News release

For immediate release

Cogeco Releases Its Results for the First Quarter of Fiscal 2019

- **Revenue increased by 15.1% (13.1% in constant currency(1)), to reach $674.0 million;**
- **Adjusted EBITDA(1) increased by 15.0% (13.1% in constant currency), to reach $293.9 million;**
- **Free cash flow(1) increased by 9.3% (8.6% in constant currency), to reach $119.3 million; and**
- **A quarterly eligible dividend of $0.43 per share was declared, compared to $0.39 per share for the first quarter of fiscal 2018.**

Montréal, January 10, 2019 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" 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 15.1% (13.1% in constant currency) to reach $674.0 million driven by growth of 16.3% (14.2% in constant currency) in the Communications segment, partly offset by a decrease of 5.4% in the Other segment. Revenue increased in the Communications segment mostly as a result of the acquisition of the MetroCast cable systems ("the MetroCast acquisition") on January 4, 2018, partly offset by a decrease of 5.4% in the Other segment resulting mainly from a soft advertising market and increased competition in the media activities;
- Adjusted EBITDA increased by 15.0% (13.1% in constant currency) to reach $293.9 million mostly attributable to the improvement in the Communications segment as a result of the MetroCast acquisition;
- Profit for the period amounted to $79.1 million of which $26.2 million, or $1.61 per share, was attributable to owners of the Corporation compared to $81.7 million for the first quarter of fiscal 2018 of which $29.5 million, or $1.80 per share, was attributable to owners of the Corporation 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 9.3% (8.6% in constant currency) to reach $119.3 million 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 $111.8 million compared to $1.5 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 declared a quarterly eligible dividend of $0.43 compared to $0.39 per share in the comparable period of fiscal 2018;
- On December 6, 2018, the Corporation's subsidiary, 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 Cogeco Communications' 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, Cogeco Communications extended its $800 million Term Revolving Facility maturity date by an additional year until January 24, 2024;

- On December 3, 2018, the Corporation amended its $50 million Term Revolving Facility resulting in an increase in the availability to $100 million, and an extension of the maturity date by an additional year until February 1, 2024;
- On November 26, 2018, the Corporation's subsidiary, Cogeco Media, completed the acquisition of 10 regional radio stations from RNC Média inc. and has expanded its network of radio stations to 22 across the province of Québec and 1 in Ontario. The transaction, valued at $19.2 million, is subject to closing adjustments and was approved on October 11, 2018 by the Canadian Radio-television and Telecommunications Commission ("CRTC"); and
- On October 3, 2018, Cogeco Communications' 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.

(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.

"Overall results for the first quarter are in line with our 2019 financial guidance," declared Philippe Jetté, President and Chief Executive Officer of Cogeco 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 operations are now running as expected."

"In our American broadband services operations, 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 operations reflect the continued increase in competition and pricing pressures in this market," added 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."

"In our radio business, although the advertising market continues to be soft, we were pleased to end the quarter by closing the acquisition of 10 regional radio stations owned by RNC Média inc.," concluded Mr. Jetté. "Cogeco Media now has a network of 22 radio stations across the province of Québec and 1 in Ontario, providing an excellent opportunity to enhance our position in this industry while enriching our offering for both listeners and broadcasters."

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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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 https://corpo.cogeco.com/cgo/en/investors/finances/financial-reports