PRESS RELEASE
For immediate release

COGECO Inc. reports strong fiscal 2013 financial results

- ***Solid revenue and operating income before depreciation and amortization[(1)] increases in the fourth quarter and in fiscal year 2013, meeting revised financial guidelines***
- ***On target financial results from Cogeco Cable Inc.'s recent acquisitions Atlantic Broadband and Peer 1 Network Enterprises Inc. ("PEER 1"); and***
- ***Quarterly dividend increase of 15.8%.***

Montréal, October 30, 2013 – Today, COGECO Inc. (TSX: CGO) ("COGECO" or the "Corporation") announced its financial results for the fourth quarter and fiscal year 2013, ended August 31, 2013, in accordance with International Financial Reporting Standards ("IFRS").

For the fourth quarter and fiscal 2013, which include nine months operating results of Atlantic Broadband and seven months operating results of PEER 1:

- Fourth quarter revenue increased by 41.5% to reach $504.7 million and by 30.4% for fiscal 2013 to close at $1.8 billion when compared to the same periods of the prior year;
- Operating income before depreciation and amortization[(1)] increased by 37.1% to $224.3 million compared to the fourth quarter of fiscal 2012, and by 31.4% to $797.4 million compared to the prior year. Operating income before depreciation and amortization increases for both periods are mainly from the Cable segment and attributable to the acquisitions of Atlantic Broadband and PEER 1 (the "recent acquisitions") as well as to the financial results improvement from organic growth;
- Profit for the period from continuing operations amounted to $43.8 million in the fourth quarter compared to $44.9 million for the same period of the previous fiscal year. The decrease is mostly attributable to additional depreciation and amortization and financial expense both related to the recent acquisitions. It is partly offset by the operating income before depreciation and amortization improvement stemming from the Cable segment organic growth, the recent acquisitions combined with lower income tax expenses resulting from the recent acquisitions tax structure. For fiscal 2013, profit for the year from continuing operations amounted to $189.8 million compared to $174.2 million for fiscal 2012. Profit progression is mostly attributable to the improvement in the operating income before depreciation and amortization generated by the Cable segment, partly offset by additional depreciation and amortization, financial expense and acquisition costs all related to the recent acquisitions;
- Profit for the period amounted to $43.8 million in the fourth quarter when compared to $44.9 million for the same period of the previous fiscal year due to the factors previously described. For the year ended August 31, 2013, profit for the year amounted to $189.8 million when compared to $229.7 million for the same period of fiscal 2012. The decline for the year is attributable to the factors previously described and also due to last year's profit of $55.4 million from the sale of the Portuguese subsidiary, Cabovisão - Televisão por Cabo, S.A. ("Cabovisão"), reported as discontinued operations in fiscal 2012;

(1) The indicated terms do not have standardized definitions prescribed by 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 Management's discussion and analysis ("MD&A")

- Free cash flow[1] reached $53.7 million for the fourth quarter compared to negative free cash flow of $5.0 million in the comparable quarter of the prior year. The increase for the period is mostly attributable to the improvement of operating income before depreciation and amortization as well as to the decrease in acquisition of property, plant and equipment and current income taxes, partly offset by the increase in financial expense. Fiscal 2013 free cash flow amounted to $151.7 million compared to $68.7 million in fiscal 2012. The increase for the year is mostly attributable to the improvement of operating income before depreciation and amortization and the decrease in current income taxes, partly offset by the increase in financial expense, the recent acquisition costs and the increase in acquisition of property, plant and equipment;

- A quarterly dividend of $0.19 per share was paid to the holders of subordinate and multiple voting shares, an increase of $0.01 per share, or 5.6%, compared to a dividend of $0.18 per share paid in the fourth quarter of fiscal 2012. Dividends paid in fiscal 2013 totaled $0.76 per share compared to $0.72 per share in fiscal 2012;

- Cable segment fourth-quarter 2013 primary service units (“PSU”)[2] decreased by 15,237 and increased by 5,546 for fiscal 2013. At August 31, 2013, consolidated PSU amounted to 2,465,780 of which 1,980,122 come from the Canadian operations and 485,658 from the American operations;

- On October 30, 2013, COGECO declared an eligible dividend of $0.22 per share, an increase of 15.8% when compared to the $0.19 dividend per share paid in the fourth quarter of fiscal 2013;

