PRESS RELEASE

For immediate release

COGECO COMMUNICATIONS RELEASES ITS RESULTS FOR THE THIRD QUARTER OF FISCAL 2018

- **Revenue increased by 12.7% (15.0% in constant currency(1)), to reach $637.1 million;**
- **Adjusted EBITDA(1) increased by $33.1 million, or 13.0% (15.2% in constant currency), to reach $287.3 million;**
- **Free cash flow(1) amounted to $108.5 million, an increase of 3.6% (3.4% in constant currency) compared to the same period of the prior year; and**
- **A quarterly eligible dividend of $0.475 per share was declared.**

Montréal, July 11, 2018 – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" 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 $72.0 million, or 12.7%, to reach $637.1 million mainly driven by growth of 44.1% in the American broadband services segment and stable revenue in the Canadian broadband services segment, partly offset by a decrease of 1.3% in the Business information and communications technology ("Business ICT") services segment. On a constant currency basis, revenue increased by 15.0%, mainly explained as follows:
    - American broadband services revenue increased by 51.2% in constant currency mainly as a 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. The increase was also attributable to organic growth from rate increases implemented in September 2017, the continued growth in Internet service and telephony services customers, partly offset by a slight decrease in video service customers;
    - Canadian broadband services revenue remained stable resulting from rate increases implemented in the first quarter of fiscal 2018 combined with the movement of customers to higher value offerings, offset by promotional pricing provided to customers, a decline in primary services units and last year's $2.1 million non-recurring revenue related to settlements with suppliers recognized in the third quarter of fiscal 2017. Excluding last year's non-recurring revenue of $2.1 million, revenue would have increased by 0.7%;
    - Business ICT services revenue remained stable in constant currency primarily due to higher churn and competitive pricing pressures on the hosting and network connectivity services, offset by an improvement in both colocation and cloud services revenue;

(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 $33.1 million, or 13.0%, to reach $287.3 million. On a constant currency basis, adjusted EBITDA increased by 15.2%, mainly as a result of the following:

    - American broadband services adjusted EBITDA increased by 65.0% in constant currency mainly as a result of the MetroCast acquisition; partly offset by

    - Canadian broadband services adjusted EBITDA decreased by 1.9% in constant currency as a result of stable revenue and higher operating expenses. Excluding last year's non-recurring revenue of $2.1 million, adjusted EBITDA would have remained stable;

    - Business ICT services adjusted EBITDA decreased by 2.6% in constant currency resulting mainly from stable revenue and higher operating expenses;

- Profit for the period amounted to $64.5 million, of which $61.3 million, or $1.24 per share, was attributable to the owners of the Corporation compared to $76.2 million, or $1.55 per share, in the comparable period of fiscal 2017 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 amounted to $108.5 million, an increase of $3.7 million, or 3.6%. On a constant currency basis, free cash flow increased by 3.4% 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 mostly resulting from the MetroCast acquisition;

- Cash flow from operating activities decreased by $54.5 million, or 22.5%, to reach $187.2 million mainly due to a decrease of $54.8 million 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 18% and 25%;

- In June 2018, the Corporation 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; and

- At its July 11, 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.

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

- Revenue increased by $114.6 million, or 6.8%, to reach $1.79 billion mainly driven by growths of 24.0% in the American broadband and of 0.8% in the Canadian broadband services segments, partly offset by the decrease of 4.6% in the Business ICT services segment. On a constant currency basis, revenue increased by 8.9%, mainly explained as follows:

    - American broadband services revenue increased by 30.4% in constant currency mainly as a result of the MetroCast acquisition. The increase was also attributable to organic growth from rate increases, the continued growth in Internet and telephony services customers, partly offset by a slight decrease in video service customers;

    - Canadian broadband services revenue increased by 0.8% due to rate increases, the movement of customers to higher value offerings and the continued growth in Internet service customers, partly offset by promotional pricing provided to customers, a decline in video and telephony services customers and last year's $2.1 million non-recurring revenue related to settlements with suppliers recognized in the third quarter of fiscal 2017. Excluding last year's non-recurring revenue of $2.1 million, revenue would have increased by 1.1%;

    - Business ICT services revenue decreased by 2.9% in constant currency primarily as a result of higher churn, competitive pricing pressures on the hosting and network connectivity services combined with last year's $2 million in non-recurring revenue related to an Indefeasible rights of use ("IRU") agreement concluded in the second quarter of fiscal 2017. Excluding last year's non-recurring revenue of $2 million, revenue would have decreased by 2.0%;

