COGECO COMMUNICATIONS

PRESS RELEASE

For immediate release

COGECO COMMUNICATIONS RELEASES ITS RESULTS FOR THE SECOND QUARTER OF FISCAL 2019

- **Revenue increased by 10.2% (7.6% in constant currency[(1)]), to reach $584.1 million;**
- **Adjusted EBITDA[(1)] increased by 12.9% (10.5% in constant currency), to reach $280.6 million;**
- **Free cash flow[(1)] reached $125.3 million compared to $58.8 million for the second quarter of fiscal 2018; and**
- **A quarterly eligible dividend of $0.525 per share was declared, compared to $0.475 per share in the comparable quarter of fiscal 2018.**

Montréal, April 9, 2019 – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the second quarter ended February 28, 2019, in accordance with International Financial Reporting Standards ("IFRS").

Following Cogeco Communications' announcement on February 27, 2019 of the agreement to sell Cogeco Peer 1 Inc., its Business information and communications ("Business ICT") services subsidiary, operating and financial results for the current and comparable periods were reclassified as discontinued operations.

For the second quarter of fiscal 2019:

- Revenue increased by 10.2% to reach $584.1 million mainly driven by the growth of 25.1% in the American broadband services segment. On a constant currency basis, revenue increased by 7.6%, mainly explained as follows:
    - American broadband services revenue increased by 18.4% in constant currency mainly as a result of the impact of the MetroCast cable systems acquisition ("the MetroCast acquisition") completed on January 4, 2018, which was included in revenue for only a two-month period for the comparable period of the prior year. The increase was also attributable to the rate increases implemented in August 2018, the continued growth in Internet and telephony services customers as well as the acquisition of the south Florida fibre network previously owned by FiberLight, LLC (the "FiberLight acquisition") on October 3, 2018. The increase was partly offset by a decrease in video service customers;
    - Canadian broadband services revenue increased by 0.8% mainly as a result of rate increases implemented in November 2018 in both Ontario and Québec and higher net pricing from consumer sales, partly offset by decreases in video and telephony services customers.

(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.

- Adjusted EBITDA increased by 12.9% to reach $280.6 million. On a constant currency basis, adjusted EBITDA increased by 10.5%, mainly as a result of the following:
    - American broadband services adjusted EBITDA increased by 21.7% in constant currency mainly as a result of the impact of the MetroCast and FiberLight acquisitions combined with strong organic growth; and
    - Canadian broadband services adjusted EBITDA increased by 3.8% in constant currency mainly as a result of higher revenue combined with lower operating expenses.
- Profit for the period from continuing operations amounted to $86.1 million, of which $81.7 million, or $1.65 per share, was attributable to owners of the Corporation compared to $159.9 million, of which $157.0 million, or $3.19 per share, was attributable to owners of the Corporation in the comparable period of fiscal 2018 resulting mainly from variations in income taxes and depreciation and amortization, partly offset by higher adjusted EBITDA combined with the decrease in integration, restructuring and acquisition costs. The income taxes in the prior year included a $94 million adjustment following the United States tax reform which reduced the federal corporate rate from 35% to 21%;
- On February 27, 2019, Cogeco Communications announced that it had reached an agreement to sell Cogeco Peer 1 Inc., its Business ICT services subsidiary, to affiliates of Digital Colony. The transaction, valued at $720 million, is expected to be completed during the third quarter of fiscal 2019. Operating and financial results from the Business ICT services subsidiary for both the current and comparable periods have therefore been reclassified as discontinued operations. For the second quarter of fiscal 2019, loss for the period from discontinued operations amounted to $5.4 million compared to $16.1 million for the same period of the prior year;
- Profit for the period amounted to $80.8 million, of which $76.3 million, or $1.55 per share, was attributable to owners of the Corporation compared to $143.8 million, of which $140.9 million, or $2.86 per share, was attributable to owners of the Corporation in the comparable period of fiscal 2018. The variation is mainly due to last year's $94 million income tax reduction following the United States tax reform and depreciation and amortization, partly offset by higher adjusted EBITDA combined with the decrease in integration, restructuring and acquisition costs and a lower loss from discontinued operations;
- Free cash flow amounted to $125.3 million compared to $58.8 million for the same period of the prior year. On a constant currency basis, free cash flow doubled as a result of higher adjusted EBITDA combined with decreases in acquisitions of property, plant and equipment, integration, restructuring and acquisition costs and current income taxes expense;
- Cash flow from operating activities increased by 0.4% to reach $199.5 million mainly due to higher adjusted EBITDA and decreases in income taxes paid and integration, restructuring and acquisition costs, partly offset by the decrease in changes in non-cash operating activities primarily due to changes in working capital and the increase in financial expense paid;
- The Corporation revised its 2019 financial guidelines giving effect to the discontinued operations of its Business ICT services subsidiary. On a constant currency basis, the Corporation expects revenue to grow between 6% and 8%, adjusted EBITDA between 8% and 10%, acquisition of property, plant and equipment should reach between $450 million and $470 million and free cash flow is expected to grow between 38% and 45%; and
- At its April 9, 2019 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of $0.525 compared to $0.475 per share in the comparable quarter of fiscal 2018.

"We are very satisfied with our overall results for the second quarter of fiscal 2019," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Communications Inc.

"In our Canadian broadband services segment, Cogeco Connexion's results and operations have been returning to levels that are in line with its performance before the implementation of a new advanced customer management system in fiscal 2018 which impacted operating results of the last few quarters," stated Mr. Jetté. "We are pleased to see increases in both revenue and adjusted EBITDA compared to the same quarter of last year."

