COGECO

PRESS RELEASE

For immediate release

COGECO RELEASES ITS RESULTS FOR THE SECOND QUARTER OF FISCAL 2019

- **Revenue increased by 9.8% (7.3% in constant currency[(1)]), to reach $608.6 million;**
- **Adjusted EBITDA[(1)] increased by 12.6% (10.3% in constant currency), to reach $284.9 million;**
- **Free cash flow[(1)] reached $128.2 million compared to $59.7 million for the second quarter of fiscal 2018; and**
- **A quarterly eligible dividend of $0.43 per share was declared, compared to $0.39 per share in the comparable quarter of fiscal 2018.**

Montréal, April 9, 2019 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" 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 9.8% (7.3% in constant currency) to reach $608.6 million driven by growth of 10.2% (7.6% in constant currency) in the Communications segment, partly offset by a decrease of 0.6% in the Other segment. Revenue increased in the Communications segment mostly as a result of the impact of the MetroCast cable systems acquisition ("the MetroCast acquisition") on January 4, 2018, which was included in revenue for only a two-month period for the comparable period of the prior year, partly offset by a decrease of 0.6% in the Other segment resulting mainly from a soft advertising market and increased competition in the media activities;

- Adjusted EBITDA increased by 12.6% (10.3% in constant currency) to reach $284.9 million mostly attributable to the higher adjusted EBITDA in the Communications segment as a result of the impact of the MetroCast acquisition combined with strong organic growth in the American broadband services operations;

- Profit for the period from continuing operations amounted to $87.6 million of which $27.4 million, or $1.69 per share, was attributable to owners of the Corporation compared to $161.9 million for the second quarter of fiscal 2018 of which $51.7 million, or $3.16 per share, was attributable to owners of the Corporation resulting mainly from variations in income taxes and depreciation and amortization, partly offset by higher adjusted EBITDA combined with a 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%;

(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.

- 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 $82.3 million of which $25.7 million, or $1.58 per share, was attributable to owners of the Corporation compared to $145.8 million for the second quarter of fiscal 2018 of which $46.6 million, or $2.85 per share, was attributable to owners of the Corporation. 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 $128.2 million compared to $59.7 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 the decreases in acquisitions of property, plant and equipment, integration, restructuring and acquisition costs and current income taxes expense;

- Cash flow from operating activities reached $204.7 million compared to $202.4 million for the same period of the prior year 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 Cogeco Communications' Business ICT services subsidiary. On a constant currency basis, the Corporation expects revenue to grow between 5% and 7%, adjusted EBITDA between 7% and 9% and free cash flow is expected to grow between 33% and 40%; and

- At its April 9, 2019 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.43 compared to $0.39 per share in the comparable period 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 Inc.

“In our Canadian broadband services operations, 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 operations, 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 operations, with greater flexibility to pursue organic investment and acquisition opportunities,” added Mr. Jetté.

“At Cogeco Media, our radio business, the highly challenging state of the advertising market continues to be reflected in our results. However, the integration of our 10 new radio stations is proceeding very positively and we are excited at the prospect of further enriching our offering throughout the province of Québec,” concluded Mr. Jetté.

ABOUT COGECO

Cogeco Inc. is a diversified holding corporation which operates in the communications and media sectors. Its Cogeco Communications Inc. subsidiary provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks, operating in Québec and Ontario, Canada, under the Cogeco Connexion name, and in the United States under the Atlantic Broadband brand (in 11 states along the East Coast, from Maine to Florida). Through 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. Its Cogeco Media subsidiary owns and operates 23 radio stations with complementary radio formats and extensive coverage serving a wide range of audiences mainly across the province of Québec, as well as Cogeco News, a 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).

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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/cgo/en/investors/investor-relations/

SHAREHOLDERS' REPORT

Three and six-month periods ended February 28, 2019

FINANCIAL HIGHLIGHTS

	Three months ended					Six months ended				
	February 28, 2019	February 28, 2018[1]	Change	Change in constant currency[2]	Foreign exchange impact[2]	February 28, 2019	February 28, 2018[1]	Change	Change in constant currency[2]	Foreign exchange impact[2]
(in thousands of Canadian dollars, except percentages and per share data)	$	$	%	%	$	$	$	%	%	$
Operations										
Revenue	608,574	554,143	9.8	7.3	13,884	1,215,935	1,070,876	13.5	11.3	24,157
Adjusted EBITDA[3]	284,863	252,879	12.6	10.3	5,958	561,064	488,771	14.8	12.7	10,297
Integration, restructuring and acquisition costs[4]	3,823	15,999	(76.1)			10,857	16,391	(33.8)		
Profit for the period from continuing operations	87,646	161,914	(45.9)			170,413	245,494	(30.6)		
Loss for the period from discontinued operations	(5,369)	(16,079)	(66.6)			(8,991)	(17,964)	(49.9)		
Profit for the period	82,277	145,835	(43.6)			161,422	227,530	(29.1)		
Profit for the period attributable to owners of the Corporation	25,667	46,618	(44.9)			51,835	76,117	(31.9)		
Cash flow from continuing operations										
Cash flow from operating activities	204,665	202,362	1.1			307,784	197,941	55.5		
Acquisitions of property, plant and equipment[5]	94,138	112,886	(16.6)	(19.6)	3,346	195,287	197,488	(1.1)	(4.0)	5,767
Free cash flow[3]	128,229	59,726	—	—	630	241,151	159,347	51.3	50.6	1,146
Financial condition[6]										
Cash and cash equivalents						60,162	86,352	(30.3)		
Total assets						7,354,638	7,335,547	0.3		
Indebtedness[7]						3,957,467	3,951,791	0.1		
Equity attributable to owners of the Corporation						740,635	710,908	4.2		
Per Share Data[8]										
Earnings (loss) per share										
Basic										
From continuing operations	1.69	3.16	(46.5)			3.37	4.99	(32.5)		
From discontinued operations	(0.10)	(0.31)	(67.7)			(0.18)	(0.35)	(48.6)		
From continuing and discontinued operations	1.58	2.85	(44.6)			3.19	4.64	(31.3)		
Diluted										
From continuing operations	1.67	3.13	(46.6)			3.34	4.95	(32.5)		
From discontinued operations	(0.10)	(0.31)	(67.7)			(0.18)	(0.35)	(48.6)		
From continuing and discontinued operations	1.57	2.82	(44.3)			3.17	4.61	(31.2)		
Dividends	0.43	0.39	10.3			0.86	0.78	10.3		

(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 operations 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 operations and were related to an operational optimization program. In addition, acquisition costs for the six-month period ended February 28, 2019 were related to the acquisition of 10 regional radio stations on November 26, 2018 by the Corporation's subsidiary, Cogeco Media. For the three and six-months periods ended February 28, 2019, integration, restructuring and acquisition costs were related to the MetroCast acquisition completed on January 4, 2018.

(5) For the three and six-months periods ended February 28, 2019, acquisitions of property, plant and equipment in constant currency amounted to \$90.8 million and \$189.5 million, respectively.

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

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

(8) Per multiple and subordinate voting shares.