- On June 27, 2013, the Corporation's subsidiary, Cogeco Cable, completed, pursuant to a private placement, the issuance of US$215 million Senior Secured Notes bearing interest at 4.30% payable semi-annually and maturing on June 16, 2025. The net proceeds from this offering along with drawings under Cogeco Cable's credit facilities were used to repay, on July 29, 2013, all the outstanding amount of $300 million Senior Secured Debentures Series 1, due on June 9, 2014;

- On July 22, 2013, Cogeco Cable entered into interest rate swap agreements to fix the interest rate on US$200 million of its LIBOR based loans. These agreements have the effect of converting the floating US LIBOR base rate at an average fixed rate of 0.39625% under its Term Revolving Facility until July 25, 2015; and

- On July 5, 2013, Cogeco Cable reduced its Term Revolving Facility from $750 million to $600 million and its Revolving Facility of its Secured Credit Facilities from $240 million to $190 million.

"Fiscal 2013 proved to be a strong financial year for COGECO and its subsidiaries, during which good headway was made in positioning the business toward sustained profitable growth," stated Louis Audet, President & Chief Executive Officer of COGECO Inc.

"Our Cogeco Cable subsidiary completed two acquisitions that allowed the Corporation, on the one hand, to diversify its cable assets geographically and, on the other hand, build a stronger footprint in the promising data hosting and managed IT services market. As a logical aftermath to its evolving portfolio, Cogeco Cable regrouped its Canadian cable operations under a self-standing operational unit, a move that will better facilitate continued excellence in product innovation and customer service to the benefit of its Canadian Digital Television, Telephony and HSI customers. All of this, along with the successful refinancing that was completed during a period of low interest rates, should enhance Cogeco Cable’s financial performance in fiscal 2014," continued Mr. Audet.

"Our Cogeco Diffusion subsidiary also fared well in fiscal 2013, having completed the full integration of Cogeco Métromédia. Today, we have the largest commercial talk radio network in the province of Quebec, attracting listeners who represent families among those with the highest per capita income profile very much sought after by advertisers. I am very pleased with our overall results and am optimistic about our ability to deliver on our 2014 projections with a steady performance our investors can count on," concluded Louis Audet.

Fiscal 2014 Financial Guidelines

COGECO revised its fiscal 2014 financial guidelines, as issued on July 10, 2013, as a result of certain adjustments related to the preliminary allocation of the purchase price of Atlantic Broadband and PEER 1 in the Cable segment. Please consult the “Fiscal 2014 financial guidelines” section of the Corporation’s 2013 Annual Report for further details.

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(1) The indicated terms do not have standard 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.

(2) Represents the sum of Television, High Speed Internet ("HSI") and Telephony service customers.

FINANCIAL HIGHLIGHTS

(in thousands of dollars, except PSU growth, percentages and per share data)	Quarters ended			Years ended		
	August 31, 2013	August 31, 2012	Change	**August 31, 2013**	August 31, 2012	Change
	$	$	%	**$**	$	%
Operations						
Revenue	**504,714**	356,685	41.5	**1,834,257**	1,406,353	30.4
Operating income before depreciation and amortization[1]	**224,304**	163,617	37.1	**797,426**	606,842	31.4
Operating income	**104,110**	95,943	8.5	**387,489**	324,989	19.2
Profit for the period from continuing operations	**43,759**	44,900	(2.5)	**189,777**	174,246	8.9
Profit for the period from discontinued operations	**—**	—	—	**—**	55,446	—
Profit for the period	**43,759**	44,900	(2.5)	**189,777**	229,692	(17.4)
Profit for the period attributable to owners of the Corporation	**13,826**	13,889	(0.5)	**64,088**	77,051	(16.8)
Cash Flow						
Cash flow from operating activities	**233,464**	203,193	14.9	**552,195**	448,764	23.0
Cash flow from operations[1]	**162,427**	119,612	35.8	**563,091**	447,110	25.9
Acquisitions of property, plant and equipment, intangible and other assets[2]	**108,756**	124,638	(12.7)	**411,422**	378,369	8.7
Free cash flow[1]	**53,671**	(5,026)	—	**151,669**	68,741	—
Financial Condition						
Property, plant and equipment	**—**	—	—	**1,874,866**	1,343,904	39.5
Total assets	**—**	—	—	**5,452,513**	3,103,919	75.7
Indebtedness[3]	**—**	—	—	**3,054,275**	1,180,971	–
Equity attributable to owners of the Corporation	**—**	—	—	**457,285**	397,799	15.0
Primary service units ("PSU") growth (decline)[4]	**(15,237)**	7,564	—	**5,546**	73,645	(92.5)
Per Share Data[5]						
Earnings per share attributable to owners of the Corporation						
From continuing and discontinued operations						
Basic	**0.83**	0.83	—	**3.83**	4.61	(16.9)
Diluted	**0.82**	0.83	(1.2)	**3.81**	4.58	(16.8)
From continuing operations						
Basic	**0.83**	0.83	—	**3.83**	3.54	8.2
Diluted	**0.82**	0.83	(1.2)	**3.81**	3.52	8.2
From discontinued operations						
Basic	**—**	—	—	**—**	1.07	—
Diluted	**—**	—	—	**—**	1.06	—

