



PRESS RELEASE
For immediate release

COGECO Inc. releases its financial results for the fourth quarter of fiscal 2015 and increases its dividend

- ***Revenue for the fourth quarter increased by \$29.6 million, or 5.6%, to reach \$554.1 million***
- ***Adjusted EBITDA⁽¹⁾ increased by \$15.2 million, or 6.6%, to reach \$244.6 million***
- ***Free cash flow⁽¹⁾ increased by \$55.0 million to reach \$73.2 million***
- ***Atlantic Broadband, a wholly-owned subsidiary of Cogeco Cable Inc., completed the acquisition of MetroCast Communications of Connecticut, LLC; and***
- ***Cogeco Inc. increases its quarterly dividend from \$0.255 to \$0.295 representing a growth of 15.7%.***

Montréal, October 28, 2015 – Today, COGECO Inc. (TSX: CGO) (“COGECO” or the “Corporation”) announced its financial results for the fourth quarter and fiscal year ended August 31, 2015, in accordance with International Financial Reporting Standards (“IFRS”).

For the fourth quarter ended August 31, 2015:

- Revenue increased by \$29.6 million, or 5.6%, to reach \$554.1 million mainly driven by growth in the Cable and Enterprise data services segment through the improvement of its American cable services and Enterprise data services operations, with stable revenue in its Canadian cable services operations combined with favorable foreign exchange rates compared to last year;
- Adjusted EBITDA increased by \$15.2 million, or 6.6%, to reach \$244.6 million compared to fiscal 2014 mainly from the improvement in the Cable and Enterprise data services segment, the favorable foreign exchange rates compared to the same period of last year as well as cost reduction initiatives in the radio broadcasting and out-of-home advertising business activities;
- Profit for the period amounted to \$78.5 million of which \$25.4 million, or \$1.52 per share, is attributable to owners of the Corporation compared to profit for the period of \$59.2 million for the same period in fiscal 2014 of which \$15.8 million, or \$0.94 per share, was attributable to the owners of the Corporation. The increase is mostly attributable to the improvement of adjusted EBITDA and the \$27.4 million settlement of a claim with a supplier in the Cable and Enterprise data services segment, partly offset by increases in financial expense and income taxes;
- Free cash flow reached \$73.2 million compared to \$18.1 million, an increase of \$55.0 million compared to the same quarter of the prior year. The increase is due to the improvement of adjusted EBITDA, the settlement of a claim with a supplier and the decrease in acquisitions of property, plant and equipment, partly offset by the increases in integration, restructuring and acquisition costs and current income taxes.
- Cash flow from operating activities reached \$275.7 million compared to \$332.2 million, a decrease of \$56.5 million or 17.0%, compared to fiscal 2014 fourth quarter. The decrease is mostly attributable to changes in working capital combined with the increases in income taxes paid and integration, restructuring and acquisition costs, partly offset by the improvement in adjusted EBITDA and the settlement of a claim with a supplier;
- 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 fourth quarter of fiscal 2014;

(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 October 28, 2015, COGECO declared a quarterly eligible dividend of \$0.295 per share, an increase of 15.7% compared to the \$0.255 dividend per share paid in the fourth quarter of fiscal 2015;
- On October 27, 2015, the Corporation amended its Term Revolving Facility. Under the terms of the amendment, the maturity was extended by an additional year until February 1, 2021; and
- On August 20, 2015, Atlantic Broadband, a wholly-owned subsidiary of Cogeco Cable Inc., completed the acquisition of substantially all of the net assets of MetroCast Communications of Connecticut, LLC ("MetroCast Connecticut"), which served 27,256 video, 22,673 Internet and 7,817 telephony customers at August 31, 2015. The transaction, valued at US\$200 million, subject to a post-closing net working capital adjustment, was financed through a combination of cash on hand, a draw-down on the existing Revolving Facility of US\$90 million and US\$100 million of borrowings under a new Term Loan A-2 Facility issued under the First Lien Credit Facilities. This acquisition enhances Cogeco Cable's footprint in the American cable market and provides for further growth potential.

