PRESS RELEASE

For immediate release

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

- **Revenue increased by 14.9% (13.9% in constant currency(1)), to reach $633.9 million;**
- **Adjusted EBITDA(1) increased by 14.5% (13.8% in constant currency), to reach $283.1 million;**
- **Free cash flow(1) remained stable at $51.7 million, an increase of 1.7% (4.9% in constant currency) compared to the same period of the prior year; and**
- **A quarterly eligible dividend of $0.525 per share was declared, an increase of 10.5% compared to the fourth quarter of fiscal 2017.**

Montréal, October 31, 2018 – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the fourth quarter ended August 31, 2018, in accordance with International Financial Reporting Standards ("IFRS").

For the fourth quarter of fiscal 2018:

- Revenue increased by 14.9% to reach $633.9 million mainly driven by growth of 55.9% in the American broadband services segment, partly offset by decreases of 1.6% in the Canadian broadband services segment and 1.3% in the Business information and communications technology ("Business ICT") services segment. On a constant currency basis, revenue increased by 13.9%, mainly explained as follows:
    - American broadband services revenue increased by 53.1% 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 rate increases implemented in September 2017, the continued growth in Internet and telephony services customers, partly offset by a decrease in video service customers;
    - Canadian broadband services revenue decreased by 1.6% in constant currency mainly as a result of a higher decline in primary service units due to the migration during the third quarter of 22 legacy customer management systems to a new advanced integrated system. The new system will allow Cogeco Connexion to provide improved customer service in terms of response time and greater digital interaction capabilities. Marketing activities were reduced during the stabilization phase, leading to lower new service activations. The implementation of the new system also resulted in a higher volume of billing inquiries related to an improved bill layout, as well as service provisioning issues, which impacted Cogeco Connexion's customer service level in its contact centers;
    - Business ICT services revenue decreased by 2.4% in constant currency primarily due to higher churn and competitive pricing pressures on the network connectivity services, partly offset by growth in the 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 of the Corporation's 2018 Annual Report.

- Adjusted EBITDA increased by 14.5% to reach $283.1 million. On a constant currency basis, adjusted EBITDA increased by 13.8%, mainly as a result of the following:
    - American broadband services adjusted EBITDA increased by 64.3% in constant currency mainly as a result of the MetroCast acquisition; and
    - Business ICT services adjusted EBITDA remained stable in constant currency; partly offset by
    - Canadian broadband services adjusted EBITDA decreased by 3.0% in constant currency as a result of a decline in revenue and stable operating expenses, including additional costs to support the implementation of a new advanced customer management system.
- Profit for the period amounted to $73.6 million, of which $70.5 million, or $1.43 per share, was attributable to owners of the Corporation compared to $71.3 million, or $1.45 per share, in the comparable period of fiscal 2017 resulting mainly from the improvement of adjusted EBITDA combined with a decrease in income taxes, partly offset by increases in depreciation and amortization and financial expense;
- Free cash flow increased by 1.7% to reach $51.7 million. On a constant currency basis, free cash flow increased by 4.9% as a result of the improvement in adjusted EBITDA and a decrease in current income taxes expense, partly offset by the increases in financial expense and in acquisitions of property, plant and equipment, intangible and other assets mostly resulting from the MetroCast acquisition;
- Cash flow from operating activities decreased by 17.3% to reach $286.1 million mainly due to a decrease in changes in non-cash operating activities primarily due to changes in working capital and increases in financial expense paid and income taxes paid, partly offset by the improvement of adjusted EBITDA;
- A quarterly eligible dividend of $0.475 per share was paid in the fourth quarter to the holders of multiple and subordinate voting shares, representing an increase of $0.045 per share, or 10.5%, compared to an eligible dividend of $0.43 per share paid in the fourth quarter of fiscal 2017; and
- At its October 31, 2018 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of $0.525, an increase of 10.5%, compared to $0.475 per share paid in the fourth quarter of fiscal 2017.

For the fiscal year ended August 31, 2018:

- Revenue increased by 8.8% to reach $2.42 billion mainly driven by growths of 31.9% in the American broadband and stable revenue in the Canadian broadband services segments, partly offset by the decrease of 3.8% in the Business ICT services segment. On a constant currency basis, revenue increased by 10.2%, mainly explained as follows:
    - American broadband services revenue increased by 36.0% in constant currency mainly as a result of the MetroCast acquisition. The increase was also attributable to rate increases, the continued growth in Internet and telephony services customers, partly offset by a decrease in video service customers;
    - Canadian broadband services revenue remained stable mainly as a result of a higher decline in primary service units, during the second half of fiscal 2018, from lower new service activations due to the migration of 22 legacy customer management systems to a new advanced integrated system, offset by price increases implemented during the first quarter of the year. Excluding last year's non-recurring revenue related to settlements with suppliers of $2.1 million, revenue would also have remained stable;
    - Business ICT services revenue decreased by 2.8% in constant currency primarily as a result of higher churn and 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 in constant currency would have decreased by 2.1%;
- Adjusted EBITDA increased by 8.1% to reach $1.09 billion. On a constant currency basis, adjusted EBITDA increased by 9.2%, mainly as a result of the following:
    - American broadband services adjusted EBITDA increased by 40.9% in constant currency mainly as a result of the MetroCast acquisition; partly offset by
    - Canadian broadband services adjusted EBITDA remained stable in constant currency and when excluding last year's non-recurring revenue of $2.1 million related to settlements with suppliers; and

    - Business ICT services adjusted EBITDA decreased by 5.8% 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 $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, adjusted EBITDA would have decreased by 1.7%.