(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.

(2) Fiscal 2013 fourth-quarter and fiscal 2013 acquisitions of property, plant and equipment, intangible and other assets include assets acquired under finance lease of $0.9 million that are excluded from the statements of cash flows.

(3) Indebtedness is defined as the aggregate of bank indebtedness, principal on long-term debt, balance due on business combinations and obligations under derivative financial instruments.

(4) Represents the sum of Television, High Speed Internet ("HSI") and Telephony service customers.

(5) Per multiple and subordinate voting share.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to COGECO's 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. In particular, statements regarding the Corporation's future operating results and economic performance and its 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 believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. The Corporation cautions the reader that the economic downturn experienced over the past few years makes forward-looking information and the underlying assumptions subject to greater uncertainty and that, consequently, they may not materialize, or the results may significantly differ from the Corporation's expectations. It is impossible for COGECO to predict with certainty the impact that the current economic uncertainties may have on future results. Forward-looking information is also subject to certain factors, including risks and uncertainties (described in the "Uncertainties and main risk factors" section of the Corporation's 2013 annual Management's Discussion and Analysis ("MD&A")) that could cause actual results to differ materially from what COGECO currently expects. These factors include risks pertaining to markets and competition, technology, regulatory developments, operating costs, information systems, disasters or other contingencies, financial risks related to capital requirements, human resources, controlling shareholder and holding structure, many of which are beyond the Corporation's control. Therefore, future events and results may vary significantly from what management currently foresees. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While management may elect to, the Corporation is under no obligation and does not undertake to update or alter this information at any particular time, except as may be 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 2013 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, 2013

RESULTS OVERVIEW

This analysis should be read in conjunction with the Corporation's 2013 Annual Report available on SEDAR at www.sedar.com. Please refer to the Corporation's 2013 Annual Report for more details on the annual results.

FOUR-QUARTER OPERATING RESULTS

OPERATING RESULTS

Consolidated

Quarters ended August 31,	**2013**	2012	Change
(in thousands of dollars, except percentages)	**$**	$	%
Revenue	**504,714**	356,685	41.5
Operating expenses	**280,410**	193,068	45.2
Operating income before depreciation and amortization	**224,304**	163,617	37.1

Fiscal 2013 fourth-quarter consolidated revenue improved by $148.0 million, or 41.5%, to reach $504.7 million compared to the prior year primarily due to the Cable segment and the revenue generated by Métromédia acquired during the second quarter of fiscal 2012. For the fourth-quarter ended August 31, 2013, consolidated operating expenses increased by $87.3 million, or 45.2%, at $280.4 million mainly attributable to the Cable segment. As a result, consolidated operating income before depreciation and amortization increased by $60.7 million, or 37.1%, to reach $224.3 million.

Fiscal 2013 fourth-quarter Cable segment's revenue improved by $145.6 million, or 44.8%, to reach $470.4 million compared to the prior year. Revenue increased primarily due to the recent acquisitions and rate increases implemented in June 2013 in Canada. For the fourth-quarter ended August 31, 2013, operating expenses increased by $84.0 million, or 51.2%, at $247.9 million, mainly due to the recent acquisitions as well as additional staff to manage the PSU base, programming cost increases and incentive programs such as bonuses, partly offset by cost reduction initiatives in Canada. As a result, operating income before depreciation and amortization increased by $61.7 million, or 38.3%, to reach $222.5 million in fiscal 2013.

