News release

For immediate release

Cogeco Inc. Releases Its Results for the Fourth Quarter of Fiscal 2017 and Increases Its Dividend

- **Revenue increased by $6.5 million, or 1.1%, to reach $578.5 million;**
- **Results for fiscal 2017 achieved or surpassed financial guidance for the year; and**
- **A quarterly eligible dividend of $0.39 per share was declared, an increase of 14.7% compared to the fourth quarter of fiscal 2017.**

Montréal, November 2, 2017 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the fourth quarter ended August 31, 2017, in accordance with International Financial Reporting Standards ("IFRS").

For the fourth quarter of fiscal 2017:

- Revenue increased by $6.5 million, or 1.1%, to reach $578.5 million driven by growth of 1.4% in the Communications segment, partly offset by a decrease of 4.3% in the Other segment mainly attributable to market pressure in the media activities in the fourth quarter;
- Adjusted EBITDA(1) decreased by $6.9 million, or 2.7%, to reach $251.4 million compared to the same period of fiscal 2016 as a result of stable adjusted EBITDA in the Communications segment and a decrease in revenue combined with last year's favorable impact of $3.3 million in non-recurring items in the media activities;
- Profit for the period amounted to $71.1 million of which $22.3 million, or $1.35 per share, was attributable to owners of the Corporation compared to $80.7 million for the fourth quarter of fiscal 2016 of which $29.8 million, or $1.78 per share, was attributable to the owners of the Corporation. The decline for the quarter resulted mainly from a decrease in adjusted EBITDA;
- Free cash flow(1) reached $51.8 million, a decrease of $36.2 million, or 41.1%, compared to the same quarter of the prior year mainly due to higher acquisitions of property, plant and equipment, intangible and other assets in the Communications segment;
- Cash flow from operating activities increased by $85.7 million, or 31.6%, to reach $356.8 million compared to fiscal 2016 fourth-quarter. The increase for the period is mostly attributable to the increase in changes in non-cash operating activities primarily due to changes in working capital and a decrease in income taxes paid, partly offset by a decrease in adjusted EBITDA;
- A quarterly eligible dividend of $0.34 per share was paid in the fourth quarter to the holders of multiple and subordinate voting shares, an increase of 15.3%, compared to a quarterly eligible dividend of $0.295 per share paid in the fourth quarter of fiscal 2016;
- During the fourth quarter, Cogeco purchased and canceled 57,362 subordinate voting shares, for consideration of $4.5 million, under its normal course issuer bid program which started in August 2016. On July 31, 2017, the Corporation renewed its normal course issuer bid program from August 2, 2017 to August 1, 2018, enabling it to acquire for cancellation up to 550,000 subordinate voting shares; and
- At its November 2, 2017 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.39, an increase of 14.7%, compared to $0.34 per share paid in the fourth quarter of fiscal 2017.

For the fiscal year ended August 31, 2017:

- Revenue increased by $40.3 million, or 1.7%, to reach $2.35 billion driven by growth of 2.3% in the Communications segment, partly offset by a decrease of 7.9% in the other segment attributable to the sale of Métromédia CMR Plus Inc. ("Métromédia") on January 5, 2016;
- Adjusted EBITDA increased by $16.8 million, or 1.6%, to reach $1.04 billion compared to fiscal 2016 mainly as a

result of the improvement in the Communications segment, partly offset by lower adjusted EBITDA in the other segment as a result of the sale of Métromédia;
- Profit for the year amounted to $313.4 million of which $109.0 million, or $6.56 per share, was attributable to owners of the Corporation compared to a loss of $158.7 million in fiscal 2016 of which $29.4 million, or $1.75 per share, was attributable to the owners of the Corporation. The profit progression resulted from last year's non-cash pre-tax impairment of goodwill and intangible assets of $450 million and from the claims and litigations of $10.8 million which both occurred in the Communications segment. The remaining variation is explained by the improvement of adjusted EBITDA combined with a decrease in depreciation and amortization, partly offset by an increase in income taxes and last year's gain on disposal of Métromédia;
- Free cash flow reached $390.3 million, an increase of $92.2 million, or 30.9%, compared to the prior year mainly due to lower acquisitions of property, plant and equipment, intangible and other assets in the Communications segment as a result of the timing of certain initiatives combined with a greater focus on capital expenditure optimization. The improvement of adjusted EBITDA combined with last year's claims and litigations and the decrease in current income taxes also contributed to the increase in free cash flow;
- Cash flow from operating activities increased by $218.1 million, or 28.7%, to reach $977.1 million compared to fiscal 2016. The increase for the year is mostly attributable to the decreases in income taxes paid and financial expense paid. The improvement in adjusted EBITDA, the increase in changes in non-cash operating activities primarily due to changes in working capital as well as last year's claims and litigations also contributed to the increase in cash flow from operating activities; and
- Dividends paid in fiscal 2017 totaled $1.36 per share compared to $1.18 per share in fiscal 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") of the Corporation's 2017 Annual Report.

