COGECO COMMUNICATIONS

PRESS RELEASE

For immediate release

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

- **Revenue increased by $4.5 million, or 0.8%, to reach $553.6 million;**
- **Free cash flow(1) remained essentially the same at $102.3 million;**
- **Adjusted EBITDA(1) reached $247.5 million, decreasing by 0.9% compared to the first quarter of fiscal 2017; and**
- **A quarterly eligible dividend of $0.475 per share was declared, an increase of 10.5% compared to the first quarter of fiscal 2017.**

Montréal, January 10, 2018 – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the first quarter ended November 30, 2017, in accordance with International Financial Reporting Standards ("IFRS").

For the first quarter of fiscal 2018:

- Revenue increased by $4.5 million, or 0.8%, to reach $553.6 million mainly driven by the growth of 3.2% in the Canadian broadband services segment, partly offset by the decreases of 1.4% in the American broadband services segment and of 4.5% in the Business information and communications technology ("Business ICT") services segment.
    - Canadian broadband services revenue increased mainly as a result of the impact of the timing of rate increases implemented in September 2017 and in November 2017 in Ontario and Québec, respectively, compared to December 2016 in the prior year. The continued growth in Internet service customers combined with the movement of customers to higher value packages also contributed to the increase which was partly offset by a decline in video and telephony services customers;
    - American broadband services revenue decreased as a result of the depreciation of the US dollar against the Canadian dollar compared to the same period of the prior year. Revenue in local currency increased by 4.2% mainly due to rate increases implemented in September 2017, the continued growth in Internet and telephony services customers in both the residential and business sectors, party offset by a decline in video service customers;
    - Business ICT services revenue decreased primarily as a result of higher churn and competitive pricing pressures on the hosting and network connectivity services combined with the depreciation of the US dollar against the Canadian dollar compared to the same period of the prior year;

(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 decreased by $2.2 million, or 0.9%, to reach $247.5 million mainly as a result of the following:
    - Lower adjusted EBITDA in the American broadband services mainly as a result of a higher level of operating expenses including $3.1 million ($US2.5 million) in non-recurring costs related to hurricane Irma;
    - Lower adjusted EBITDA in the Business ICT services resulting mainly from a decline in revenue combined with the prior year's $1.8 million gain on disposal of property, plant and equipment recognized as a reduction of operating expenses in the first quarter of fiscal 2017, partly offset by a decline in operating expenses (0.4% adjusted EBITDA decrease excluding last year's non-recurring gain); partly offset by
    - Higher adjusted EBITDA in the Canadian broadband services as a result of organic growth;
- Profit for the period remained essentially the same at $76.5 million, or $1.55 per share, compared to $75.0 million, or $1.53 per share, in the comparable period of fiscal 2017 mainly as a result of the decreases in depreciation and amortization and in financial expense, mostly offset by a lower adjusted EBITDA and an increase in income taxes;
- Free cash flow remained essentially the same at $102.3 million compared to $101.4 million for the same period of the prior year as a result of the decrease in financial expense, mostly offset by the decrease in adjusted EBITDA;
- Cash flow from operating activities decreased by $117.2 million, or 94.9%, to reach $6.3 million mainly due to the increases in income taxes paid of which $85.5 million was related to a deferral in income tax installments in the prior year and changes in non-cash operating activities primarily due to changes in working capital;
- The Corporation revised on January 10, 2018 its fiscal 2018 financial guidelines to include MetroCast's financial projections for an eight-month period and present year-over-year comparisons on a constant currency basis. On a constant currency and consolidated basis, Cogeco Communications expects fiscal 2018 revenue to grow between 11% and 13% and adjusted EBITDA between 10% and 12% while free cash flow should decrease between 11% and 18% compared to fiscal 2017;
- At its January 10, 2018 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of $0.475 compared to $0.43 per share paid in the comparable period of fiscal 2017;
- On January 4, 2018, the Corporation's subsidiary, Atlantic Broadband, completed the acquisition of substantially all of the assets of Harron Communications, L.P. cable systems operating under the MetroCast brand name ("MetroCast") which served about 125,000 Internet, 75,000 video and 36,000 telephony customers at November 30, 2017. This acquisition extends Atlantic Broadband's footprint across 11 states on the East Coast of the United States from Maine to Florida. The transaction valued at US$1.4 billion is subject to customary closing adjustments. This acquisition was financed through a combination of US$1.7 billion under a new Senior Secured Term Loan B, whereby US$583 million was used to refinance the existing First Lien Credit Facilities, and US$150 million under a new Senior Secured Revolving Credit facility combined with a US$315 million equity investment by Caisse de dépôt et placement du Québec ("CDPQ") in Atlantic Broadband's holding company, representing 21% of Atlantic Broadband; and
- On December 11, 2017, the Corporation extended its $800 million Term Revolving Facility maturity date by an additional year until January 24, 2023.

"The results of our first quarter are generally aligned with our guidance for the full year as presented prior to the MetroCast acquisition," declared Louis Audet, President and Chief Executive Officer of Cogeco Communications Inc. "Cogeco Connexion, our Canadian broadband subsidiary, reported financial results that were above expectations largely thanks to overall judicious management."

"Atlantic Broadband, our American broadband subsidiary, posted results in line with expectations apart from the impact of unforeseen challenges when hurricane Irma hit the Florida region in the fall," stated Mr. Audet. "Teams in place worked diligently to ensure the safety of our employees and quickly restored service to our customers. I am proud of how our teams prioritized customers during this difficult time, while they were also preparing for the closing of the MetroCast acquisition and the expansion of our Florida operations."

"The focus for Cogeco Peer 1, our Business ICT subsidiary, is to reinforce their role as a trusted advisor, offering relevant solutions in a market where change is perpetual and the competition is increasingly relentless," added Mr. Audet. "Cogeco Peer 1 is on its trajectory intended to renew with growth," concluded Mr. Audet.

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 in the United States under the Atlantic Broadband name in 11 states along the East Coast, from Maine to Florida. Cogeco Communications Inc. provides its 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 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. Cogeco Communications Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

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Analyst Conference Call: **Thursday, January 11, 2018 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:

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-month period ended November 30, 2017

FINANCIAL HIGHLIGHTS

	Quarters ended November 30,		
	2017	2016	Change
(in thousands of dollars, except percentages, per share data and the number of shares)	$	$	%
Operations			
Revenue	553,625	549,090	0.8
Adjusted EBITDA(1)	247,482	249,703	(0.9)
Adjusted EBITDA margin(1)	44.7%	45.5%	—
Integration, restructuring and acquisition costs	392	—	—
Profit for the period	76,469	75,024	1.9
Cash flow			
Cash flow from operating activities	6,267	123,461	(94.9)
Acquisitions of property, plant and equipment, intangible and other assets	96,158	96,494	(0.3)
Free cash flow(1)	102,300	101,379	0.9
Financial condition(2)			
Cash and cash equivalents	122,240	211,185	(42.1)
Short-term investments	34,000	54,000	(37.0)
Total assets	5,307,659	5,348,380	(0.8)
Indebtedness(3)	2,656,141	2,598,058	2.2
Shareholders' equity	1,657,787	1,599,267	3.7
Capital intensity(1)	17.4%	17.6%	—
Per Share Data(4)			
Earnings per share			
Basic	1.55	1.53	1.3
Diluted	1.54	1.52	1.3
Dividends	0.475	0.43	10.5
Weighted average number of multiple and subordinate voting shares outstanding	49,288,155	49,144,311	0.3

(1) 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.
(2) At November 30, 2017 and August 31, 2017.
(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 share.