CABLE SEGMENT CUSTOMER STATISTICS

				Net additions (losses)	
				Quarters ended	
	Consolidated	**UNITED STATES** [1]	**CANADA**	**August 31, 2013**	August 31, 2012 [3]
		August 31, 2013			
PSU	**2,465,780**	**485,658**	**1,980,122**	**(15,237)**	7,564 [2]
Television service customers	**1,065,075**	**230,304**	**834,771**	**(14,210)**	(5,758)
HSI service customers	**838,445**	**177,108**	**661,337**	**1,097**	6,287 [2]
Telephony service customers	**562,260**	**78,246**	**484,014**	**(2,124)**	7,035

(1) Includes 485,180 PSU (237,313 Television service, 169,553 HSI service and 78,314 Telephony service customers) from the acquisition of Atlantic Broadband.

(2) In the fourth quarter of fiscal 2013, HSI customers have been adjusted upwards retroactively to comply with the industry practices and consequently, PSU and penetration rate have been also adjusted.

(3) Net additions (losses) and penetration rates for fiscal 2012 are only for the Canadian cable services.

Fiscal 2013 fourth-quarter PSU net losses stood at 15,237 compared to net additions of 7,564 for the comparable period mainly as a result of service category maturity, competitive offers and tightening of our customer credit controls and processes in Canada. Fiscal 2013 fourth-quarter net customer losses for Television service customers stood at 14,210 compared to 5,758 for fiscal 2012. Television service customer net losses are mainly due to promotional offers of competitors for the video service, the tightening of our customer credit controls in Canada combined with the end of the school year for college and university students and residents returning home from the Miami region from late Spring through the Fall in the United States. Fiscal 2013 fourth-quarter HSI service customers grew by 1,097 compared to 6,287 for the prior year, and the number of net losses to the Telephony service stood at 2,124 customers compared to net additions of 7,035 customers for last year.

CASH FLOW ANALYSIS

Quarters ended August 31,	**2013**	2012
(in thousands of dollars)	**$**	$
Operating activities		
Cash flow from operations	**162,427**	119,612
Changes in non-cash operating activities	**58,644**	81,809
Amortization of deferred transaction costs and discounts on long-term debt	**(4,255)**	(6)
Income taxes paid	**(24,066)**	(15,700)
Current income tax expense	**11,583**	15,798
Financial expense paid	**(20,850)**	(15,738)
Financial expense	**49,981**	17,418
	233,464	203,193
Investing activities	**(104,976)**	(124,726)
Financing activities	**(125,642)**	(16,041)
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	**1,304**	—
Net change in cash and cash equivalents from continuing operations	**4,150**	62,426
Cash and cash equivalents from continuing and discontinued operations, beginning of period	**39,643**	153,097
Cash and cash equivalents from continuing and discontinued operations, end of period	**43,793**	215,523

Fourth quarter 2013 cash flow from operations reached $162.4 million compared to $119.6 million last year, an increase of $42.8 million, or 35.8%, primarily due to the improvement of operating income before depreciation and amortization, partly offset by financial expense increase and by the Cable segment recent acquisition costs. In the fourth quarter of fiscal 2013, changes in non-cash operating activities generated cash inflows of $58.6 million compared to $81.8 million in the comparable period of fiscal 2012, mainly as a result of a lower decrease in trade and other payables, partly offset by an increase in provisions compared to a decrease in the prior year.

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

For the quarter ended August 31, 2013, acquisition of property, plant and equipment amounted to $103.8 million compared to $119.4 million for the comparable period of fiscal 2012 mainly as a result of the recent acquisitions and the following factors in the Cable segment:

- A decrease in customer premise equipment capital expenditures, mainly due to the completion in fiscal 2012 of the first phase in the conversion of Television service customers from analogue to digital and the lower PSU growth during fiscal 2013 as a result of service maturity;
- A decrease in scalable infrastructure capital expenditures due to the timing of initiatives to improve network capacity in existing areas served; and
- An increase in data centre facilities capital expenditures mainly due to the construction of a new data centre facility in Barrie (north of Toronto), Canada, opened last June, and by the expansion of data centre facilities in Toronto, Canada and in Portsmouth, England as well as the fibre expansion in the Toronto area in order to fulfill orders from new customers demand.

Acquisition of intangible and other assets are mainly attributable to reconnect and additional service activation costs as well as other customer acquisition costs. Fiscal 2013 fourth-quarter acquisition of intangible and other assets amounted to $4.9 million compared to $5.2 million for the fourth-quarter of fiscal 2012.