For the fiscal year ended August 31, 2015:

- Revenue increased by \$91.1 million, or 4.3% to reach \$2.2 billion mainly driven by the growth in the Cable and Enterprise data services segment through the growth of its American cable services operations with stable revenue in its Canadian cable services operations combined with favorable foreign exchange rates compared to the prior year;
- Adjusted EBITDA increased by \$46.3 million, or 5.1%, to reach \$954.6 million compared to the prior year. The progression resulted mainly from the improvement in the Cable and Enterprise data services segment, the favorable foreign exchange rates compared to the same period of last year as well as cost reduction initiatives in the radio broadcasting and out-of-home advertising business activities;
- Profit for the year amounted to \$265.2 million of which \$89.6 million, or \$5.35 per share, is attributable to owners of the Corporation compared to profit of the year of \$210.2 million of which \$67.7 million, or \$4.05 per share, was attributable to the owners of the Corporation in fiscal 2014. The progression is mostly attributable to the improvement of the adjusted EBITDA, the settlement of a claim with a supplier in the Cable and Enterprise data services segment and last year's impairment of property, plant and equipment, partly offset by increases in integration, restructuring and acquisition costs, financial expense and income taxes;
- Free cash flow increased by \$17.0 million to reach \$290.7 million compared to \$273.7 million in fiscal 2014 as a result of the improvement of adjusted EBITDA and the settlement of a claim with a supplier, partly offset by the increases in acquisitions of acquisitions of property, plant and equipment, integration, restructuring and acquisition costs, financial expense and current income taxes;
- Cash flow from operating activities reached \$694.3 million compared to \$764.8 million, a decrease of \$70.5 million, or 9.2%, compared to the same period in fiscal 2014. The decrease is mainly attributable to the changes in working capital combined with the increases in financial expense paid and integration, restructuring and acquisition costs; partly offset by the improvement in adjusted EBITDA, the settlement of a claim with a supplier and the decrease in income taxes paid; and
- Dividends paid in fiscal 2015 totaled \$1.02 per share compared to \$0.88 per share in fiscal 2014.

"We are satisfied with our financial results for the fourth quarter of fiscal 2015," declared Louis Audet, President and Chief Executive Officer of COGECO Inc. "We have closed the year with results that are in line with expectations, demonstrating our capacity to grow, while maintaining rigorous cost control discipline."

"We have been pleased with the results of Cogeco Cable's subsidiary, Atlantic Broadband, and we are excited to continue our geographic expansion in the United States market with the acquisition of MetroCast Connecticut," continued Mr. Audet. "In Cogeco Cable's Enterprise data services segment, we have begun implementing the combination of our Cogeco Data Services and Peer 1 Hosting subsidiaries. I am very pleased to report that we can already see the benefits of this strategic decision through improved results. Once the process is complete, we can expect to continue building and strengthening our ability to attract, retain and grow a customer base that truly values the solutions and services we offer."

"As for our Cogeco Diffusion subsidiary, we continue to maintain a strong position in the Québec radio market, enjoying a positive quarter thanks to solid audience ratings and tight cost management," concluded Louis Audet.

Fiscal 2016 Financial Guidelines

COGECO revised its fiscal 2016 preliminary financial guidelines, as issued on July 14, 2015, to take into consideration the expected operating results from the acquisition of MetroCast Connecticut by Atlantic Broadband, the wholly-owned subsidiary of Cogeco Cable Inc., on August 20, 2015. Please consult the "Fiscal 2016 financial guidelines" section of the Corporation's 2015 Annual Report for further details.

FINANCIAL HIGHLIGHTS

(in thousands of dollars, except percentages and per share data)	Quarters ended			Years ended		
	August 31, 2015	August 31, 2014	Change	August 31, 2015	August 31, 2014	Change
	\$	\$	%	\$	\$	%
Operations						
Revenue	554,089	524,523	5.6	2,187,163	2,096,038	4.3
Adjusted EBITDA	244,562	229,332	6.6	954,591	908,262	5.1
Integration, restructuring and acquisition costs	6,942	956	—	13,950	4,736	—
Settlement of a claim with a supplier	(27,431)	—	—	(27,431)	—	—
Impairment of property, plant and equipment	—	3,296	(100.0)	—	35,493	(100.0)
Profit for the period	78,529	59,229	32.6	265,215	210,170	26.2
Profit for the period attributable to owners of the Corporation	25,402	15,765	61.1	89,627	67,680	32.4
Cash Flow						
Cash flow from operating activities	275,690	332,218	(17.0)	694,300	764,770	(9.2)
Cash flow from operations ⁽¹⁾	203,918	184,781	10.4	733,399	693,909	5.7
Acquisitions of property, plant and equipment, intangible and other assets	130,768	166,642	(21.5)	442,675	420,179	5.4
Free cash flow	73,150	18,139	—	290,724	273,730	6.2
Financial Condition						
Cash and cash equivalents				164,189	63,831	—
Property, plant and equipment				2,005,461	1,852,270	8.3
Total assets				6,205,795	5,367,730	15.6
Indebtedness ⁽²⁾				3,361,948	2,848,040	18.0
Equity attributable to owners of the Corporation				603,598	513,965	17.4
Per Share Data⁽³⁾						
Earnings per share attributable to the owners of the Corporation						
Basic	1.52	0.94	61.7	5.35	4.05	32.1
Diluted	1.51	0.94	60.6	5.32	4.02	32.3