- Profit for the year amounted to $356.3 million, of which $347.2 million, or $7.04 per share, was attributable to owners of the Corporation, compared to $299.2 million, or $6.08 per share, in 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 mainly due to the MetroCast acquisition, partly offset by increases in depreciation and amortization, integration, restructuring and acquisition costs and financial expense mostly related to the MetroCast acquisition;

- Free cash flow decreased by 12.6% to reach $326.5 million. On a constant currency basis, free cash flow decreased by 13.1% as a result of the increase in acquisitions of property, plant and equipment, intangible and other assets combined with acquisition costs and 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;

- Cash flow from operating activities decreased by 27.4% to reach $694.1 million mainly due to increases in income taxes paid of which $85.5 million was related to a deferral in income tax installments, financial expense paid and acquisition costs combined with a decrease in changes in non-cash operating activities primarily due to changes in working capital, partly offset by the improvement of adjusted EBITDA; and

- Dividends paid in fiscal 2018 totaled $1.90 per share compared to $1.72 per share in fiscal 2017.

“At Cogeco Connexion, results were below expectations for the fourth quarter of fiscal 2018 as all our efforts were focused on implementing a new advanced customer management system,” declared Philippe Jetté, President and Chief Executive Officer of Cogeco Communications Inc. “This new system will significantly improve our ability to offer digital experiences to our customers, while providing more tools to our contact center agents for an improved customer journey. The system stabilization period has however been more challenging than initially anticipated. Teams across Cogeco Connexion have been working tirelessly at restoring our customer service to its traditionally high level. This endeavor should be completed soon and our main focus will return to sales and marketing activities and improving our highly reputable service to our customers, which has always been part of our DNA.”

“We continue to be pleased with the performance of Atlantic Broadband in the United States,” stated Mr. Jetté. “In addition to strong organic growth in the last quarter, Atlantic Broadband has begun rolling out increased speeds and advanced TiVo services in its MetroCast markets thus enhancing the services available in our extended footprint.”

“At Cogeco Peer 1, we have seen a continuous, relative stabilization of results when comparing quarterly trends,” added Mr. Jetté. “Leadership teams are implementing thorough action plans for each of our regions to position Cogeco Peer 1 for growth and are focusing on providing exceptional service to our customers.”

“I would also like to take this opportunity to sincerely thank Louis Audet, now Executive Chairman of the Board of Cogeco Communications, for his decades of commitment to Cogeco and his unequaled role as the driving force behind the company’s success and impressive growth these past 25 years,” concluded Mr. Jetté.

Fiscal 2019 Financial Guidelines

Cogeco Communications maintained its fiscal 2019 preliminary financial guidelines as issued on July 11, 2018. Please consult the “Fiscal 2019 financial guidelines” section of the Corporation’s 2018 Annual Report for further details.

FINANCIAL HIGHLIGHTS

	Three-months ended					Years ended				
	August 31, 2018	August 31, 2017	Change	Change in constant currency (1)	Foreign exchange impact (2)	August 31, 2018	August 31, 2017	Change	Change in constant currency (1)	Foreign exchange impact (2)
(in thousands of dollars, except percentages and per share data)	$	$	%	%	$	$	$	%	%	$
Operations										
Revenue	633,857	551,728	14.9	13.9	5,225	2,423,549	2,226,851	8.8	10.2	(29,377)
Adjusted EBITDA(1)	283,115	247,195	14.5	13.8	1,894	1,085,985	1,004,970	8.1	9.2	(11,658)
Adjusted EBITDA margin(1)	44.7%	44.8%				44.8%	45.1%			
Integration, restructuring and acquisition costs(3)	1,677	3,191	(47.4)			20,328	3,191	—		
Profit for the period	73,571	71,335	3.1			356,341	299,225	19.1		
Profit for the period attributable to owners of the Corporation	70,534	71,335	(1.1)			347,150	299,225	16.0		
Cash flow										
Cash flow from operating activities	286,119	345,957	(17.3)			694,100	956,657	(27.4)		
Acquisitions of property, plant and equipment, intangible and other assets(4)	180,194	145,162	24.1	22.1	2,888	515,576	428,057	20.4	22.4	(8,400)
Free cash flow(1)	51,680	50,841	1.7	4.9	(1,632)	326,460	373,735	(12.6)	(13.1)	1,735
Capital intensity(1)	28.4%	26.3%				21.3%	19.2%			
Financial condition										
Cash and cash equivalents						84,725	211,185	(59.9)		
Short-term investments						—	54,000	(100.0)		
Total assets						7,167,413	5,348,380	34.0		
Indebtedness(5)						3,914,711	2,598,058	50.7		
Equity attributable to owners of the Corporation						1,967,341	1,599,267	23.0		
Per Share Data(6)										
Earnings per share										
Basic	1.43	1.45	(1.4)			7.04	6.08	15.8		
Diluted	1.42	1.44	(1.4)			6.98	6.03	15.8		
Dividends	0.475	0.43	10.5			1.90	1.72	10.5		

(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 of the Corporation's 2018 Annual Report.