FREE CASH FLOW AND FINANCING ACTIVITIES

Fourth quarter 2013 free cash flow amounted to $53.7 million, an increase of $58.7 million compared to negative free cash flow of $5.0 million in the fourth-quarter of fiscal 2012, mainly as a result of the improvement of operating income before depreciation and amortization as well as the decrease in acquisition of property, plant and equipment and current income taxes, partly offset by the increase in financial expense and the increase, all in the Cable segment.

In the fourth quarter of fiscal 2013, higher Indebtedness level provided for a cash decrease of $113.5 million, mainly due to the issuance in the Cable segment, on June 27, 2013, of $225.3 million (US$215 million) Senior secured notes for net proceeds of $223.8 million, net of transaction costs of $1.5 million, offset by the repayment of the Senior Secured Debentures Series 1 of $300 million. In the fourth quarter of fiscal 2012, Indebtedness level remained essentially the same.

In the fourth quarter of fiscal 2013, a quarterly dividend of $0.19 per share was paid to the holders of subordinate and multiple voting shares, for a total of $3.2 million. In fiscal 2012, a quarterly dividend of $0.18 per share was paid to the holders of subordinate and multiple voting shares, for a total of $3.0 million. In addition, dividends paid by a subsidiary to non-controlling interests in the fourth quarter of fiscal 2013 amounted to $8.6 million compared to $8.2 million in the prior year.

FISCAL 2014 FINANCIAL GUIDELINES

As a result of revised projections in the Cable segment described below, the Corporation revised its consolidated projections for the 2014 fiscal year as issued on July 10, 2013, and consequently current income taxes, profit for the year and free cash flow have been adjusted.

(in millions of dollars)	**Revised projections October 30, 2013 Fiscal 2014 $**	Preliminary projections July 10, 2013 Fiscal 2014 $	Actuals Fiscal 2013 $
Financial guidelines			
Revenue	**2,075**	2,075	1,834
Operating income before depreciation and amortization	**900**	900	797
Integration, restructuring and acquisition costs	**—**	—	22
Financial expense	**134**	134	134
Current income tax expense	**101**	106	88
Profit for the year	**233**	250	190
Profit for the year attributable to owners of the Corporation	**75**	82	64
Acquisitions of property, plant and equipment, intangible and other assets	**430**	430	411
Free cash flow[(1)]	**235**	230	152

(1) Free cash flow is calculated as operating income before depreciation and amortization less integration, restructuring and acquisition costs, financial expense, current income tax expense and acquisitions of property, plant and equipment, intangible and other assets.

CABLE SEGMENT

Cogeco Cable revised its fiscal 2014 financial guidelines, as issued on July 10, 2013, as a result of certain adjustments made to the preliminary allocation of the purchase price of Atlantic Broadband and PEER 1.

Fiscal 2014 financial guidelines take into consideration the current uncertain global economic environment as well as the competitive environment that prevails in Canada, the deployment of new technologies such as Fibre to the Home ("FTTH"), Fibre to the Node (“FTTN”) and Internet Protocol Television (“IPTV”) by the incumbent telecommunications providers.

For fiscal 2014, Cogeco Cable expects to achieve revenue of $1.935 billion, representing growth of $243 million, or 14.4% compared to fiscal 2013. Revenue should increase primarily as a result of the full year impact from the recent acquisitions. In the Cable segment, revenue increase should stem primarily from targeted marketing initiatives to improve penetration rates of the Digital Television, HSI and Telephony services. Furthermore, the Digital Television service should continue to benefit from the customers' ongoing strong interest in the Corporation's growing HD service offerings. Revenue will also benefit, in Canada, from the impact of rate increases implemented in June 2013 in Quebec and Ontario, ranging on average between $2 to $3 per HSI and Telephony service customers. Cogeco Cable's strategies include consistently effective marketing to residential and business customers, competitive product offerings and superior customer service, which combined, lead to the expansion and loyalty of the Television service clientele. As the penetration of residential HSI, Telephony and Digital Television services increase, the new demand for these products should slow in Canada, reflecting service category maturity. However, growth in the commercial and business sector is expected to continue at a consistent pace in the Cable segment. Finally, revenue should increase from the hosting services and the data transport.

As a result of the full year impact from the recent acquisitions, the increased costs to service additional customers, inflation and manpower increases, as well as the continuation of the marketing initiatives and retention strategies, operating expenses are expected to expand by approximately $138 million, or 15.1% in the 2014 fiscal year compared to fiscal 2013.