(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.

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

(3) Per multiple and subordinate voting share.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to COGECO inc.'s ("COGECO" or the "Corporation") future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which COGECO believes are reasonable as of the current date. Refer in particular to the "Corporate Objectives and Strategies" and "Fiscal 2016 Financial Guidelines" sections of the Corporation's 2015 annual Management's Discussion and Analysis ("MD&A") for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While Management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what COGECO currently expects. These factors include risks such as technological changes, changes in markets and competition, increased cord-shaving or cord-cutting of our services, increased programming costs or support structure costs, the successful implementation of our business strategies, regulatory or policy developments, non-renewal of licences or franchises, a failure to renew a critical lease, a failure of supply of equipment or services, a failure in our cable network head-ends, the inability to enhance our information systems, security breaches, malicious or abusive Internet practices, disasters or other contingencies, general and economic conditions, fluctuations in foreign exchange rates, interest rates, capital markets and changes in tax policy, strikes or labor protests, loss of key executives and the Corporation's controlling shareholder having conflicting interests with shareholders and other stakeholders, many of which are beyond the Corporation's control. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and Main Risk Factors" section of the Corporation's 2015 annual MD&A. These factors are not intended to represent a complete list of the factors that could affect COGECO and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this press release and forward-looking statements contained in this press release represent Cogeco Cable's expectations as of the date of this press release (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

All amounts are stated in Canadian dollars unless otherwise indicated. This press release should be read in conjunction with the MD&A included in the Corporation's 2015 Annual Report, the Corporation's consolidated financial statements and the notes thereto, prepared in accordance with the IFRS for the year ended August 31, 2015.

RESULTS OVERVIEW

This analysis should be read in conjunction with the Corporation's 2015 Annual Report available on SEDAR at www.sedar.com or on the Corporation's website at corpo.cogeco.com. Please refer to the Corporation's 2015 Annual Report for more details on the annual results.

FOURTH-QUARTER OPERATING RESULTS

OPERATING RESULTS

CONSOLIDATED

Quarters ended August 31, (in thousands of dollars, except percentages)	2015 \$	2014 \$	Change %
Revenue	554,089	524,523	5.6
Operating expenses	309,527	295,191	4.9
Adjusted EBITDA	244,562	229,332	6.6

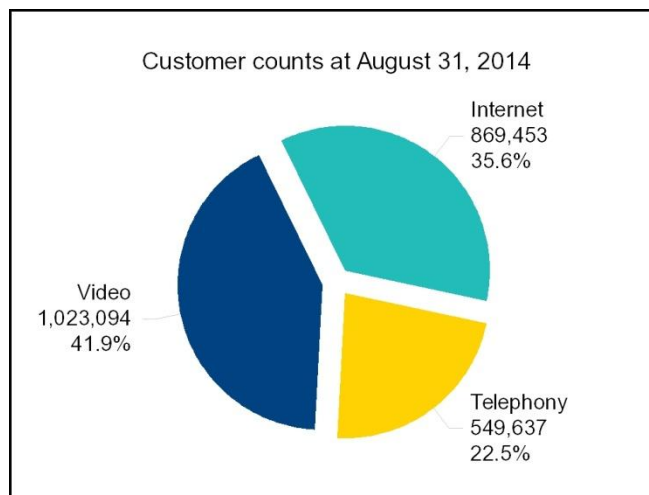
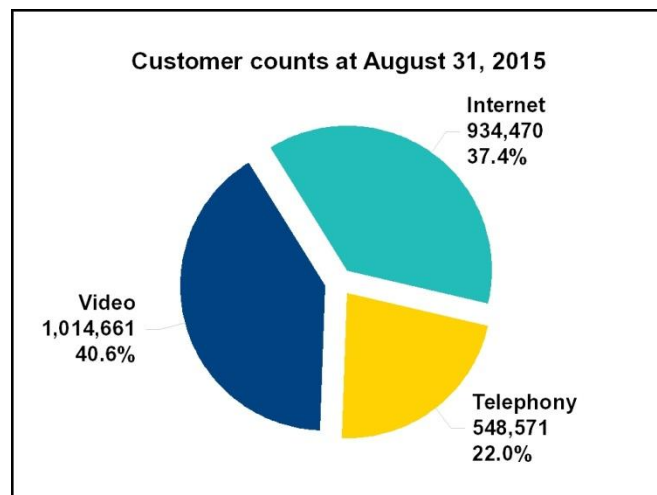
Fiscal 2015 fourth-quarter revenue increased by \$29.6 million, or 5.6%, to reach \$554.1 million compared to the prior year primarily due to the improvement in the Cable and Enterprise data services segment.