(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-month period and year ended August 31, 2017, the average foreign exchange rates used for translation were 1.2864 USD/CDN and 1.6614 GBP/CDN and 1.3205 USD/CDN and 1.6711 GBP/CDN, respectively.

(3) For the three-month periods and years ended August 31, 2018 and August 31, 2017, integration, restructuring and acquisition costs were related to the MetroCast acquisition completed on January 4, 2018.

(4) The definition of acquisitions of intangible and other assets excludes the purchases of Spectrum licenses. For the three-month period and year ended August 31, 2018, acquisitions of property, plant and equipment, intangible and other assets in constant currency amounted to $177.3 million and $524.0 million, respectively.

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

(6) Per multiple and subordinate voting share.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Communications Inc.'s ("Cogeco Communications" or the "Corporation") future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which Cogeco Communications believes are reasonable as of the current date. Refer in particular to the "Corporate Objectives and Strategies" and "Fiscal 2019 Financial Guidelines" sections of the Corporation's 2018 annual Management's Discussion and Analysis ("MD&A") for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While Management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Cogeco Communications currently expects. These factors include risks such as competitive risks, business risks, regulatory risks, technology risks, financial risks, economic conditions, human-caused and natural threats to our network, infrastructure and systems, community acceptance risks, ethical behavior risks, ownership risks and litigation risks, many of which are beyond the Corporation's control. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and Main Risk Factors" section of the Corporation's 2018 annual MD&A. These factors are not intended to represent a complete list of the factors that could affect Cogeco Communications and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this press release which represent Cogeco Communications' expectations as of the date of this press release (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

All amounts are stated in Canadian dollars unless otherwise indicated. This press release should be read in conjunction with the MD&A included in the Corporation's 2018 Annual Report, the Corporation's consolidated financial statements and the notes thereto prepared in accordance with the International Financial Reporting Standards ("IFRS") for the year ended August 31, 2018.

RESULTS OVERVIEW

This analysis should be read in conjunction with the Corporation's 2018 Annual Report available on the SEDAR website at www.sedar.com or on the Corporation's website at corpo.cogeco.com. Please refer to the Corporation's 2018 Annual Report for more details on the annual results.

FOURTH-QUARTER OPERATING AND FINANCIAL RESULTS

CONSOLIDATED

OPERATING AND FINANCIAL RESULTS

	Three-months ended				
	August 31, 2018 (1)	August 31, 2017	Change	Change in constant currency (2)	Foreign exchange impact (2)
(in thousands of dollars, except percentages)	$	$	%	%	$
Revenue	**633,857**	551,728	14.9	13.9	5,225
Operating expenses	**345,946**	299,880	15.4	14.3	3,331
Management fees – Cogeco Inc.	**4,796**	4,653	3.1	3.1	—
Adjusted EBITDA	**283,115**	247,195	14.5	13.8	1,894
Adjusted EBITDA margin	**44.7%**	44.8%			

(1) For the three-month period ended August 31, 2018, the average foreign exchange rates used for translation were 1.3100 USD/CDN and 1.7175 GPB/CDN.

(2) Fiscal 2018 actuals are translated at the average foreign exchange rates of the comparable period of fiscal 2017 which were 1.2864 USD/CDN and 1.6614 GBP/CDN.

REVENUE

Fiscal 2018 fourth-quarter revenue increased by 14.9% (13.9% in constant currency) mainly due to:

- growth of 55.9% (53.1% in constant currency) in the American broadband services segment mainly attributable to the MetroCast acquisition completed in the second quarter of fiscal 2018; partly offset by
- a decrease of 1.6% (1.6% in constant currency) in the Canadian broadband services segment; and
- a decrease of 1.3% (2.4% in constant currency) in the Business ICT services segment.

OPERATING EXPENSES

Fiscal 2018 fourth-quarter operating expenses increased by 15.4% (14.3% in constant currency) mainly due to:

- additional costs in the American broadband services segment due to the MetroCast acquisition; partly offset by
- stable operating expenses in the Canadian broadband services segment; and
- a decrease in the Business ICT services segment.

MANAGEMENT FEES

Fiscal 2018 fourth-quarter management fees paid to Cogeco Inc. remained essentially the same at $4.8 million compared to $4.7 million for the same period fiscal 2017.