For fiscal 2014, Cogeco Cable expects operating income before depreciation and amortization of $885 million, an increase of $104 million, or 13.3% compared to fiscal 2013. The operating margin is expected to reach approximately 45.7% in fiscal 2014, compared to 46.1% for fiscal 2013, reflecting operating expenses growth slightly higher than the revenue growth as well as lower margins business activities from PEER 1 acquired on January 31, 2013.

Cogeco Cable expects the depreciation and amortization of property, plant and equipment and intangible assets to increase by $87 million for fiscal 2014, mainly from the full year impact of the recent acquisitions. Cash flows from operations should finance capital expenditures and the increase in intangible assets amounting to $425 million, an increase of $17 million when compared to fiscal 2013. Capital expenditures projected for the 2014 fiscal year are stemming from scalable infrastructure for product enhancements and the deployment of new technologies, line extensions to expand existing territories, support capital to improve business information systems and support facility requirements and expansion for the Enterprise services activities in order to fulfill orders from new customers.

Fiscal 2014 free cash flow is expected to amount to $230 million, an increase of $80 million, or 53.3% compared to the free cash flow of $150 million for fiscal 2013, resulting from the growth in operating income before depreciation and amortization, partly offset by additional capital expenditures and financial expense from the full year impact of the recent acquisitions of Atlantic Broadband and PEER 1 and by an increase in current income taxes. Generated free cash flow will reduce Indebtedness net of cash and cash equivalents, thus improving Cogeco Cable's net leverage ratios. Financial expense should amount to $130 million an increase of $2 million related to Atlantic Broadband's and PEER 1's acquisition financing. As a result, profit for the year of approximately $230 million should be achieved compared to $185 million for fiscal 2013.

Fiscal 2014 financial guidelines are as follows:

(in millions of dollars, except operating margin)	**Revised projections October 30, 2013 Fiscal 2014 $**	Preliminary projections July 10, 2013 Fiscal 2014 $	Actuals Fiscal 2013 $
Financial guidelines			
Revenue	**1,935**	1,935	1,692
Operating income before depreciation and amortization	**885**	885	781
Operating margin	**45.7%**	45.7%	46.1%
Integration, restructuring and acquisition costs	**—**	—	22
Depreciation and amortization	**470**	435	383
Financial expense	**130**	130	128
Current income tax expense	**100**	105	85
Profit for the year	**230**	245	185
Acquisitions of property, plant and equipment, intangible and other assets	**425**	425	408
Free cash flow[(1)]	**230**	225	150
Capital intensity	**22.0%**	22.0%	24.1%

(1) Free cash flow is calculated as operating income before depreciation and amortization less integration, restructuring and acquisition costs, financial expense, current income tax expense and acquisitions of property, plant and equipment, intangible and other assets.

NON-IFRS FINANCIAL MEASURES

This section describes non-IFRS financial measures used by COGECO throughout this MD&A. It also provides reconciliations between these non-IFRS measures and the most comparable IFRS financial measures. These financial measures do not have standard definitions prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies. These measures include “cash flow from operations”, “free cash flow” and “operating income before depreciation and amortization”.

CASH FLOW FROM OPERATIONS AND FREE CASH FLOW

Cash flow from operations is used by COGECO’s management and investors to evaluate cash flows generated by operating activities, excluding the impact of changes in non-cash operating activities, amortization of deferred transaction costs and discounts on long-term debt, income taxes paid, current income tax expense, financial expense paid and financial expense. This allows the Corporation to isolate the cash flows from operating activities from the impact of cash management decisions. Cash flow from operations is subsequently used in calculating the non-IFRS measure, “free cash flow”. Free cash flow is used, by COGECO’s management and investors, to measure its ability to repay debt, distribute capital to its shareholders and finance its growth.