Fiscal 2015 fourth-quarter operating expenses increased by \$14.3 million, or 4.9%, to reach \$309.5 million compared to fiscal 2014. The increase in operating expenses is mainly attributable to the Cable and Enterprise data services segment operating results, partly offset by cost reduction initiatives in the radio broadcasting and out-of-home advertising business activities.

As a result of revenue growth exceeding operating expenses growth, adjusted EBITDA increased by \$15.2 million, or 6.6%, to reach \$244.6 million in the fourth quarter of fiscal 2015.

In the Cable and Enterprise data services segment, fiscal 2015 fourth-quarter revenue improved by \$30.3 million, or 6.2%, to reach \$520.4 million compared to the prior year driven by growth in its American cable services and Enterprise data services operations, with stable revenue in its Canadian cable services operations. Fiscal 2015 fourth-quarter operating expenses increased by \$20.5 million, or 7.9%, at \$279.8 million mainly due to favorable foreign exchange rates and organic growth, partly offset by cost reduction initiatives in its Canadian cable services and Enterprise data services operations. As a result, adjusted EBITDA increased by \$9.8 million, or 4.2%, to reach \$240.6 million.

CABLE AND ENTERPRISE DATA SERVICES SEGMENT CUSTOMER STATISTICS



	August 31, 2015			Net additions (losses)	
	Consolidated	Canada	United States ⁽¹⁾	Quarters ended	
				August 31, 2015 ⁽¹⁾	August 31, 2014
PSU	2,497,702	1,926,542	571,160	48,947	(9,934)
Video service customers	1,014,661	765,358	249,303	16,618	(11,897)
Internet service customers	934,470	704,555	229,915	29,413	3,856
Telephony service customers	548,571	456,629	91,942	2,916	(1,893)

(1) Includes 57,746 PSU (27,256 video services, 22,673 Internet services and 7,817 telephony services customers) from the acquisition of MetroCast Connecticut in the fourth quarter of fiscal 2015.

Fiscal 2015 fourth-quarter PSU net additions amounted to 48,947 of which 57,746 came from the acquisition of MetroCast Connecticut by Atlantic Broadband on August 20, 2015 compared to net losses of 9,934 for the same period of prior year explained as follows:

VIDEO

Fiscal 2015 fourth-quarter video service customers net additions stood at 16,618, of which 27,256 net additions came from the acquisition of MetroCast Connecticut. The net variance is due to the launch of TiVo digital advanced video services in Canada on November 3, 2014 in Ontario and on March 30, 2015 in Québec as well as in fiscal 2014 in the United States, partly offset by promotional offers of competitors for the video services, service category maturity and the IPTV footprint growth from competitors.

INTERNET

Fiscal 2015 fourth-quarter Internet service customers grew by 29,413, of which 22,673 net additions came from the acquisition of MetroCast Connecticut. The net variance is due to the enhancement of product offering, the impact of the bundled offer of video, Internet and telephony services, the launch of TiVo's services, promotional activities and the growth in the business sector.

TELEPHONY

Fiscal 2015 fourth-quarter telephony service customers net additions stood at 2,916, of which 7,817 net additions came from the acquisition of MetroCast Connecticut. The net variance result mainly from the increasing mobile penetration rate in North America and various unlimited offers by mobile operators causing customers to cancel their landline telephony services for mobile telephony services only.