ADJUSTED EBITDA

Fiscal 2018 fourth-quarter adjusted EBITDA increased by 14.5% (13.8% in constant currency) resulting from:

- an increase of 67.3% (64.3% in constant currency) in the American broadband services segment as a result of the MetroCast acquisition; and
- stable adjusted EBITDA, as reported and in constant currency, in the Business ICT services segment; partly offset by
- a decrease of 3.2% (3.0% in constant currency) in the Canadian broadband services segment.

INTEGRATION, RESTRUCTURING AND ACQUISITION COSTS

Fiscal 2018 fourth-quarter integration, restructuring and acquisition costs amounted to $1.7 million compared to $3.2 million for the same period of the prior year which were mostly comprised of acquisition and integration costs in connection with the MetroCast acquisition.

DEPRECIATION AND AMORTIZATION

Three-months ended August 31,	2018	2017	Change
(in thousands of dollars, except percentages)	$	$	%
Depreciation of property, plant and equipment	122,589	101,811	20.4
Amortization of intangible assets	22,187	15,331	44.7
Depreciation and amortization	144,776	117,142	23.6

Fiscal 2018 fourth-quarter depreciation and amortization expense increased by 23.6% mostly as a result of the MetroCast acquisition combined with the appreciation of the US dollar and British Pound against the Canadian dollar compared to the same period of the prior year.

FINANCIAL EXPENSE

Three-months ended August 31,	2018	2017	Change
(in thousands of dollars, except percentages)	$	$	%
Interest on long-term debt	46,127	30,511	51.2
Net foreign exchange losses (gains)	(1,829)	1,758	—
Amortization of deferred transaction costs	441	624	(29.3)
Capitalized borrowing costs	(162)	(833)	(80.6)
Other	987	1,007	(2.0)
Financial expense	45,564	33,067	37.8

Fiscal 2018 fourth-quarter financial expense increased by 37.8% mainly as follows:

- higher level of Indebtedness and higher interest rates on the First Lien Credit Facilities following the MetroCast acquisition; and
- the appreciation of the US dollar against the Canadian dollar compared to same period of the prior year; partly offset by
- early reimbursement of the US$400 million Senior Unsecured Notes during the third quarter of fiscal 2018; and
- reimbursement at maturity of the $100 million Senior Unsecured Debentures in the third quarter of fiscal 2018.

INCOME TAXES

Three-months ended August 31,	2018	2017	Change
(in thousands of dollars, except percentages)	$	$	%
Profit for the period before income taxes	91,098	93,795	(2.9)
Combined Canadian income tax rate	26.50%	26.50%	—
Income taxes at combined Canadian income tax rate	24,141	24,855	(2.9)
Adjustment for losses or profit subject to lower or higher tax rates	141	969	(85.4)
Revaluation of deferred tax assets	802	616	30.2
Impact on income taxes arising from non-deductible expenses and non-taxable profit	(201)	582	—
Tax impacts related to foreign operations	(6,829)	(4,247)	60.8
Other	(527)	(315)	67.3
Income taxes	17,527	22,460	(22.0)

Fiscal 2018 fourth-quarter income taxes expense decreased by 22.0% compared to the same period of the prior year mainly attributable to:

- the effect of the federal rate reduction in the United States;
- the decrease in profit before income taxes resulting from increases in amortization and depreciation and financial expense related to the MetroCast acquisition; partly offset by
- the appreciation of the US dollar against the Canadian dollar compared to the same period of the prior year.

PROFIT FOR THE PERIOD

Three-months ended August 31,	2018	2017	Change
(in thousands of dollars, except percentages and earnings per share)	$	$	%
Profit for the period	73,571	71,335	3.1
Profit for the period attributable to owners of the Corporation	70,534	71,335	(1.1)
Profit for the period attributable to non-controlling interest[1]	3,037	—	—
Basic earnings per share	1.43	1.45	(1.4)

(1) The non-controlling interest represents a participation of 21% in Atlantic Broadband's results.

Fiscal 2018 fourth-quarter profit for the period increased by 3.1% and profit for the period attributable to owners of the Corporation remained stable as a result of:

- the improvement of adjusted EBITDA mainly as a result of the MetroCast acquisition; and
- the decrease in income taxes mostly related to the recent US tax reform; partly offset by
- increases in depreciation and amortization and financial expense mostly related to the acquisition of MetroCast.

CANADIAN BROADBAND SERVICES

OPERATING AND FINANCIAL RESULTS

Three-months ended August 31,	2018 [1]	2017	Change	Change in constant currency [2]	Foreign exchange impact [2]
(in thousands of dollars, except percentages)	$	$	%	%	$
Revenue	319,529	324,854	(1.6)	(1.6)	—
Operating expenses	155,555	155,499	—	(0.2)	374
Adjusted EBITDA	163,974	169,355	(3.2)	(3.0)	(374)
Adjusted EBITDA margin	51.3%	52.1%			
Acquisitions of property, plant and equipment, intangible and other assets	88,263	85,549	3.2	2.0	1,007
Capital intensity	27.6%	26.3%			

(1) For the three-month period ended August 31, 2018, the average foreign exchange rate used for translation was 1.3100 USD/CDN.