The most comparable IFRS measure is cash flow from operating activities. Cash flow from operations is calculated as follows:

	Quarters ended		Years ended	
	August 31, 2013	August 31, 2012	**August 31, 2013**	August 31, 2012
(in thousands of dollars)	**$**	$	**$**	$
Cash flow from operating activities	**233,464**	203,193	**552,195**	448,764
Changes in non-cash operating activities	**(58,644)**	(81,809)	**21,550**	3,479
Amortization of deferred transaction costs and discounts on long-term debt	**4,255**	6	**11,492**	3,363
Income taxes paid	**24,066**	15,700	**103,556**	83,411
Current income tax expense	**(11,583)**	(15,798)	**(87,810)**	(88,104)
Financial expense paid	**20,850**	15,738	**96,121**	65,325
Financial expense	**(49,981)**	(17,418)	**(134,013)**	(69,128)
Cash flow from operations	**162,427**	119,612	**563,091**	447,110

Free cash flow is calculated as follows:

	Quarters ended		Years ended	
	August 31, 2013	August 31, 2012	**August 31, 2013**	August 31, 2012
(in thousands of dollars)	**$**	$	**$**	$
Cash flow from operations	**162,427**	119,612	**563,091**	447,110
Acquisition of property, plant and equipment	**(102,902)**	(119,421)	**(391,918)**	(362,582)
Acquisition of intangible and other assets	**(4,917)**	(5,217)	**(18,567)**	(15,787)
Assets acquired under finance leases	**(937)**	**—**	**(937)**	**—**
Free cash flow (deficit)	**53,671**	(5,026)	**151,669**	68,741

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION

Operating income before depreciation and amortization is used by COGECO's management and investors to assess the Corporation's ability to seize growth opportunities in a cost effective manner, to finance its ongoing operations and to service its debt. Operating income before depreciation and amortization is a proxy for cash flows from operations excluding the impact of the capital structure chosen, and is one of the key metrics used by the financial community to value the business and its financial strength.

The most comparable IFRS financial measure is operating income. Operating income before depreciation and amortization is calculated as follows:

	Quarters ended		Years ended	
	August 31, 2013	August 31, 2012	**August 31, 2013**	August 31, 2012
(in thousands of dollars)	**$**	$	**$**	$
Operating income	**104,110**	95,943	**387,489**	324,989
Depreciation and amortization	**115,444**	65,699	**388,275**	279,770
Integration, restructuring and acquisitions costs	**4,750**	1,975	**21,662**	2,083
Operating income before depreciation and amortization	**224,304**	163,617	**797,426**	606,842

FISCAL 2014 FINANCIAL GUIDELINES

As a result of revised projections in the Cable segment described below, the Corporation revised its consolidated projections for the 2014 fiscal year as issued on July 10, 2013, and consequently current income taxes, profit for the year and free cash flow have been adjusted.

	Revised projections October 30, 2013	Preliminary projections July 10, 2013	Actuals
	Fiscal 2014	Fiscal 2014	Fiscal 2013
(in millions of dollars)	**$**	$	$
Financial guidelines			
Revenue	**2,075**	2,075	1,834
Operating income before depreciation and amortization	**900**	900	797
Integration, restructuring and acquisition costs	**—**	—	22
Financial expense	**134**	134	134
Current income tax expense	**101**	106	88
Profit for the year	**233**	250	190
Profit for the year attributable to owners of the Corporation	**75**	82	64
Acquisitions of property, plant and equipment, intangible and other assets	**430**	430	411
Free cash flow[(1)]	**235**	230	152

(1) Free cash flow is calculated as operating income before depreciation and amortization less integration, restructuring and acquisition costs, financial expense, current income tax expense and acquisitions of property, plant and equipment, intangible and other assets.

CABLE SEGMENT

Cogeco Cable revised its fiscal 2014 financial guidelines, as issued on July 10, 2013, as a result of certain adjustments made to the preliminary allocation of the purchase price of Atlantic Broadband and PEER 1.

Fiscal 2014 financial guidelines take into consideration the current uncertain global economic environment as well as the competitive environment that prevails in Canada, the deployment of new technologies such as Fibre to the Home ("FTTH"), Fibre to the Node ("FTTN") and Internet Protocol Television ("IPTV") by the incumbent telecommunications providers.

