PRESS RELEASE
For immediate release

COGECO INC. RELEASES ITS RESULTS FOR THE THIRD QUARTER OF FISCAL 2018

- **Revenue increased by 11.6% (13.7% in constant currency[(1)]), to reach $668.9 million;**
- **Adjusted EBITDA[(1)] increased by $31.9 million, or 12.1% (14.1% in constant currency), to reach $296.8 million;**
- **Free cash flow[(1)] amounted to $115.5 million, an increase of 5.3% (5.2% in constant currency) compared to the same period of the prior year; and**
- **A quarterly eligible dividend of $0.39 per share was declared.**

Montréal, July 11, 2018 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the third quarter ended May 31, 2018, in accordance with International Financial Reporting Standards ("IFRS").

For the third quarter of fiscal 2018:

- Revenue increased by $69.3 million, or 11.6%, to reach $668.9 million driven by growth of 12.7% in the Communications segment, partly offset by a decrease of 7.8% in the Other segment. On a constant currency basis, revenue increased by 13.7% driven by growth of 15.0% in the Communications segment as result of the acquisition of substantially all the assets of Harron Communications, L.P. cable systems operating under the MetroCast brand name ("MetroCast") on January 4, 2018, partly offset by a decrease of 7.8% in the Other segment resulting mainly from a soft advertising market in the media activities;

- Adjusted EBITDA increased by $31.9 million, or 12.1%, to reach $296.8 million. On a constant currency basis, adjusted EBITDA increased by 14.1% mostly attributable to the improvement in the Communications segment as a result of the MetroCast acquisition;

- Profit for the period amounted to $70.1 million of which $25.0 million, or $1.53 per share, was attributable to owners of the Corporation compared to $82.1 million for the third quarter of fiscal 2017 of which $30.0 million, or $1.81 per share, was attributable to owners of the Corporation resulting mainly from increases in depreciation and amortization and financial expense, partly offset by the improvement of adjusted EBITDA and a decrease of income taxes;

- Free cash flow increased by $5.9 million, or 5.3%, to reach $115.5 million. On a constant currency basis, free cash flow increased by 5.2% as a result of the improvement in adjusted EBITDA and a decrease in current income taxes expense; partly offset by increases in financial expense and acquisitions of property, plant and equipment, intangible and other assets resulting mostly from the MetroCast acquisition;

(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.

- Cash flow from operating activities decreased by $51.7 million, or 21.2%, to reach $191.9 million mainly due to a decrease in changes in non-cash operating activities primarily due to changes in working capital and increases in income taxes paid and financial expense paid, partly offset by the improvement of adjusted EBITDA;

- The Corporation released its fiscal 2019 preliminary guidelines. On a constant currency and consolidated basis, the Corporation expects fiscal 2019 revenue to grow between 6% and 8%, adjusted EBITDA between 8% and 10% and free cash flow between 17% and 24%;

- In June 2018, Cogeco Communications announced that its subsidiary, Cogeco Connexion, acquired 10 Spectrum licenses of 2500 MHz in non-metropolitan areas of Ontario, from Kian Telecom, for $8 million. The transfer was approved by Innovation, Science & Economic Development ("ISED") Canada on June 21, 2018. In May 2018, Cogeco Connexion, was also the successful bidder on 23 Spectrum licenses of 2500 MHz and 2300 MHz, primarily in its Ontario and Québec wireline footprints, in the auction for residual Spectrum licenses organized by ISED Canada for a total price of $24.3 million. Both transactions were completed in June 2018 and the cost of these Spectrum licenses will be recorded in the fourth quarter of fiscal 2018 and will not be included in the non-IFRS definition of free cash flow and capital intensity;

- In April 2018, Cogeco Media announced the conclusion of an agreement to acquire 10 regional radio stations (9 located in Québec and 1 in Ontario) owned by RNC Média inc. The transaction, valued at $18.5 million, is subject to customary closing adjustments, regulatory approvals and usual closing conditions; and

- At its July 11, 2018 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.39 compared to $0.34 per share paid in the comparable period of fiscal 2017.

For the nine-month period ended May 31, 2018:

- Revenue increased by $109.1 million, or 6.2%, to reach $1.88 billion. On a constant currency basis, revenue increased by 8.1% driven by growth of 8.9% in the Communications segment mainly as a result of the MetroCast acquisition, partly offset by a decrease of 5.9% in the Other segment resulting mainly from a soft advertising market in the media activities;

- Adjusted EBITDA increased by $41.5 million, or 5.3%, to reach $825.6 million. On a constant currency basis, adjusted EBITDA increased by 7.0% mostly attributable to the improvement in the Communications segment as a result of the MetroCast acquisition;

- Profit for the period amounted to $295.7 million of which $100.5 million, or $6.13 per share, was attributable to owners of the Corporation compared to $242.3 million of which $86.7 million, or $5.21 per share, was attributable to owners of the Corporation for the same period of fiscal 2017. The increase is mainly due to the $89 million (US$70 million) reduction in deferred income taxes related to the recent US tax reform and the improvement of adjusted EBITDA, partly offset by increases in depreciation and amortization, integration, restructuring and acquisition costs and financial expense;

- Free cash flow decreased by $49.0 million, or 14.5% to reach $289.5 million. On a constant currency basis, free cash flow decreased by 15.5% as a result of the increase in acquisitions of property, plant and equipment, intangible and other assets combined with $18.7 million primarily in acquisition costs as well as additional financial expense mostly related to the MetroCast acquisition. The decrease was partly offset by the improvement of adjusted EBITDA and a decrease in current income taxes expense; and

- Cash flow from operating activities decreased by $207.9 million, or 33.5%, to reach $412.4 million mainly due to increases in income taxes paid, changes in non-cash operating activities primarily due to changes in working capital, financial expense paid and integration, restructuring and acquisition costs, partly offset by the improvement of adjusted EBITDA.