(2) Fiscal 2018 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2017 which was 1.2864 USD/CDN.

REVENUE

Fiscal 2018 fourth-quarter revenue decreased by 1.6% resulting from a higher decline in primary service units from lower new service activations due to the migration of 22 legacy customer management systems to a new advanced integrated system. The implementation of the new system during the third quarter of fiscal 2018 resulted in a higher volume of billing inquiries related to an improved bill layout, as well as service provisioning issues, which impacted Cogeco Connexion's customer service level in its contact centers. In addition, revenue also decreased due to a reduction of marketing activities during the stabilization phase and promotional pricing provided to customers, partly offset by rate increases implemented in the first quarter of fiscal 2018.

OPERATING EXPENSES

Fiscal 2018 fourth-quarter operating expenses remained essentially the same, as reported and in constant currency, mainly attributable to:

- higher costs of approximately $6.9 million driven by an increase in headcount to support the stabilization phase of the new advanced customer management system; partly offset by
- lower programming costs resulting from a decline in video customer services; and
- lower professional fees following the implementation in the third quarter of fiscal 2018 of the new advanced customer management system.

ADJUSTED EBITDA

Fiscal 2018 fourth-quarter adjusted EBITDA decreased by 3.2% (3.0% in constant currency) mainly as a result of a decline in revenue and stable operating expenses.

ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE AND OTHER ASSETS

Fiscal 2018 fourth-quarter acquisitions of property, plant and equipment, intangible and other assets increased by 3.2% (2.0% in constant currency) resulting from:

- additional investments in network infrastructure in order to extend the network in new areas and to improve Internet speed offerings;
- higher purchases of customer premise equipment; partly offset by
- lower network equipment due to the timing of certain initiatives; and
- lower capital expenditures related to the implementation of a new customer management system during the third quarter of fiscal 2018.

Fiscal 2018 fourth-quarter capital intensity reached 27.6% compared to 26.3% for the same period of the prior year as a result of capital expenditures growth combined with revenue decline.

CUSTOMER STATISTICS

		Net additions (losses) Three-months ended August 31,	
	August 31, 2018	**2018** (2)	2017
Primary service units(1)	**1,866,918**	**(35,818)**	(8,969)
Internet service customers	**782,277**	**(2,965)**	5,519
Video service customers	**688,768**	**(15,953)**	(9,065)
Telephony service customers(1)	**395,873**	**(16,900)**	(5,423)

(1) In the second quarter of fiscal 2018, telephony service customers have been adjusted upwards retroactively as a result of a change in reporting business customers and consequently, primary service units prior to that period have also been adjusted.

(2) Exclude adjustments related to the migration to the new advanced customer management system which was implemented during the third quarter of fiscal 2018.

During the third quarter of fiscal 2018, the Canadian broadband services segment implemented a new advanced customer management system, replacing 22 legacy systems. The implementation of this new system was a very complex transformation which required more focus than anticipated during the stabilization phase. Consequently, marketing and sales initiatives were slowed down on purpose for several months resulting in a delay of new services activation and therefore, primary services units were negatively impacted during the second half of fiscal 2018. Marketing and sales initiatives have now returned to normal while the customer management system is still in the process of stabilization.

INTERNET

Fiscal 2018 fourth-quarter Internet service customers net losses stood at 2,965 compared to net additions of 5,519 for the same period of the prior year mainly due to:

- lower marketing and sales initiatives and contact center congestion resulting from the implementation and stabilization of the new customer management system; and
- competitive offers in the industry; partly offset by
- the ongoing interest in high speed offerings and in TiVo's digital advanced video services which requires an Internet subscription;
- the increased demand from Internet resellers and from the business sector; and
- the sustained interest in bundle offers.

VIDEO

Fiscal 2018 fourth-quarter video service customers net losses stood at 15,953 compared to 9,065 for the same period of the prior year as a result of:

- lower marketing and sales initiatives and contact center congestion resulting from the implementation and stabilization of the new customer management system;
- highly competitive offers in the industry; and
- a changing video consumption environment; partly offset by
- our customers' ongoing interest in video product offering, including TiVo's digital advanced video services; and
- bundles with fast Internet offerings.

TELEPHONY

Fiscal 2018 fourth-quarter telephony service customers net losses amounted to 16,900 compared to 5,423 for the same period of the prior year mainly due to:

- lower marketing and sales initiatives and contact center congestion resulting from the implementation and stabilization of the new customer management system; and
- the increasing wireless penetration in North America and various unlimited offers launched by wireless operators causing some customers to cancel their landline telephony services for wireless telephony services only.

