 1992 by sharing resources for the processing of funding applications and the administration of the CPDF's program funding activities, which are supported financially by the annual contributions of Cogeco's regulated broadcasting distribution undertakings to independent production funds and the returns from an initial capital endowment of Cogeco following the creation of the CPDF.

The annual contributions from Cogeco have been under pressure lately as a result of lower revenues from traditional broadcasting distribution activities. Given this trend, the directors of the CPDF concluded earlier this year that a new arrangement and a restructuring of the CPDF were necessary.

The new agreement between the CPDF, the IPF and Cogeco provides for the transfer of all the existing program funding activities and commitments of the CPDF to the IPF and the redirection of the totality of the annual contribution of Cogeco for independent production funds to the IPF, effective on January 1, 2018. This transfer will ensure that Canadian television program producers will still be able to apply for dramatic television series program funding in 2018 and thereafter from the proceeds of Cogeco Communications' annual financial contribution directly through the IPF offices in Toronto and Montreal and under the sole responsibility and guidance of the IPF, its staff and its Board of Directors.

The CPDF has invested in total $55M in Canada's program industry for the production and development of nearly 1000 television productions and feature films since 1992, as well as sponsoring key industry events over the years. Projects funded were in English and in French and represented productions from across Canada.

Effective January 1, 2018, the CPDF will be streamlined and known simply as the Cogeco Fund, with a more narrow mandate to support Canadian television industry events through sponsorships or grants from the proceeds of its remaining capital endowment and will continue to be a not-for-profit Canadian corporation.

Also effective January 1, 2018, the IPF will operate two distinct program streams: the Web Series Program with funding for the production of scripted digital-first web series, and the Cogeco Television Production Program for the funding of the production of television series and mini-series. This streamlining of decision-making and funding processes will rely on the expertise of the IPF Board of Directors and reduce administrative overhead expenses.

The IPF remains a Certified Independent Production Fund (CIPF) under the regulations and policies established by the CRTC, and it will receive BDU contributions annually from Cogeco for the television funding program to be known as the Cogeco TV Production Program. In addition, the IPF will continue to use the annual interest from its $36M endowment for its Web Series Program. Recoupment from investments in each Program will be allocated for reinvestment in projects to be funded by the respective Programs of the IPF.

There will be annual deadlines for applications to each of these programs in 2018 – March 1 for the Web Series Program and April 2 for the Cogeco TV Production Program.

The Independent Production Fund has invested $13M in the production of 114 web drama series in the past 7 years, as well as $47M in 251 television drama productions from 1991-2010. It is incorporated as a charitable foundation with an endowment valued at $36M. Its Board of Directors makes all final funding decisions.

ABOUT COGECO INC.

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 Internet, video 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 news agency. Cogeco'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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