News release

For immediate release

Cogeco Inc. Releases Its Results For The First Quarter Of Fiscal 2017

- **Adjusted EBITDA(1) increased by $6.1 million, or 2.4%, to reach $261.3 million;**
- **Free cash flow(1) increased by $68.4 million to reach $109.3 million; 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, January 11, 2017 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the first quarter ended November 30, 2016, in accordance with International Financial Reporting Standards ("IFRS").

For the first quarter of fiscal 2017:

- Revenue remained essentially the same at $583.1 million compared to $582.9 million 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 $6.1 million, or 2.4%, to reach $261.3 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 $82.0 million of which $30.8 million, or $1.84 per share, was attributable to owners of the Corporation compared to profit for the period of $66.8 million for the first quarter on fiscal 2016 of which $25.2 million, or $1.51 per share, was attributable to the owners of the Corporation. The increase is mainly due to the improvement of adjusted EBITDA combined with the decrease in depreciation and amortization;
- Free cash flow reached $109.3 million compared to $40.9 million, an increase of $68.4 million compared to the same quarter of the prior year mainly due to lower acquisitions of property, plant and equipment, intangible and other assets as a result of the timing of certain initiatives combined with a greater focus on capital expenditure optimization in the Communication segment. The improvement of adjusted EBITDA also contributed to the increase in free cash flow;
- Cash flow from operating activities reached $122.9 million compared to $90.2 million, representing an increase of $32.6 million compared to fiscal 2016 first-quarter. The increase is mostly attributable to the improvement of adjusted EBITDA combined with the decreases in income taxes paid and financial expense paid, partly offset by the increase in changes in non-cash operating activities primarily due to changes in working capital;
- A quarterly eligible dividend of $0.34 per share was paid in the first quarter to the holders of multiple and subordinate voting shares, an increase of $0.045 per share, or 15.3%, compared to an eligible dividend of $0.295 per share paid in the first quarter of fiscal 2016;
- At its January 11, 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 February 8, 2017; and
- On December 9, 2016, the Corporation's subsidiary, Cogeco Communications Inc., amended its Term Revolving Facility resulting in the extension of the maturity date by an additional year until January 24, 2022. In addition, on December 5, 2016, the Corporation amended its Term Revolving Facility. Under the terms of the amendment, the maturity was extended by an additional year until February 1, 2022.

(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").

"We are quite satisfied with the overall results for Cogeco Inc. in this first quarter of our fiscal year 2017," declared Louis Audet, President and Chief Executive Officer of Cogeco Inc. "In our communications subsidiary, Cogeco Communications Inc., we are very pleased with the results of Cogeco Connexion, given the high level of competition in the Canadian broadband market and the maturity of this industry. The business continues to maintain tight control on costs and has once again reported results that are in line with expectations."

"Our American broadband services business, Atlantic Broadband, continues to show a solid performance with strong organic growth," added M. Audet. "We are very satisfied with results so far in fiscal 2017 and see potential for further growth, particularly in the Connecticut and Florida markets."

"At Cogeco Peer 1, our Business ICT services business, we have a solid senior leadership management team and a new go-to- market strategy in place," stated Mr. Audet. "While market conditions are changing faster than ever before, we continue to focus on bringing more relevant solutions to market and cross-selling our services, positioning ourselves as a trusted advisor offering the whole breadth of relevant enterprise services. In addition, we have generated meaningful free cash flow reflecting our focus on optimizing our asset base."

"As for our radio subsidiary, Cogeco Media, we continue to maintain our leadership position in the Québec radio market, thanks to strong audience ratings and a solid financial performance," concluded Louis Audet. "We are performing according to plan and I am very proud of the team's excellent work in this sector."

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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Analyst Conference Call:	**Thursday, January 12, 2017 at 9:30 a.m.** (Eastern 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:
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