AMERICAN BROADBAND SERVICES

OPERATING AND FINANCIAL RESULTS

Three-months ended August 31,	2018 [1]	2017	Change	Change in constant currency [2]	Foreign exchange impact [2]
(in thousands of dollars, except percentages)	$	$	%	%	$
Revenue	246,499	158,124	55.9	53.1	4,456
Operating expenses	136,270	92,237	47.7	45.0	2,485
Adjusted EBITDA	110,229	65,887	67.3	64.3	1,971
Adjusted EBITDA margin	44.7%	41.7%			
Acquisitions of property, plant and equipment, intangible and other assets	74,303	35,581	—	—	1,643
Capital intensity	30.1%	22.5%			

(1) For the three-month period ended August 31, 2018, the average foreign exchange rate used for translation was 1.3100 USD/CDN.

(2) Fiscal 2018 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2017 which was 1.2864 USD/CDN.

REVENUE

Fiscal 2018 fourth-quarter revenue increased by 55.9% (53.1% in constant currency) mainly as a result of:

- the MetroCast acquisition completed in the second quarter of fiscal 2018;
- rate increases implemented in September 2017;
- the continued growth in Internet and telephony services customers; partly offset by
- a decrease in video service customers.

Excluding the MetroCast acquisition, revenue in constant currency increased by 4.7% for the fourth quarter of fiscal 2018.

OPERATING EXPENSES

Fiscal 2018 fourth-quarter operating expenses increased by 47.7% (45.0% in constant currency) mainly as a result of:

- the MetroCast acquisition completed in the second quarter of fiscal 2018;
- programming rate increases; and
- additional costs such as employee and outsourced services compensation costs and marketing expenses to support the continued expansion in Florida and the business sector.

ADJUSTED EBITDA

Fiscal 2018 fourth-quarter adjusted EBITDA increased by 67.3% (64.3% in constant currency) mainly as a result of the MetroCast acquisition. Excluding the MetroCast acquisition, adjusted EBITDA in constant currency increased by 4.9% for the fourth quarter of fiscal 2018.

ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE AND OTHER ASSETS

Fiscal 2018 acquisitions of property, plant and equipment, intangible and other assets increased by $38.7 million ($40.4 million in constant currency) mainly due to:

- capital expenditures related to the recent acquisition of MetroCast;
- additional capital expenditures related to the expansion in Florida; and
- additional investments to extend the network and to improve the infrastructure in some of the areas we serve.

Fiscal 2018 fourth-quarter capital intensity reached 30.1% compared to 22.5% for the same period of the prior year as a result of capital expenditures growth exceeding revenue growth.

CUSTOMER STATISTICS

		Net additions (losses)	
		Three-months ended August 31,	
	August 31, 2018	2018	2017
Primary service units[1]	884,465	2,797	3,306
Internet service customers	424,948	4,693	2,791
Video service customers	317,252	(3,046)	(1,180)
Telephony service customers[1]	142,265	1,150	1,695

(1) In the second quarter of fiscal 2018, telephony service customers have been adjusted upwards retroactively as a result of a change in reporting business customers and consequently, primary service units prior to that period have also been adjusted.

INTERNET

Fiscal 2018 fourth-quarter Internet service customers net additions stood at 4,693 compared to 2,791 for the same period of the prior year as a result of:

- additional connects from the Florida expansion and in the MetroCast footprint;
- our customers' ongoing interest in high speed offerings;
- growth in both the residential and business sectors; and
- the sustained interest in bundle offers.

VIDEO

Fiscal 2018 fourth-quarter video service customers net losses stood at 3,046 compared to 1,180 for the same period of the prior year mainly from:

- competitive offers in the industry;
- a changing video consumption environment; party offset by
- additional connects from the Florida expansion;
- our customers' ongoing interest in TiVo's digital advanced video services; and
- a larger customer base resulting from the MetroCast acquisition.

TELEPHONY

Fiscal 2018 fourth-quarter telephony service customers net additions stood at 1,150 compared to 1,695 for the same period of the prior year mainly as a result of the continued growth in the residential and business sectors.

BUSINESS ICT SERVICES

OPERATING AND FINANCIAL RESULTS

Three-months ended August 31,	2018 [1]	2017	Change	Change in constant currency [2]	Foreign exchange impact [2]
(in thousands of dollars, except percentages)	$	$	%	%	$
Revenue	68,741	69,622	(1.3)	(2.4)	769
Operating expenses	47,045	48,152	(2.3)	(3.3)	472
Adjusted EBITDA	21,696	21,470	1.1	(0.3)	297
Adjusted EBITDA margin	31.6%	30.8%			
Acquisitions of property, plant and equipment, intangible and other assets	17,628	24,032	(26.6)	(27.6)	238
Capital intensity	25.6%	34.5%			

(1) For the three-month period ended August 31, 2018, the average foreign exchange rates used for translation were 1.3100 USD/CDN and 1.7175 GPB/CDN.

(2) Fiscal 2018 actuals are translated at the average foreign exchange rates of the comparable period of fiscal 2017 which were 1.2864 USD/CDN and 1.6614 GBP/CDN.

