News release

For immediate release

COGECO Inc. releases its financial results for fiscal 2015 third quarter

Third quarter revenue increased by 4.1%, or $21.7 million, to reach $557.8 million;

- *Adjusted EBITDA(1) increased by $13.9 million, or 6.0%, to reach $247.0 million;*

- *Atlantic Broadband, a wholly-owned subsidiary of Cogeco Cable Inc., entered into a definitive agreement on June 8, 2015, to purchase MetroCast Communications of Connecticut LLC; and*

- *COGECO announces its fiscal 2016 preliminary financial guidelines and expects adjusted EBITDA to grow between 5% and 8% and free cash flow between 20% to 30%.*

Montréal, July 14, 2015 – Today, COGECO Inc. (TSX: CGO) ("COGECO" or the "Corporation") announced its financial results for the third quarter of fiscal 2015, ended May 31, 2015.

For the third quarter and first nine months of fiscal 2015:

- Third-quarter revenue increased by $21.7 million, or 4.1%, to reach $557.8 million mainly driven by the growth in the Cable and Enterprise data services segment through the improvement of its American cable services operations combined with the favorable foreign exchange rates for our foreign operations and the improvement from the media business activities. Revenue for the first nine-month period ended May 31, 2015, increased by $61.6 million, or 3.9%, to reach $1.63 billion. Revenue progression for the period was mainly driven by the growth in the Cable and Enterprise data services segment through its American and Canadian cable services operations as well as the favorable foreign exchange rates for our foreign operations compared to last year;

- Adjusted EBITDA increased by $13.9 million, or 6.0%, to $247.0 million compared to the third quarter of fiscal 2014, and by $31.1 million, or 4.6%, to $710.0 million compared to the first nine months of the prior year. The increase for both periods resulted mainly from the improvement in the Cable and Enterprise data services segment and the media business activities as well as the favorable foreign exchange rates for our foreign operations compared to the same periods of last year;

- Profit for the period amounted to $66.3 million, of which $22.6 million, or $1.35 per share, is attributable to owners of the Corporation compared to $35.6 million for the same period in fiscal 2014, of which $11.5 million, or $0.69 per share, was attributable to owners of the Corporation. For the first nine months of fiscal 2015, profit for the period amounted to $186.7 million, of which $64.2 million, or $3.84 per share, is attributable to the owners of the Corporation compared to $150.9 million for same period of fiscal 2014, of which $51.9 million, or $3.10 per share, is attributable to owners of the Corporation. Profit progression for both periods is mainly due to the improvement of the adjusted EBITDA combined with last year's impairment of property, plant and equipment of $32.2 million, partly offset by increases in financial expense and income taxes;

- For the three and nine-month periods ended May 31, 2015, free cash flow(1) decreased by $13.6 million and $38.0 million, respectively, to reach $77.9 million and $217.6 million compared to $91.5 million and $255.6 million for the comparable periods of fiscal 2014. The decrease for both periods is mainly due to the increases in acquisitions of property, plant and equipment and financial expense, partly offset by the improvement in adjusted EBITDA;

- Fiscal 2015 third-quarter cash flow from operating activities reached $200.7 million compared to $184.7 million, representing an increase of $16.0 million, or 8.7%, compared to fiscal 2014 third-quarter. The variation for the quarter is mainly due to the improvement of adjusted EBITDA and changes in non-cash operating activities, partly offset by

the increase in financial expense paid. For the first nine months of fiscal 2015, cash flow from operating activities reached $418.6 million compared to $432.6 million, representing a decrease of $13.9 million, or 3.2%, compared to the same period in fiscal 2014. The decrease for the period is mainly attributable to the changes in non-cash operating activities combined with the increase in financial expense paid, partly offset by the improvement of adjusted EBITDA;

- A quarterly eligible dividend of $0.255 per share was paid to the holders of subordinate and multiple voting shares, an increase of $0.035 per share, or 15.9%, compared to a dividend of $0.22 per share paid in the third quarter of fiscal 2014. Dividend payments in the first nine-months totaled $0.765 per share compared to $0.66 per share in fiscal 2014;

- The Corporation released its fiscal 2016 preliminary financial guidelines and expects adjusted EBITDA to grow between 5% and 8% and free cash flow between 20% and 30%;

- At its July 14, 2015 meeting, the Board of Directors of COGECO declared a quarterly eligible dividend of $0.255 per share for multiple voting and subordinate voting shares payable on August 11, 2015;