CASH FLOW ANALYSIS

Quarters ended August 31, (in thousands of dollars)	2015 \$	2014 \$
Operating activities		
Cash flow from operations	203,918	184,781
Changes in non-cash operating activities	47,130	130,360
Amortization of deferred transaction costs and discounts on long-term debt	(2,226)	(2,049)
Income taxes paid	(20,100)	(10,380)
Current income taxes	30,126	13,792
Financial expense paid	(19,558)	(19,256)
Financial expense	36,400	34,970
Cash flow from operating activities	275,690	332,218
Investing activities	(394,258)	(165,489)
Financing activities	205,917	(133,536)
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	2,122	112
Net change in cash and cash equivalents	89,471	33,305
Cash and cash equivalents, beginning of period	74,718	30,526
Cash and cash equivalents, end of period	164,189	63,831

Fiscal 2015 fourth-quarter cash flow from operating activities reached \$275.7 million compared to \$332.2 million last year, a decrease of \$56.5 million, or 17.0%, mainly as a result of the following:

- the decrease of \$83.2 million in non-cash operating activities primarily due to changes in working capital;
- the increase of \$9.7 million in income taxes paid; and

- the increase of \$6.0 million in integration, restructuring and acquisition costs; partly offset by
- the improvement of \$15.2 million in adjusted EBITDA; and
- the settlement of a claim with a supplier of \$27.4 million.

Fiscal 2015 fourth-quarter cash flow from operations reached \$203.9 million compared to \$184.8 million last year, an increase of \$19.1 million, or 10.4%, mainly as a result of the following:

- the improvement of adjusted EBITDA of \$15.2 million; and
- the settlement of a claim with a supplier of \$27.4 million; partly offset by
- the increase of \$16.3 million in current income taxes; and
- the increase of \$6.0 million in integration, restructuring and acquisition costs.

BUSINESS COMBINATION IN FISCAL 2015

On August 20, 2015, Atlantic Broadband, a wholly-owned subsidiary of Cogeco Cable Inc., completed the acquisition of substantially all of the net assets of MetroCast Connecticut, which served 27,256 video, 22,673 Internet and 7,817 telephony customers at August 31, 2015. The transaction, valued at US\$200 million, subject to a post-closing net working capital adjustment, was financed through a combination of cash on hand, a draw-down on the existing Revolving Facility of US\$90 million and US\$100 million of borrowings under a new Term Loan A-2 Facility issued under the First Lien Credit Facilities. This acquisition enhances Cogeco Cable's footprint in the American cable market and provides for further growth potential.

The acquisition was accounted for using the purchase method. The preliminary allocation of the purchase price of MetroCast Connecticut is as follows, pending the finalization of the determination of the fair value of the net assets acquired:

<i>(in thousands of dollars)</i>		\$
Consideration		
Paid		
Purchase price		261,600
Working capital adjustments		1,640
		263,240
Net assets acquired		
Trade and other receivables		616
Prepaid expenses and other		1,696
Property, plant and equipment		51,368
Intangible assets		108,564
Goodwill		101,685
Trade and other payables assumed		(689)
		263,240

ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE AND OTHER ASSETS

Fiscal 2015 fourth-quarter acquisition of property, plant and equipment amounted to \$126.0 million compared to \$165.7 million in fiscal 2014. The decrease is mainly due to the following factors in the Cable and Enterprise data services segment:

- lower capital expenditures in fiscal 2015 compared to fiscal 2014 to build out the remaining pods at the Barrie, Ontario data centre; and
- capital expenditures decrease due to the timing of certain initiatives; partly offset by
- the construction of pod 1 at a new data centre in Montréal, Québec.

Fiscal 2015 fourth-quarter acquisition of intangible and other assets amounted to \$4.8 million compared to \$1.0 million in fiscal 2014 as a result of higher reconnect activities, partly offset by lower customer acquisition costs.

FREE CASH FLOW AND FINANCING ACTIVITIES

Fourth-quarter 2015 free cash flow amounted to \$73.2 million, an increase of \$55.0 million compared to the fourth quarter of fiscal 2014, mainly as a result of the following:

- the improvement of \$15.2 million of adjusted EBITDA;
- the settlement of a claim with a supplier of \$27.4 million; and
- the decrease of \$35.9 million in acquisitions of property, plant and equipment, intangible and other assets; partly offset by
- the increase of \$6.0 million in integration, restructuring and acquisition costs; and
- the increase of \$16.3 million in current income taxes.