REVENUE

Fiscal 2018 fourth-quarter revenue decreased by 1.3% (2.4% in constant currency) primarily due to:

- higher churn and competitive pricing pressures on the hosting and network connectivity services; partly offset by
- a growth in cloud services revenue.

OPERATING EXPENSES

Fiscal 2018 fourth-quarter operating expenses decreased by 2.3% (3.3% in constant currency) mainly due to:

- lower marketing expenses due to the timing of certain initiatives;
- lower software licenses costs as a result of lower revenue; partly offset by
- higher facilities costs.

ADJUSTED EBITDA

Fiscal 2018 fourth-quarter adjusted EBITDA remained stable as well in constant currency.

ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE AND OTHER ASSETS

Fiscal 2018 fourth-quarter acquisitions of property, plant and equipment, intangible and other assets decreased by 26.6% (27.6% in constant currency) due to lower purchase of equipments to serve customers as a result of the timing of certain initiatives.

Fiscal 2018 fourth-quarter capital intensity reached 25.6% compared to 34.5% for the same period of the prior year mainly as a result of lower capital expenditures.

CASH FLOW ANALYSIS

Three-months ended August 31,	2018	2017	Variation
(in thousands of dollars, except percentages)	$	$	%
Cash flow from operating activities	286,119	345,957	(17.3)
Cash flow from investing activities	(212,083)	(197,971)	7.1
Cash flow from financing activities	(52,127)	(36,440)	43.0
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	(2)	(2,428)	(99.9)
Net change in cash and cash equivalents	21,907	109,118	(79.9)
Cash and cash equivalents, beginning of period	62,818	102,067	(38.5)
Cash and cash equivalents, end of period	84,725	211,185	(59.9)

Fiscal 2018 fourth-quarter cash flow from operating activities decreased by 17.3% mainly from:

- the decrease in changes in non-cash operating activities primarily due to changes in working capital;
- the increase in financial expense paid as a result of higher level of Indebtedness and higher interest rates following the MetroCast acquisition; and
- the increase in income taxes paid mainly from the payment of income tax installments; partly offset by
- the improvement in adjusted EBITDA.

INVESTING ACTIVITIES

Fiscal 2018 fourth-quarter investing activities increased by 7.1% mainly due to:

- the increase in acquisitions of property, plant and equipment; and
- the acquisition of Spectrum licenses in the Canadian broadband services segment; partly offset by
- the redemption of short-term investments.

ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE AND OTHER ASSETS

The acquisitions of property, plant and equipment, intangible and other assets as well as the capital intensity per operating segment are as follows:

Three-months ended August 31,	2018	2017	Change	2018 in constant currency (1)	Change in constant currency
(in thousands of dollars, except percentages)	$	$	%	$	%
Canadian broadband services	88,263	85,549	3.2	87,256	2.0
Capital intensity	27.6%	26.3%			—
American broadband services	74,303	35,581	—	72,660	—
Capital intensity	30.1%	22.5%			—
Business ICT services	17,628	24,032	(26.6)	17,390	(27.6)
Capital intensity	25.6%	34.5%			—
Consolidated	180,194	145,162	24.1	177,306	22.1
Capital intensity	28.4%	26.3%			—

(1) Fiscal 2018 actuals are translated at the average foreign exchange rates of the comparable period of fiscal 2017 which were 1.2864 USD/CDN and 1.6614 GBP/CDN.

Fiscal 2018 fourth-quarter acquisitions of property, plant and equipment, intangible and other assets increased by 24.1% (22.1% in constant currency) mainly due to higher capital expenditures in the American broadband services segment, partly offset by lower capital expenditures in the Business ICT services segment.

Fiscal 2018 fourth-quarter capital intensity reached 28.4% compared to 26.3% for the same period of the prior year mainly as a result of capital expenditures growth exceeding revenue growth. Fourth-quarter capital intensity is generally higher than the annual average due to construction work being concentrated during the summer period.

ACQUISITIONS OF SPECTRUM LICENSES

On June 21, 2018, Cogeco Connexion acquired 10 Spectrum licenses of 2500 MHz in non-metropolitan areas of Ontario, from Kian Telecom, for $8 million. 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 footprints, in the auction for residual Spectrum licenses organized by ISED Canada for a total price of $24.3 million. Both transactions were completed during the fourth quarter of fiscal 2018.

FREE CASH FLOW

Fiscal 2018 fourth-quarter free cash flow amounted to $51.7 million, an increase of 1.7% (4.9% in constant currency), compared to the same period of the prior year mainly due to the following:

- the improvement in adjusted EBITDA; and
- the decrease in current income taxes expense; partly offset by
- the increase in acquisitions of property, plant and equipment, intangible and other assets resulting mostly from higher capital expenditures in the American broadband services segment; and
- the increase in financial expense.

