COGECO

PRESS RELEASE

For immediate release

COGECO INC. RELEASES ITS RESULTS FOR THE SECOND QUARTER OF FISCAL 2016

- **Revenue increased by $41.5 million, or 7.7%, to reach $578.5 million;**
- **Adjusted EBITDA[(1)] increased by $23.1 million, or 10.1%, to reach $252.1 million compared to $229.1 million for the second quarter of fiscal 2015; and**
- **A quarterly dividend of $0.295 per share was declared, an increase of 15.7% compared to the same period in fiscal 2015.**

Montréal, April 13, 2016 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the second quarter ended February 29, 2016, in accordance with International Financial Reporting Standards ("IFRS").

For the second quarter of fiscal 2016:

- Revenue increased by $41.5 million, or 7.7%, to reach $578.5 million driven by growth in the Communications segment (previously named the Cable and Enterprise data services segment) mainly through the improvement of its American broadband services operations (previously named American cable services operations) combined with favorable foreign exchange rates compared to the same period of the prior year;
- Adjusted EBITDA increased by $23.1 million, or 10.1%, to reach $252.1 million compared to the same period of fiscal 2015 as a result of the improvement in the Communications segment combined with favorable foreign exchange rates compared to the same period of the prior year and the improvement in the media activities despite the sale of Métromédia CMR Plus Inc. ("Métromédia") on January 5, 2016;
- Profit for the period amounted to $75.7 million of which $33.3 million, or $1.99 per share, was attributable to owners of the Corporation compared to profit for the period of $55.0 million for the second quarter on fiscal 2015 of which $14.9 million, or $0.89 per share, was attributable to the owners of the Corporation. The increase in profit is mostly attributable to the improvement of adjusted EBITDA combined with the gain on disposal related to the sale of Métromédia , partly offset by increases in depreciation and amortization and integration, restructuring and acquisition costs. The earnings per share for the quarter were also positively impacted as a result of higher management fees paid by Cogeco Communications to the Corporation under the Amended and Restated Management Services Agreement. Under the new agreement, management fees are payable on a monthly basis. In the previous fiscal year, management fees were fully paid in the first quarter, contributing to lower profit attributable to owners of the Corporation for the second, third and fourth quarters;
- Free cash flow[(1)] reached $77.2 million compared to $68.9 million, an increase of $8.3 million, or 12.0%, compared to the same quarter of the prior year resulting from the improvement of adjusted EBITDA, partly offset by an increase in the acquisitions of property, plant and equipment;
- Cash flow from operating activities reached $211.5 million compared to $198.9 million, representing an increase of $12.5 million compared to fiscal 2015 second-quarter. The increase is mostly attributable to the improvement in adjusted EBITDA, partly offset by increases in income taxes paid and integration, restructuring and acquisition costs;
- A quarterly eligible dividend of $0.295 per share was paid to the holders of subordinate and multiple voting shares, an increase of $0.04 per share, or 15.7%, compared to an eligible dividend of $0.255 per share paid in the second quarter of fiscal 2015; and

(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").

- At its April 13, 2016 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.295 per share for multiple voting and subordinate voting shares payable on May 11, 2016.

For the six-month period ended February 29, 2016:

- Revenue increased by $86.1 million, or 8.0%, to reach $1.16 billion driven by growth in the Communications segment mainly through the improvement of its American broadband services operations combined with favorable foreign exchange rates compared to the same period of the prior year;

- Adjusted EBITDA increased by $44.2 million, or 9.6%, to reach $507.3 million compared to the same period of fiscal 2015 as a result of the improvement in the Communications segment combined with favorable foreign exchange rates compared to the same period of the prior year and the improvement in the media activities despite the sale of Métromédia;

- Profit for the period amounted to $142.5 million of which $58.5 million, or $3.50 per share, was attributable to owners of the Corporation compared to profit for the period of $120.4 million for the same period of fiscal 2015, of which $41.6 million, or $2.49 per share, was attributable to the owners of the Corporation. The increase in profit is mostly attributable to the improvement of adjusted EBITDA combined with the gain on the disposal of Métromédia, partly offset by increases in depreciation and amortization, integration, restructuring and acquisition costs and income taxes;

- Free cash flow reached $118.1 million compared to $139.6 million, a decrease of $21.5 million, or 15.4%, compared to the same period of the prior year resulting from the timing of the acquisitions of property, plant and equipment and an increase in current income taxes, partly offset by the improvement of adjusted EBITDA; and

- Cash flow from operating activities reached $301.7 million compared to $217.9 million, representing an increase of $83.8 million, or 38.4%, compared to the first six months of fiscal 2015. The increase is mostly attributable to the improvement in adjusted EBITDA combined with a decrease in changes in non-cash activities primarily due to changes in working capital, partly offset by increases in income taxes paid and integration, restructuring and acquisition costs.