- Adjusted EBITDA increased by $45.1 million, or 6.0%, to reach $802.9 million. On a constant currency basis, adjusted EBITDA increased by 7.7%, mainly as a result of the following:

    - American broadband services adjusted EBITDA increased by 33.3% in constant currency mainly as a result of the MetroCast acquisition;

    - Canadian broadband services adjusted EBITDA remained stable in constant currency mainly due to operating expenses growth exceeding revenue growth; partly offset by

    - Business ICT services adjusted EBITDA decreased by 7.5% in constant currency resulting mainly from a decline in revenue and non-recurring items. Excluding last year's non-recurring revenue of $2 million related to an IRU agreement and non-recurring gain of $1.8 million recognized as a reduction of operating expenses in the first quarter of fiscal 2017, revenue would have decreased by 2.1%.

- Profit for the period amounted to $282.8 million, of which $276.6 million, or $5.61 per share, was attributable to the owners of the Corporation, compared to $227.9 million, or $4.63 per share, in the comparable period of fiscal 2017 mainly as a result of 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 amounted to $274.8 million, a decrease of $48.1 million, or 14.9% compared to the same period of the prior year. On a constant currency basis, free cash flow decreased by 15.9% as a result of the increase in acquisitions of property, plant and equipment, intangible and other assets combined with 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 $202.7 million, or 33.2%, to reach $408.0 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 Communications Inc. “Results at Cogeco Connexion have remained stable compared to the third quarter of fiscal 2017, despite the fact that our Canadian broadband services subsidiary 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.”

“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 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).

Source: **Cogeco Communications 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/cca/en/investors/investor-relations

COGECO COMMUNICATIONS

SHAREHOLDERS' REPORT

Three and nine-month periods ended May 31, 2018

FINANCIAL HIGHLIGHTS

	Three-months ended					Nine-months ended				
	May 31, 2018	May 31, 2017	Change	Change in constant currency (1)	Foreign exchange impact (2)	May 31, 2018	May 31, 2017	Change	Change in constant currency (1)	Foreign exchange impact (2)
(in thousands of dollars, except percentages, per share data and the number of shares)	$	$	%	%	$	$	$	%	%	$
Operations										
Revenue	637,129	565,158	12.7	15.0	(12,802)	1,789,692	1,675,123	6.8	8.9	(34,602)
Adjusted EBITDA[1]	287,305	254,233	13.0	15.2	(5,474)	802,870	757,775	6.0	7.7	(13,552)
Adjusted EBITDA margin[1]	45.1%	45.0%				44.9%	45.2%			
Integration, restructuring and acquisition costs[3]	2,260	—	—			18,651	—	—		
Profit for the period	64,538	76,203	(15.3)			282,770	227,890	24.1		
Profit for the period attributable to the owners of the Corporation	61,260	76,203	(19.6)			276,616	227,890	21.4		
Cash flow										
Cash flow from operating activities	187,200	241,689	(22.5)			407,981	610,700	(33.2)		
Acquisitions of property, plant and equipment, intangible and other assets[4]	111,960	100,202	11.7	15.2	(3,423)	335,382	282,895	18.6	22.5	(11,288)
Free cash flow[1]	108,463	104,728	3.6	3.4	183	274,780	322,894	(14.9)	(15.9)	3,367
Financial condition[5]										
Cash and cash equivalents						62,818	211,185	(70.3)		
Short-term investments						—	54,000	(100.0)		
Total assets						7,042,259	5,348,380	31.7		
Indebtedness[6]						3,917,964	2,598,058	50.8		
Equity attributable to owners of the Corporation						1,915,781	1,599,267	19.8		
Capital intensity[1]	17.6%	17.7%				18.7%	16.9%			
Per Share Data[7]										
Earnings per share										
Basic	1.24	1.55	(20.0)			5.61	4.63	21.2		
Diluted	1.23	1.54	(20.1)			5.56	4.60	20.9		
Dividends	0.475	0.43	10.5			1.425	1.29	10.5		
Weighted average number of multiple and subordinate voting shares outstanding	49,303,877	49,230,481	0.1			49,292,705	49,188,494	0.2		

(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) 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 $115.4 million and $346.7 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 share.