“Overall we are satisfied with our performance for the third quarter of fiscal 2018,” declared Louis Audet, President and Chief Executive Officer of Cogeco Inc. “At Cogeco Communications, results for our Canadian broadband services subsidiary, Cogeco Connexion, have remained stable compared to the third quarter of fiscal 2017, despite the fact that it implemented a new advanced customer management system and had consequently temporarily reduced its marketing and sales activities during the system integration period.”

“The positive results at our American broadband services subsidiary are in line with expectations following the acquisition of the MetroCast cable systems earlier this year,” stated Mr. Audet. “Major integration steps are now concluded, along with the rebranding to Atlantic Broadband. We are now ready to launch TiVo and Internet speed upgrades to these customers.”

“Results at our Business ICT services subsidiary, Cogeco Peer 1, are stabilizing as evidenced by the trend we have been seeing over these last quarters,” added Mr. Audet. “The team continues to focus on building and offering a relevant suite of solutions and providing expert advice in a constantly evolving and intensely competitive market.”

“As for our radio business, Cogeco Media, advertising markets continue to be soft. Despite this, our teams are working hard to ensure our business retains the leadership position it enjoys,” continued Mr. Audet. “We were very pleased to announce, on April 24, the conclusion of an agreement to acquire 10 regional radio stations owned by RNC Média inc. The addition of these stations, following customary closing conditions, offers an excellent opportunity to further strengthen our solid position in the Québec radio industry.”

“The guidance we are providing for fiscal 2019 points to an exciting year ahead, including a significant increase in free cash flow. This is expected to be achieved while continuing to invest in our operations and upgrading our network to 1 gigabit Internet speeds in approximately 60% of the Canadian footprint and 85% of the American footprint by year end.” concluded Mr. Audet.

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 11 states along the East Coast, from Maine to Florida. 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 news agency. Cogeco’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 Tel.: 514-764-4700
Information:	**Media** René Guimond Senior Vice-President, Public Affairs and Communications Tel.: 514-764-4700
Analyst Conference Call:	**Thursday, July 12, 2018 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** 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. By Internet at http://corpo.cogeco.com/cgo/en/investors/investor-relations/

SHAREHOLDERS' REPORT

Three and nine-month periods ended May 31, 2018

FINANCIAL HIGHLIGHTS

(in thousands of dollars, except percentages, per share data and number of shares)	Three-months ended May 31, 2018 $	May 31, 2017 $	Change %	Change in constant currency (1) %	Foreign exchange impact (2) $	Nine-months ended May 31, 2018 $	May 31, 2017 $	Change %	Change in constant currency (1) %	Foreign exchange impact (2) $
Operations										
Revenue	**668,927**	599,654	11.6	13.7	(12,802)	**1,878,225**	1,769,159	6.2	8.1	(34,602)
Adjusted EBITDA[1]	**296,769**	264,831	12.1	14.1	(5,474)	**825,631**	784,141	5.3	7.0	(13,552)
Integration, restructuring and acquisition costs[3]	**2,260**	—	—			**18,651**	—	—		
Profit for the period	**70,129**	82,082	(14.6)			**295,672**	242,273	22.0		
Profit for the period attributable to owners of the Corporation	**24,976**	30,043	(16.9)			**100,475**	86,673	15.9		
Cash Flow										
Cash flow from operating activities	**191,884**	243,584	(21.2)			**412,369**	620,267	(33.5)		
Acquisitions of property, plant and equipment, intangible and other assets[4]	**112,250**	100,742	11.4	14.8	(3,423)	**336,331**	285,122	18.0	21.9	(11,288)
Free cash flow[1]	**115,502**	109,639	5.3	5.2	183	**289,462**	338,433	(14.5)	(15.5)	3,367
Financial condition[5]										
Cash and cash equivalents						**63,559**	212,283	(70.1)		
Short-term investments						**—**	54,000	(100.0)		
Total assets						**7,202,277**	5,499,376	31.0		
Indebtedness[6]						**3,959,874**	2,633,159	50.4		
Equity attributable to owners of the Corporation						**686,119**	578,556	18.6		
Per Share Data[7]										
Earnings per share										
Basic	**1.53**	1.81	(15.5)			**6.13**	5.21	17.7		
Diluted	**1.51**	1.80	(16.1)			**6.08**	5.17	17.6		
Dividends	**0.39**	0.34	14.7			**1.17**	1.02	14.7		
Weighted average number of multiple and subordinate voting shares outstanding	**16,368,545**	16,566,422	(1.2)			**16,389,650**	16,648,843	(1.6)		

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(2) Key performance indicators presented on a constant currency basis are obtained by translating financial results of the current periods denominated in US dollars and GBP currency at the foreign exchange rates of the comparable periods of the prior year. For the three and the nine-months periods ending May 31, 2017, the average foreign exchange rates used for translation were 1.3479 USD/CDN and 1.7036 GBP/CDN and 1.3318 USD/CDN and 1.6744 GBP/CDN, respectively.

(3) For the three and nine-month periods ended May 31, 2018, integration, restructuring and acquisition costs were related to the MetroCast acquisition completed on January 4, 2018.

(4) For the three and nine-month periods ended May 31, 2018, acquisitions of property, plant and equipment, intangible and other assets in constant currency amounted to $115.7 million and $347.6 million, respectively.

(5) At May 31, 2018 and August 31, 2017.

(6) Indebtedness is defined as the aggregate of bank indebtedness, balance due on a business combination and principal on long-term debt.

(7) Per multiple and subordinate voting shares.