In the fourth quarter of fiscal 2015, a higher Indebtedness level resulted in a cash increase of \$223.8 million, as a result of the following:

- the issuance, on August 20, 2015, in the Cable and Enterprise data service segment, of an incremental Term Loan A-2 Facility of \$130.8 million (US\$100 million) in connection with the acquisition of MetroCast Connecticut, for net proceeds of \$128.6 million, net of transaction costs of \$2.2 million (US\$1.7 million); and
- the increase of \$116.1 million under the revolving facilities mainly as a result of a draw-down of \$117.7 million (US\$90 million) to finance a portion of the acquisition of MetroCast Connecticut; partly offset by
- the increase of \$13.4 million in bank indebtedness; and
- the repayment of \$7.5 million of Term Loan A Facility.

In the fourth quarter of fiscal 2014, a lower Indebtedness level resulted in a cash decrease of \$120.7 million, as a result of the following:

- the repayments of \$242.2 million under the revolving facilities and of \$58.0 million of long-term debt; and
- the decrease of \$10.0 million in bank indebtedness; partly offset by
- the issuance, on August 27, 2014, in the Cable and Enterprise data service segment, of a private placement of \$27.2 million (US\$25 million) Senior Secured Notes Series A for net proceeds of \$27.1 million, net of transaction costs of \$0.1 million; and
- the issuance, on August 27, 2014, in the Cable and Enterprise data service segment, of a private placement of \$163.4 million (US\$150 million) Senior Secured Notes Series B for net proceeds of \$162.5 million, net of transaction costs of \$0.9 million.

During the fourth quarter of fiscal 2015, a quarterly eligible dividend of \$0.255 per share was paid to the holders of subordinate and multiple voting shares, totaling \$4.3 million, compared to a dividend paid of \$0.22 per share, or \$3.7 million in the fourth quarter of fiscal 2014.

FISCAL 2016 FINANCIAL GUIDELINES

CONSOLIDATED

COGECO revised its fiscal 2016 preliminary financial guidelines, as issued on July 14, 2015, to take into consideration the expected financial results from the Cable and Enterprise data services segment.

Fiscal 2016 financial guidelines are as follows:

	Projections October 28, 2015 Fiscal 2016 ⁽²⁾	Preliminary projections July 14, 2015 Fiscal 2016	Actuals Fiscal 2015
<i>(in millions of dollars)</i>	\$	\$	\$
Financial guidelines			
Revenue	2,360 to 2,390	2,280 to 2,315	2,187
Adjusted EBITDA	1,025 to 1,055	1,000 to 1,030	955
Integration, restructuring and acquisition costs	3 to 5	—	14
Financial expense	145 to 155	135 to 145	149
Current income taxes	110 to 120	105 to 115	97
Profit for the year	285 to 310	290 to 315	265
Profit for the year attributable to owners of the Corporation	90 to 100	95 to 100	90
Acquisitions of property, plant and equipment, intangible and other assets	455 to 470	435 to 450	443
Free cash flow ⁽¹⁾	325 to 355	330 to 360	291

(1) Free cash flow is calculated as adjusted EBITDA plus non-cash items and less, integration, restructuring and acquisition costs, financial expense, current income taxes and acquisitions of property, plant and equipment, intangible and other assets.

(2) Fiscal 2016 financial guidelines are based on a USD/CDN exchange rate of 1.30 and a GBP/CDN exchange rate of 2.00.

CABLE AND ENTERPRISE DATA SERVICES SEGMENT

Cogeco Cable revised its fiscal 2016 preliminary financial guidelines, as issued on July 14, 2015, to take into consideration the expected operating results from the acquisition of MetroCast Connecticut by the Corporation's wholly-owned subsidiary, Atlantic Broadband, on August 20, 2015 as well as the appreciation of the US dollar and British Pound currency against the Canadian dollar.