FINANCING ACTIVITIES

Fiscal 2018 fourth-quarter change in cash flows arising from financing activities is mainly explained as follows:

Three-months ended August 31,	2018	2017	Change	Explanations
(in thousands of dollars)	$	$	$	
Increase (decrease) in bank indebtedness	(9,913)	434	(10,347)	Related to the timing of payments made to suppliers.
Net decreases under the revolving facilities	(13,342)	(13,963)	621	
Repayments of long-term debt	(5,548)	(3,634)	(1,914)	
	(28,803)	(17,163)	(11,640)	

DIVIDENDS

During the fourth quarter of fiscal 2018, a quarterly eligible dividend of $0.475 per share was paid to the holders of subordinate and multiple voting shares, totalling $23.4 million, compared to an eligible dividend paid of $0.43 per share, or $21.2 million in the fourth quarter of fiscal 2017.

FISCAL 2019 FINANCIAL GUIDELINES

Cogeco Communications maintains its fiscal 2019 preliminary financial guidelines as issued on July 11, 2018.

The Corporation presents its financial guidelines on a constant currency basis and believes this presentation enables an improved understanding of the Corporation's underlying financial performance, undistorted by the effects of changes in foreign exchange rates. Measures on a constant currency basis are considered non-IFRS measures and do not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

On a constant currency and consolidated bases, Cogeco Communications expects fiscal 2019 revenue to grow between 6% and 8% mainly as a result of the full year impact of the MetroCast acquisition compared to eight months for fiscal 2018 and the FiberLight acquisition which are both in the American broadband services segment. In addition, growth in the American broadband services segment should also stem from growth of primary service units from the continued expansion in Florida as well as from growth in the MetroCast footprint combined with the impact of rate increases in most services. In the Canadian broadband services segment, revenue growth should stem primarily from the business sector, as a result of the increasing demand for Internet services and rate increases in most services. Included in the Canadian broadband guidelines are rate increases to be implemented at the end of the first quarter compared to an earlier implementation the prior year, as well as expected primary services units losses during the first quarter in line with those of the fourth quarter of the prior year. In the Business ICT services segment, revenue should benefit from growth in colocation and hosting services, partly offset by a decrease in network connectivity services as a result of competitive pricing pressures.

On a constant currency and consolidated bases, fiscal 2019 adjusted EBITDA should grow between 8% and 10% due to the full year impact of the MetroCast acquisition, the FiberLight acquisition and from revenue growth exceeding operating expenses as result of cost reduction initiatives in the Canadian broadband services segment, partly offset by higher operating expenses in the American broadband services and Business ICT services segments.

The consolidated capital intensity ratio should remain stable. In the Canadian broadband services segment, capital intensity should remain stable and capital expenditures will focus on digital transformation initiatives, extensions of the network into new areas, network upgrades to 1 Gbps Internet speeds to 60% of the footprint by fiscal year end and launching the MediaFirst IPTV video platform. In the American broadband services segment, capital intensity should decrease in fiscal 2019 as a result of the one-time purchase of dark fibres from FiberLight in fiscal 2018. Capital expenditures in fiscal 2019 will focus on the Florida expansion and on upgrading the network to 1 Gbps Internet speeds to 85% of the American footprint by year end. In the Business ICT services segment, capital intensity should increase mainly from expected higher capital expenditures due to strategic investments amounting to approximately $30 million in the existing Kirkland data centre facility to build a third pod to serve customer needs.

Free cash flow on a constant currency and consolidated bases should increase between 18% and 25% mainly due to the growth of adjusted EBITDA, partly offset by an increase in capital expenditures.

The following table outlines fiscal 2019 financial guidelines ranges on a consolidated basis:

	Projections (prior to the adoption of IFRS 15) (1) Fiscal 2019 (2)	Actual Fiscal 2018
(in millions of dollars, except percentages)	$	$
Financial guidelines		
Revenue(3)	Increase of 6% to 8%	2,424
Adjusted EBITDA(3)	Increase of 8% to 10%	1,086
Acquisitions of property, plant and equipment, intangible and other assets(4)	$550 to $570	516
Capital intensity	21% to 22%	21.3%
Free cash flow(5)	Increase of 18% to 25%	326

(1) Fiscal 2019 financial guidelines presented as percentages reflect increases over actual for fiscal 2018 prior to the adoption of IFRS 15, *Revenue from contracts with customers*, which is not expected to have a significant impact on these guidelines.

(2) Fiscal 2019 financial guidelines are based on fiscal 2018 actual exchange rates of 1.28 USD/CDN and 1.72 GBP/CDN.

(3) The impact of integrating MetroCast operating results for a full year, together with the acquisition of fibre network and corresponding assets from FiberLight, LLC, completed on October 1, 2018, represent approximately 4% of revenue growth and 5% of adjusted EBITDA growth.

(4) The definition of acquisitions of property, plant and equipment, intangible and other assets excludes purchases of Spectrum licenses.

(5) The assumed current income tax effective rate is approximatively 19%.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including its Annual Information Form, is available on the SEDAR website at www.sedar.com or on the Corporation's website at corpo.cogeco.com.

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), 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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Analyst Conference Call: **Thursday, November 1st, 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