News release

For immediate release

COGECO Inc. releases its results for the first quarter of fiscal 2016

- *Revenue increased by 8.3%, or $44.5 million, to reach $582.9 million;*
- *Adjusted EBITDA(1) increased by $21.2 million, or 9.0%, to reach $255.2 million compared to the same period last year; and*
- *A quarterly dividend of $0.295 per share was declared, an increase of 15.7% compared to the first quarter of fiscal 2015.*

Montréal, January 12, 2016 – Today, COGECO Inc. (TSX: CGO) ("COGECO" or the "Corporation") announced its financial results for the first quarter ended November 30, 2015, in accordance with International Financial Reporting Standards ("IFRS").

For the first quarter of fiscal 2016:

- Revenue increased by $44.5 million, or 8.3%, to reach $582.9 million driven by growth in the Cable and Enterprise data services segment mainly through the improvement of its American cable services operations combined with favorable foreign exchange rates compared to the same period of last year and the improvement in the radio broadcasting and out-of-home advertising business activities;
- Adjusted EBITDA increased by $21.2 million, or 9.0%, to reach $255.2 million compared to the same period of fiscal 2015 as a result of the improvement in the Cable and Enterprise data services segment combined with favorable foreign exchange rates compared to the same period of last year and improvement in the radio broadcasting and out-of-home advertising business activities;
- Profit for the period amounted to $66.8 million of which $25.2 million, or $1.51 per share, was attributable to owners of the Corporation compared to profit for the period of $65.4 million for the first quarter on fiscal 2015 of which $26.8 million, or $1.60 per share, was attributable to the owners of the Corporation. The increase in profit is mostly attributable to the improvement of adjusted EBITDA, partly offset by increases in depreciation and amortization and income taxes. The earnings per share for the quarter was negatively impacted as a result of lower management fees paid by Cogeco Cable Inc. to the Corporation resulting from the Amended and Restated Management Services Agreement which became effective on September 1, 2015. The management fees are now 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 $40.9 million compared to $70.7 million, a decrease of $29.8 million, or 42.1%, compared to the same quarter of the prior year resulting from a timing difference in the acquisitions of property, plant and equipment and an increase in current income taxes, partly offset by the improvement of adjusted EBITDA;
- Cash flow from operating activities reached $90.2 million compared to $19.0 million, representing an increase of $71.2 million compared to fiscal 2015 first-quarter. 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 the increase in income taxes paid;
- 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 first quarter of fiscal 2015;
- At its January 12, 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 February 9, 2016;

(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").

- On January 5, 2016, the Corporation's subsidiary, Cogeco Diffusion, completed the sale of its subsidiary Métromédia CMR Plus Inc. ("Cogeco Métromédia"), an out-of-home advertising company, to Bell Média Inc., for a cash consideration of $47.5 million, which is subject to a post-closing net working capital adjustment; and
- On December 8, 2015, the Corporation's subsidiary, Cogeco Cable Inc., amended its Term Revolving Facility. Under the term of the amendment, the maturity was extended by an additional year and consequently, will mature on January 22, 2021.

"Overall, our results for the first quarter of the new fiscal year have been satisfactory," declared Louis Audet, President and Chief Executive Officer of COGECO Inc. "Our American cable services subsidiary, Atlantic Broadband, has successfully completed the integration of its acquisition, in Connecticut and it continues to report strong results, helping us consolidate our presence in the American market. Meanwhile, our Canadian cable services subsidiary continues to report satisfactory results."

"At Cogeco Peer 1, significant portions of the integration of our business units are complete," continued Mr. Audet. "Our teams continue to work diligently to build robust and competitive product portfolios as well as sales and go-to-market strategies. I am confident that the efforts we are putting into this investment now, under the guidance of the strong leadership team currently in place, will help us achieve the growth we expect from this sector."

"As for our subsidiary, Cogeco Diffusion, I'm pleased to report that our results continue to be very positive, thanks to the strong performance of our radio and our transit display advertising. On the radio side, Cogeco's talk radio stations are number one in both Montréal (98,5 fm) and Québec city (FM 93) markets," concluded Louis Audet.

ABOUT COGECO

COGECO Inc. (corpo.cogeco.com) is a diversified holding corporation which operates in the communications and media sectors. Through its Cogeco Cable Inc. subsidiary, COGECO provides its residential and business customers with video, Internet and telephony services through its two-way broadband fibre networks. Cogeco Cable Inc. 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, South Carolina and eastern Connecticut. Through Cogeco Peer 1, Cogeco Cable Inc. provides its business customers with a suite of information technology services (colocation, network connectivity, managed hosting, cloud services and managed IT services), through its 21 data centres, extensive FastFiber NetworkTM and 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's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Cable Inc. are also listed on the Toronto Stock Exchange (TSX: CCA).

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Source: **COGECO Inc.**

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Analyst Conference Call:

Wednesday, January 13, 2016 at 9:30 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: **6162342**

By Internet at corpo.cogeco.com/cgo/en/investors/

A rebroadcast of the conference call will be available until January 19, 2016, by dialing:

Canada and United States access number: **1 888-203-1112**
International access number: **+ 1 647-436-0148**
Confirmation code: **6162342**