COGECO COMMUNICATIONS

PRESS RELEASE

For immediate release

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

- **Revenue increased by 16.3% (14.2% in constant currency(1)), to reach $643.3 million;**
- **Adjusted EBITDA(1) increased by 15.7% (13.8% in constant currency), to reach $285.5 million;**
- **Free cash flow(1) increased by 11.2% (10.5% in constant currency), to reach $113.9 million; and**
- **A quarterly eligible dividend of $0.525 per share was declared, compared to $0.475 per share for the first quarter of fiscal 2018.**

Montréal, January 10, 2019 – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the first quarter ended November 30, 2018, in accordance with International Financial Reporting Standards ("IFRS").

For the first quarter of fiscal 2019:

- Revenue increased by 16.3% to reach $643.3 million mainly driven by growth of 61.5% in the American broadband services segment, partly offset by decreases of 1.4% in the Canadian broadband services segment and 3.2% in the Business information and communications technology ("Business ICT") services segment. On a constant currency basis, revenue increased by 14.2%, mainly explained as follows:
    - American broadband services revenue increased by 55.0% in constant currency mainly as a result of the acquisition of the MetroCast cable systems ("the MetroCast acquisition") on January 4, 2018. The increase was also attributable to rate increases implemented in August 2018, the continued growth in Internet and telephony services customers, partly offset by a decrease in video service customers;
    - Canadian broadband services revenue decreased by 1.4% in constant currency mainly as a result of a decline in primary service units. This is directly related to lower service activations that resulted from the migration to a new advanced customer management system. This issue is of a temporary nature and will allow Cogeco Connexion to provide improved customer service and greater interaction capabilities in the future. Marketing activities were reduced during the stabilization phase due to contact center congestion, and both have returned to normal at the end of the first quarter of fiscal 2019. Moreover, revenue has also been impacted by the timing of rate increases implemented in November 2018 in both Ontario and Québec compared to September 2017 and November 2017, respectively, for the same period of the prior year. The decrease was partly offset by lower promotional pricing provided to customers;
    - Business ICT services revenue decreased by 5.0% in constant currency primarily due to higher churn and competitive pricing pressures on the hosting and network connectivity services;

(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 15.7% to reach $285.5 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 81.6% in constant currency mainly as a result of the MetroCast acquisition; partly offset by

    - Canadian broadband services adjusted EBITDA decreased by 5.7% in constant currency mainly as a result of a decline in revenue and $3.2 million in additional retroactive costs related to higher rates than expected established by the Copyright Board of Canada for the retransmission of distant Canadian and American television signals in Canada from 2014 to 2018, combined with $4.5 million additional costs to support the stabilization phase of the new advanced customer management system; and

    - Business ICT services adjusted EBITDA decreased by 12.3% in constant currency as a result of a decline in revenue.

- Profit for the period amounted to $75.2 million, of which $70.2 million, or $1.42 per share, was attributable to owners of the Corporation compared to $76.4 million, or $1.55 per share, in the comparable period of fiscal 2018 resulting mainly from the increases in depreciation and amortization, financial expense and integration, restructuring and acquisition costs, partly offset by the improvement of adjusted EBITDA and the decrease in income taxes;

- Free cash flow increased by 11.2% to reach $113.9 million. On a constant currency basis, free cash flow increased by 10.5% 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, acquisitions of property, plant and equipment and integration, restructuring and acquisition costs;

- Cash flow from operating activities reached $107.7 million compared to $5.4 million for the same period of the prior year mainly due to the improvement in adjusted EBITDA and the decrease in income taxes paid, partly offset by the increase in financial expense paid;

- At its January 10, 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;

- On December 6, 2018, Cogeco Communications confirmed that it has elected to not participate in the auction process for licenses in the 600 MHz spectrum band that will take place in 2019. The structure of the auction based on large geographic areas makes the acquisition of such spectrum uneconomical. This decision is consistent with the Corporation's continued commitment to pursue opportunities to enter the wireless market in a disciplined and thoughtful manner. Following the acquisition of spectrum licenses in fiscal 2018, Cogeco Communications is committed to continue exploring various business models in order to launch a profitable wireless service;

- On December 4, 2018, the Corporation extended its $800 million Term Revolving Facility maturity date by an additional year until January 24, 2024; and

- On October 3, 2018, the Corporation's subsidiary, Atlantic Broadband, completed the acquisition of the south Florida fibre network previously owned by FiberLight, LLC which provides high-performance metro and long-haul fibre transport services. The closing of this deal marks the addition of 350 route miles to Atlantic Broadband’s existing south Florida footprint.