Cogeco Cable expects fiscal 2016 revenue growth to be driven by all its operating segments. In the Canadian and American cable services operations, revenue growth should stem primarily from targeted marketing initiatives to improve penetration rates of Internet services in the residential and business sectors and telephony services in the business sector while the penetration of residential telephony and video services should decrease in Canada, reflecting service category maturity and intense competition. We expect the penetration of digital video and Internet services to continue to benefit from customers' ongoing interest in TiVo's digital advanced video services in Canada and the United States. The Canadian and American cable services operations should also benefit from the impact of rate increases in most of its services in Canada and the United States and from PSU growth in the United States. In the Enterprise data services operations, revenue growth should stem primarily from network connectivity, colocation services, managed hosting, cloud services and managed IT services due to the increasing market demand, the completion of the remaining pods of the Barrie, Ontario data centre facility as well as the construction of the first pod in fiscal 2015 of a new data centre facility in Montréal, Québec as well as network expansions and new customer installations. Furthermore, we believe the recent operational,

financial and organizational restructuring of this segment brings greater efficiencies in our operational and sales structures, and the development of a new, more focused go-to-market strategy targeting our customers' needs and will favourably position the Enterprise data services operations.

Adjusted EBITDA progression should stem from revenue growth exceeding operating expenses as a result of cost reduction initiatives from improved systems and processes and cost reductions resulting from the operational, financial and organizational restructuring in the Enterprise data services operations in fiscal 2015, partly offset by marketing initiatives and retention strategies to support the revenue growth. Operating margin should remain in the same range as in fiscal 2015 due to the improvement in the Canadian cable services operations, offset by the higher proportion on the consolidated results of the American cable services and Enterprise data services operations.

Free cash flow should increase compared to fiscal 2015 projections as a result of the improvement of the adjusted EBITDA, partly offset by additional capital expenditures. Accordingly, generated free cash flow should reduce Indebtedness, net of cash and cash equivalents, thus improving the Corporation's net leverage ratios. The capital intensity ratio should decrease compared to fiscal 2015.

Fiscal 2016 financial guidelines are as follows:

	Projections October 28, 2015 Fiscal 2016 ⁽²⁾	Preliminary projections July 14, 2015 Fiscal 2016	Actuals Fiscal 2015
<i>(in million of dollars, except percentages)</i>	\$	\$	\$
Revenue	2,215 to 2,245	2,140 to 2,170	2,043
Adjusted EBITDA	995 to 1,025	970 to 1,000	930
Operating margin	44.9% to 45.7%	45.3% to 46.1%	45.5%
Integration, restructuring and acquisition costs	3 to 5	—	14
Depreciation and amortization	495 to 505	475 to 485	467
Financial expense	140 to 150	130 to 140	142
Current income tax expense	100 to 110	95 to 105	91
Profit for the year	275 to 300	280 to 305	258
Acquisitions of property, plant and equipment, intangible and other assets	450 to 465	430 to 445	439
Free cash flow ⁽¹⁾	310 to 340	315 to 345	286
Capital intensity	20.3% to 20.7%	20.0% to 20.5%	21.5%

(1) Free cash flow is calculated as adjusted EBITDA plus non-cash items and less, integration, restructuring and acquisition costs, financial expense, current income taxes and acquisitions of property, plant and equipment, intangible and other assets.

(2) Fiscal 2016 financial guidelines are based on a USD/CDN exchange rate of 1.30 and a GBP/CDN exchange rate of 2.00.

NON-IFRS FINANCIAL MEASURES

This section describes non-IFRS financial measures used by COGECO throughout this MD&A. It also provides reconciliations between these non-IFRS measures and the most comparable IFRS financial measures. These financial measures do not have standard definitions prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies. These measures include "cash flow from operations", "free cash flow" and "adjusted EBITDA".

For further details on the reconciliation of these measures, please refer to the "Non-IFRS financial measures" section of the Corporation's 2015 annual MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including its Annual Information Form, is available on the SEDAR website at www.sedar.com or on the Corporation's website at corpo.cogeco.com.

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 Network™ 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 also operates Cogeco 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 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
Vice-President, Public Affairs and Communications
Tel.: 514-764-4700

Analyst Conference Call:

Thursday, October 29, 2015 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: **991781**
By Internet at corpo.cogeco.com/cgo/en/investors/

A rebroadcast of the conference call will be available until November 4, 2015, by dialing:

Canada and United States access number: **1 888-203-1112**
International access number: **+ 1 647-436-0148**
Confirmation code: **991781**