"At Atlantic Broadband, our American broadband services subsidiary, I am delighted to report that we continue to see solid organic growth," continued Mr. Jetté.

"At the end of the second quarter of fiscal 2019, we reached an agreement to sell Cogeco Peer 1, our Business ICT services subsidiary, to affiliates of Digital Colony. This transaction will allow Cogeco Communications to focus its resources and efforts on our Canadian and American broadband services segments, with greater flexibility to pursue organic investment and acquisition opportunities," concluded Mr. Jetté.

ABOUT COGECO COMMUNICATIONS

Cogeco Communications Inc. is a communications corporation. It is the 8th largest cable operator in North America, operating in Canada under the Cogeco Connexion name in Québec and Ontario, and along the East Coast of the United States under the Atlantic Broadband brand (in 11 states from Maine to Florida). Cogeco Communications Inc. provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks. Through its subsidiary Cogeco Peer 1, Cogeco Communications Inc. provides business customers with a suite of information technology services (colocation, network connectivity, hosting, cloud and managed services), by way of its 16 data centres, extensive FastFiber Network® and more than 50 points of presence in North America and Europe. Cogeco Communications Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

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Information:	**Media** Marie-Hélène Labrie Senior Vice-President, Public Affairs and Communications Tel.: 514-764-4700
Analyst Conference Call:	**Wednesday, April 10, 2019 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/cca/en/investors/investor-relations

COGECO COMMUNICATIONS

SHAREHOLDERS' REPORT

Three and six-month periods ended February 28, 2019

FINANCIAL HIGHLIGHTS

(in thousands of dollars, except percentages and per share data)	Three months ended February 28, 2019	February 28, 2018[1]	Change	Change in constant currency[2]	Foreign exchange impact[2]	Six months ended February 28, 2019	February 28, 2018[1]	Change	Change in constant currency[2]	Foreign exchange impact[2]
	$	$	%	%	$	$	$	%	%	$
Operations										
Revenue	584,129	529,855	10.2	7.6	13,884	1,160,802	1,014,141	14.5	12.1	24,157
Adjusted EBITDA[3]	280,552	248,470	12.9	10.5	5,958	548,403	475,474	15.3	13.2	10,297
Adjusted EBITDA margin[3]	48.0%	46.9%				47.2%	46.9%			
Integration, restructuring and acquisition costs[4]	3,722	15,999	(76.7)			9,435	16,391	(42.4)		
Profit for the period from continuing operations	86,128	159,912	(46.1)			164,934	238,183	(30.8)		
Loss for the period from discontinued operations	(5,369)	(16,079)	(66.6)			(8,991)	(17,964)	(49.9)		
Profit for the period	80,759	143,833	(43.9)			155,943	220,219	(29.2)		
Profit for the period attributable to owners of the Corporation	76,349	140,921	(45.8)			146,519	217,307	(32.6)		
Cash flow										
Cash flow from operating activities	199,462	198,720	0.4			298,458	198,237	50.6		
Acquisitions of property, plant and equipment[5]	92,773	112,378	(17.4)	(20.4)	3,346	193,330	196,829	(1.8)	(4.7)	5,767
Free cash flow[3]	125,307	58,796	—	—	630	232,810	151,703	53.5	52.7	1,146
Capital intensity[3]	15.9%	21.2%				16.7%	19.4%			
Financial condition[6]										
Cash and cash equivalents						59,387	84,725	(29.9)		
Total assets						7,185,140	7,180,043	0.1		
Indebtedness[7]						3,908,265	3,914,711	(0.2)		
Equity attributable to owners of the Corporation						2,085,436	1,997,169	4.4		
Per Share Data[8]										
Earnings (loss) per share										
Basic										
From continuing operations	1.65	3.19	(48.3)			3.15	4.77	(34.0)		
From discontinued operations	(0.11)	(0.33)	(66.7)			(0.18)	(0.36)	(50.0)		
From continuing and discontinuing operations	1.55	2.86	(45.8)			2.97	4.41	(32.7)		
Diluted										
From continuing operations	1.64	3.16	(48.1)			3.13	4.73	(33.8)		
From discontinued operations	(0.11)	(0.33)	(66.7)			(0.18)	(0.36)	(50.0)		
From continuing and discontinuing operations	1.53	2.83	(45.9)			2.95	4.37	(32.5)		
Dividends	0.525	0.475	10.5			1.05	0.95	10.5		

(1) Fiscal 2018 was restated to comply with IFRS 15 and to reflect a change in accounting policy as well as to reclassify results from the Business ICT services segment as discontinued operations. For further details, please consult the "Accounting policies" and "Discontinued operations" sections of the MD&A.

(2) Key performance indicators presented on a constant currency basis are obtained by translating financial results of the current periods denominated in US dollars at the foreign exchange rates of the comparable periods of the prior year. For the three and six-month periods ended February 28, 2018, the average foreign exchange rates used for translation were 1.2595 USD/CDN and 1.2574 USD/CDN, respectively.

(3) The indicated terms do not have standardized definitions prescribed by the International Financial Reporting Standards ("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.

(4) For the three and six-month periods ended February 28, 2019 integration, restructuring and acquisition costs were mostly due to restructuring costs in the Canadian broadband services segment and were related to an operational optimization program. For the three and six-month periods ended February 28, 2018, integration, restructuring and acquisition costs were related to the MetroCast acquisition completed on January 4, 2018.

(5) For the three and six-month periods ended February 28, 2019, acquisitions of property, plant and equipment in constant currency amounted to $89.4 million and $187.6 million, respectively.

(6) At February 28, 2019 and August 31, 2018.

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

(8) Per multiple and subordinate voting share.