“Overall results for the first quarter are in line with our 2019 financial guidance,” declared Philippe Jetté, President and Chief Executive Officer of Cogeco Communications Inc. “At Cogeco Connexion, the stabilization phase related to the implementation of a new advanced customer management system extended into the first quarter as anticipated. I am confident that as of today these issues are mostly behind us and that operations in our Canadian broadband services segment are now running as expected.”

“In our American broadband services segment, we are pleased to report continued solid organic growth,” stated Mr. Jetté. “The acquisition of FiberLight’s south Florida fibre network has more than doubled Atlantic Broadband’s fibre footprint in the region, further expanding our presence in this strategic growth market.”

“Results in our Business ICT services segment reflect the continued increase in competition and pricing pressures in this market,” concluded Mr. Jetté. “Cogeco Peer 1 continues to focus on priorities such as driving efficiencies, offering a relevant suite of solutions and providing expert service to our customers.”

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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Analyst Conference Call: **Friday, January 11, 2019 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

SHAREHOLDERS' REPORT

Three-month period ended November 30, 2018

FINANCIAL HIGHLIGHTS

	Three months ended				
	November 30, 2018	November 30, 2017 [1]	Change	Change in constant currency [2]	Foreign exchange impact [2]
(in thousands of dollars, except percentages and per share data)	$	$	%	%	$
Operations					
Revenue	643,331	553,276	16.3	14.2	11,555
Adjusted EBITDA[3]	285,543	246,767	15.7	13.8	4,792
Adjusted EBITDA margin[3]	44.4%	44.6%			
Integration, restructuring and acquisition costs[4]	5,713	392	—		
Profit for the period	75,184	76,386	(1.6)		
Profit for the period attributable to owners of the Corporation	70,170	76,386	(8.1)		
Cash flow					
Cash flow from operating activities	107,656	5,404	—		
Acquisitions of property, plant and equipment[5]	112,465	95,295	18.0	15.2	2,649
Free cash flow[3]	113,891	102,448	11.2	10.5	727
Capital intensity	17.5%	17.2%			
Financial condition[6]					
Cash and cash equivalents	70,893	84,725	(16.3)		
Total assets	7,288,866	7,180,043	1.5		
Indebtedness[7]	4,035,674	3,914,711	3.1		
Equity attributable to owners of the Corporation	2,053,285	1,997,169	2.8		
Per Share Data[8]					
Earnings per share					
Basic	1.42	1.55	(8.4)		
Diluted	1.41	1.53	(7.8)		
Dividends	0.525	0.475	10.5		

(1) Fiscal 2018 was restated to comply with IFRS 15 and to reflect a change in accounting policy. For further details, please consult the "Accounting policies" section of the MD&A.

(2) Key performance indicators presented on a constant currency basis are obtained by translating financial results of the current period denominated in US dollars and GBP currency at the foreign exchange rates of the comparable period of the prior year. For the three-month period ended November 30, 2017, the average foreign exchange rates used for translation were 1.2552 USD/CDN and 1.6638 GBP/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-month period ended November 30, 2018 integration, restructuring and acquisition costs were mostly due to restructuring costs in the Canadian broadband services segment and were related to an employee reduction program. Fiscal 2018 first-quarter integration, restructuring and acquisition costs were related to acquisition and integration costs in anticipation of the MetroCast acquisition completed on January 4, 2018.

(5) For the three-month period ended November 30, 2018, acquisitions of property, plant and equipment in constant currency amounted to $109.8 million.

(6) At November 30, 2018 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.