“Overall, our results for the second quarter of the 2016 fiscal year have been satisfactory,” declared Louis Audet, President and Chief Executive Officer of Cogeco Inc. “Cogeco Communications’ American broadband services subsidiary, Atlantic Broadband, continues to report strong results and solid organic growth following the acquisition of the Connecticut system. Meanwhile, Cogeco Communications’ Canadian broadband services subsidiary, which was renamed Cogeco Connexion, continues to report satisfactory results in a highly competitive market. Cogeco Connexion also reviewed its product offering during the quarter and launched a new entry-level package and a number of new packages on March 1 which provide customers with greater flexibility and choice.”

“Cogeco Communications’ Business ICT services subsidiary, Cogeco Peer 1, is pursuing its plan to build competitive product portfolios,” added Mr. Audet. “As this exercise progresses, in an increasingly competitive market, we are deploying new sales strategies and streamlining our product-offering, focusing on profitability.”

“Recently renamed, Cogeco Media completed the sale of its out-of-home advertising company, Métromedia,” continued Mr. Audet. “As we focus our efforts on strengthening our position in the radio industry, we are very gratified to have seen an exceptional performance from most of our radio stations over the second quarter, as confirmed by the latest Numeris ratings and our subsidiary’s financial results.”

“We have also seen an overall positive reaction to our renaming and rebranding exercise, which we unveiled during the second quarter. We feel well on our way to building a strong, unified and recognizable brand, to position Cogeco for an inspiring and successful future,” concluded Mr. Audet.

ABOUT COGECO

Cogeco Inc. (corpo.cogeco.com) 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 and communications technology services (colocation, network connectivity, managed hosting, cloud services and managed IT services), through its 17 data centres, an 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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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:	**Thursday, April 14, 2016 at 11:00 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/United States Access Number: **1 800-505-9573** International Access Number: **+ 1 416-204-9498** Confirmation Code: **7646799** By Internet at corpo.cogeco.com/cgo/en/investors/ A rebroadcast of the conference call will be available until April 20, 2016, by dialing: Canada and United States access number: **1 888-203-1112** International access number: **+ 1 647-436-0148** Confirmation code: **7646799**

SHAREHOLDERS' REPORT

Three and six-month periods ended February 29, 2016

FINANCIAL HIGHLIGHTS

	Quarters ended			Six months ended		
	February 29, 2016	February 28, 2015	Change	**February 29, 2016**	February 28, 2015	Change
(in thousands of dollars, except percentages and per share data)	**$**	$	%	**$**	$	%
Operations						
Revenue	**578,450**	536,904	7.7	**1,161,353**	1,075,287	8.0
Adjusted EBITDA(1)	**252,129**	229,069	10.1	**507,283**	463,052	9.6
Integration, restructuring and acquisition costs	**4,320**	1,339	—	**6,350**	1,339	—
Gain on disposal of a subsidiary	**(12,940)**	—	—	**(12,940)**	—	—
Profit for the period	**75,688**	55,038	37.5	**142,519**	120,401	18.4
Profit for the period attributable to owners of the Corporation	**33,330**	14,867	—	**58,527**	41,641	40.6
Cash Flow						
Cash flow from operating activities	**211,460**	198,925	6.3	**301,707**	217,924	38.4
Acquisitions of property, plant and equipment, intangible and other assets	**117,220**	103,576	13.2	**264,450**	207,100	27.7
Free cash flow(1)	**77,172**	68,917	12.0	**118,110**	139,645	(15.4)
Financial Condition(2)						
Property, plant and equipment	**—**	—	—	**2,043,498**	2,005,461	1.9
Total assets	**—**	—	—	**6,087,182**	6,205,795	(1.9)
Indebtedness(3)	**—**	—	—	**3,259,339**	3,361,948	(3.1)
Equity attributable to owners of the Corporation	**—**	—	—	**650,319**	603,598	7.7
Per Share Data(4)						
Earnings per share						
Basic	**1.99**	0.89	—	**3.50**	2.49	40.6
Diluted	**1.98**	0.88	—	**3.48**	2.47	40.9

(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 February 29, 2016 and August 31, 2015.
(3) Indebtedness is defined as the aggregate of bank indebtedness, principal on long-term debt and obligations under derivative financial instruments.
(4) Per multiple and subordinate voting share.