"For the last quarter of fiscal 2017, our subsidiary Cogeco Communications Inc.'s performance was in line with expectations," declared Louis Audet, President and Chief Executive Officer of Cogeco Inc. "Overall, in the Canadian broadband services subsidiary, Cogeco Connexion's results over the course of the fiscal year have been very positive, with increases in revenue, EBITDA and free cash flow."

"In our American broadband services subsidiary, Atlantic Broadband continues to generate strong growth," stated Mr. Audet. "In addition to its continued expansion in Florida, a region with a strong potential for growth, Atlantic Broadband has seen significant expansion in both residential and business revenue in its Connecticut system, acquired in August 2015."

"In our Business ICT subsidiary, we continue to focus on improving Cogeco Peer 1 results in a highly competitive market where conditions are changing ever faster," added Mr. Audet. "Our focus remains on bringing more relevant solutions to the 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."

"Finally, when we look at our radio subsidiary Cogeco Media, the latest Numeris results confirm that we continue to maintain our leadership position in the Québec radio market, with very strong audience ratings," stated Louis Audet. "Our results are in line with expectations, despite an advertising market that is increasingly under pressure."

"As we close our fiscal 2017, I am satisfied with the solid performance of Cogeco. I am very proud that our results were in line with or exceeded our financial guidance for the year across all key performance indicators," concluded Mr. Audet.

Fiscal 2018 Financial Guidelines

Cogeco maintained its fiscal 2018 preliminary financial guidelines as issued on July 13, 2017. Fiscal 2018 financial guidelines do not include the MetroCast acquisition in the Communications segment. The Corporation expects to review its financial guidelines when the transaction is concluded. Please consult the "Fiscal 2018 financial guidelines" section of the Corporation's 2017 Annual Report for further details.

FINANCIAL HIGHLIGHTS

(in thousands of dollars, except percentages, per share data and the number of shares)	Quarters ended			Years ended		
	August 31, 2017	August 31, 2016	Change	August 31, 2017	August 31, 2016	Change
	$	$	%	$	$	%
Operations						
Revenue	578,519	572,045	1.1	2,347,678	2,307,403	1.7
Adjusted EBITDA[1]	251,404	258,328	(2.7)	1,035,545	1,018,762	1.6
Integration, restructuring and acquisition costs	3,191	1,326	—	3,191	8,802	(63.7)
Claims and litigations	—	292	—	—	10,791	—
Impairment of goodwill and intangible assets	—	—	—	—	450,000	—
Gain on disposal of a subsidiary	—	(167)	—	—	(13,107)	—
Profit (loss) for the period	71,094	80,662	(11.9)	313,367	(158,705)	—
Profit (loss) for the period attributable to owners of the Corporation	22,312	29,792	(25.1)	108,985	(29,351)	—
Cash Flow						
Cash flow from operating activities	356,814	271,114	31.6	977,081	759,030	28.7
Acquisitions of property, plant and equipment, intangible and other assets	146,185	111,002	31.7	431,307	470,357	(8.3)
Free cash flow[1]	51,841	88,028	(41.1)	390,274	298,072	30.9
Financial Condition[2]						
Cash and cash equivalents	—	—	—	212,283	68,344	—
Short-term investments	—	—	—	54,000	—	—
Total assets	—	—	—	5,499,376	5,495,520	0.1
Indebtedness[3]	—	—	—	2,633,159	2,974,119	(11.5)
Equity attributable to owners of the Corporation	—	—	—	578,556	503,344	14.9
Per Share Data[4]						
Earnings (loss) per share						
Basic	1.35	1.78	(24.2)	6.56	(1.75)	—
Diluted	1.34	1.78	(24.7)	6.52	(1.75)	—
Dividends	0.34	0.295	15.3	1.36	1.18	15.3
Weighted average number of multiple and subordinate voting shares outstanding	16,527,385	16,726,378	(1.2)	16,618,229	16,728,185	(0.7)

(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 MD&A of the Corporation's 2017 Annual Report.

(2) At August 31, 2016, total assets and equity attributable to owners of the Corporation were restated as reported in note 3 of the Consolidated Financial Statements of the Corporation's 2017 Annual Report.

(3) Indebtedness is defined as the aggregate of bank indebtedness, balance due on a business combination, principal on long-term debt and obligations under derivative financial instruments.

(4) Per multiple and subordinate voting shares.

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 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 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).

- 30 -

Source:	**Cogeco Inc.** Patrice Ouimet Senior Vice President and Chief Financial Officer Tél. : 514-764-4700
Information:	**Media** René Guimond Senior Vice President, Public Affairs and Communications Tél. : 514-764-4700
Analyst Conference Call:	**Friday, November 3, 2017 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: **1 877-291-4570** International Access Number: **+ 1 647-788-4919** **IMPORTANT NOTE**: In order to join this conference, participants are only required to provide the operator with the company name, that is, Cogeco Inc. or Cogeco Communications Inc. **No confirmation code is required.**
	By Internet at https://corpo.cogeco.com/cgo/en/investors/finances/financial-reports