- On July 14, 2015, COGECO and its subsidiary, Cogeco Cable Inc., amended the Management Services Agreement in place since 1993, which was amended once eighteen years ago in 1997. The amendment takes into account the significant expansion of the business activities of Cogeco Cable in recent years, both by virtue of internal growth and its several acquisitions and a better alignment of management fees with the costs, time and resources committed by COGECO to provide such services to Cogeco Cable. Starting in fiscal 2016, Cogeco Cable will pay monthly fees equal to 0.85% of its consolidated revenue to COGECO. This amendment should have a favorable impact on the profit attributable to owners of the Corporation;

- On June 8, 2015, Atlantic Broadband, a wholly-owned subsidiary of Cogeco Cable Inc., entered into an agreement with MetroCast Communications of Connecticut, LLC ("MetroCast Connecticut") and its parent Harron Communications, L.P. to acquire substantially all of the assets of MetroCast Connecticut which serves about 23,000 Television, 22,000 High Speed Internet and 8,000 Telephony customers. The transaction is valued at US$200 million, subject to customary closing adjustments, and expected to be financed through non-recourse debt financing at Atlantic Broadband. The transaction is subject to usual closing conditions, regulatory approvals and other customary conditions. Cogeco Cable expects the transaction to close around September 1, 2015; and

- As a part of a process initiated in the previous months, the Corporation's subsidiary, Cogeco Cable Inc., announced, on May 5, 2015, the restructuring of its Enterprise data services segment by combining the strengths of its two subsidiaries Cogeco Data Services and Peer 1 Hosting. This combination represents a growth opportunity for Cogeco Cable by bringing the teams and capabilities together and therefore, positioning it to increase operational efficiencies, streamline the product offerings and leverage the global footprint. The restructuring process should result in estimated annual costs savings of $10 million. In addition, the Corporation revised its financial guidelines for the 2015 fiscal year to reflect the integration and restructuring costs estimated at $15 million of which $6.7 million was recognized for the first nine months ended May 31, 2015. Expected profit for the year was decreased by $10 million to reach $253 million and free cash flow by $15 million to reach $275 million to reflect such costs.

(1) The indicated terms do not have standard 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").

"Our results are in line with expectations for the third quarter of fiscal year 2015," declared Louis Audet, President and Chief Executive Officer of Cogeco Inc. "We continue to focus on expanding our service offering and on improving our customer experience while maintaining a rigorous cost control discipline in how we leverage our spending as well as continuing to seize on growth opportunities. We are excited to continue our strategic expansion in the United States through Cogeco Cable's subsidiary, Atlantic Broadband, with the recent agreement to purchase Metrocast Connecticut. We have positioned ourself for growth this past quarter, by joining the forces of Cogeco Cable's subsidiaries, Cogeco Data Services and Peer 1 Hosting, thus building on our current strengths in this thriving sector. As for our subsidiary, Cogeco Diffusion," continued Mr. Audet, "I am pleased to report that our results continue to be positive and the recent spring radio ratings confirmed that we are maintaining a strong position in the Quebec radio market," concluded Louis Audet.

ABOUT COGECO

COGECO (corpo.cogeco.com) is a diversified holding corporation. Through its Cogeco Cable subsidiary, COGECO provides to its residential and business customers analogue and digital television, high speed Internet and telephony services with its two-way broadband fibre networks. Cogeco Cable operates in Canada under the Cogeco Cable

Canada name in Québec and Ontario, and in the United States under the Atlantic Broadband name in Western Pennsylvania, South Florida, Maryland/Delaware and South Carolina. Through its combined subsidiaries, Cogeco Data Services and Peer 1 Hosting, Cogeco Cable Inc. provides to its business customers a suite of information technology services (data transport, colocation, cloud and managed services and dedicated hosting) with 20 data centres as well as more than 50 points-of-presence in North America and Europe. Through its subsidiary, Cogeco Diffusion, 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 also operates Métromédia, an out-of-home advertising company specialized in the public transit sector. COGECO's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Cable are also listed on the Toronto Stock Exchange (TSX: CCA).

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Analyst Conference Call:	**Wednesday, July 15, 2015 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: **1 800-524-8950** International Access Number: **+ 1 416-260-0113** Confirmation Code: **1551128**
	By Internet at https://corpo.cogeco.com/cgo/en/investors/finances/financial-reports
	A rebroadcast of the conference call will be available until July 21, 2015, by dialing:
	Canada and United States access number: **1 888-203-1112** International access number: **+ 1 647-436-0148** Confirmation code: **1551128**