For fiscal 2014, Cogeco Cable expects to achieve revenue of $1.935 billion, representing growth of $243 million, or 14.4% compared to fiscal 2013. Revenue should increase primarily as a result of the full year impact from the recent acquisitions. In the Cable segment, revenue increase should stem primarily from targeted marketing initiatives to improve penetration rates of the Digital Television, HSI and Telephony services. Furthermore, the Digital Television service should continue to benefit from the customers' ongoing strong interest in the Corporation's growing HD service offerings. Revenue will also benefit, in Canada, from the impact of rate increases implemented in June 2013 in Quebec and Ontario, ranging on average between $2 to $3 per HSI and Telephony service customers. Cogeco Cable's strategies include consistently effective marketing to residential and business customers, competitive product offerings and superior customer service, which combined, lead to the expansion and loyalty of the Television service clientele. As the penetration of residential HSI, Telephony and Digital Television services increase, the new demand for these products should slow in Canada, reflecting service category maturity. However, growth in the commercial and business sector is expected to continue at a consistent pace in the Cable segment. Finally, revenue should increase from the hosting services and the data transport.

As a result of the full year impact from the recent acquisitions, the increased costs to service additional customers, inflation and manpower increases, as well as the continuation of the marketing initiatives and retention strategies, operating expenses are expected to expand by approximately $138 million, or 15.1% in the 2014 fiscal year compared to fiscal 2013.

For fiscal 2014, Cogeco Cable expects operating income before depreciation and amortization of $885 million, an increase of $104 million, or 13.3% compared to fiscal 2013. The operating margin is expected to reach approximately 45.7% in fiscal 2014, compared to 46.1% for fiscal 2013, reflecting operating expenses growth slightly higher than the revenue growth as well as lower margins business activities from PEER 1 acquired on January 31, 2013.

Cogeco Cable expects the depreciation and amortization of property, plant and equipment and intangible assets to increase by $87 million for fiscal 2014, mainly from the full year impact of the recent acquisitions. Cash flows from operations should finance capital expenditures and the increase in intangible assets amounting to $425 million, an increase of $17 million when compared to fiscal 2013. Capital expenditures projected for the 2014 fiscal year are stemming from scalable infrastructure for product enhancements and the deployment of new technologies, line extensions to expand existing territories, support capital to improve business information systems and support facility requirements and expansion for the Enterprise services activities in order to fulfill orders from new customers.

Fiscal 2014 free cash flow is expected to amount to $230 million, an increase of $80 million, or 53.3% compared to the free cash flow of $150 million for fiscal 2013, resulting from the growth in operating income before depreciation and amortization, partly offset by additional capital expenditures and financial expense from the full year impact of the recent acquisitions of Atlantic Broadband and PEER 1 and by an increase in current income taxes. Generated free cash flow will reduce Indebtedness net of cash and cash equivalents, thus improving Cogeco Cable's net leverage ratios. Financial expense should amount to $130 million an increase of $2 million related to Atlantic Broadband's and PEER 1's acquisition financing. As a result, profit for the year of approximately $230 million should be achieved compared to $185 million for fiscal 2013.

Fiscal 2014 financial guidelines are as follows:

(in millions of dollars, except operating margin)	**Revised projections October 30, 2013 Fiscal 2014** **$**	Preliminary projections July 10, 2013 Fiscal 2014 $	Actuals Fiscal 2013 $
Financial guidelines			
Revenue	**1,935**	1,935	1,692
Operating income before depreciation and amortization	**885**	885	781
Operating margin	**45.7%**	45.7%	46.1%
Integration, restructuring and acquisition costs	**—**	—	22
Depreciation and amortization	**470**	435	383
Financial expense	**130**	130	128
Current income tax expense	**100**	105	85
Profit for the year	**230**	245	185
Acquisitions of property, plant and equipment, intangible and other assets	**425**	425	408
Free cash flow[(1)]	**230**	225	150
Capital intensity	**22.0%**	22.0%	24.1%

(1) Free cash flow is calculated as operating income before depreciation and amortization less integration, restructuring and acquisition costs, financial expense, current income tax expense and acquisitions of property, plant and equipment, intangible and other assets.

CABLE SEGMENT CUSTOMER STATISTICS

	August 31, 2013	May 31, 2013	February 28, 2013	November 30, 2012	August 31, 2012	August 31, 2011
Primary service units[1]	**2,465,780**	**2,481,017**	**2,482,096**	**2,476,022**	1,975,054	1,901,409
CANADA	**1,980,122**	**1,992,143** [2]	**1,993,156** [2]	**1,990,842** [2]	1,975,054 [2]	1,901,409 [2]
UNITED STATES	**485,658**	**488,874**	**488,940**	**485,180**	—	—
Television service customers	**1,065,075**	**1,079,285**	**1,087,692**	**1,098,352**	863,115	877,985
CANADA	**834,771**	**845,344**	**852,707**	**861,039**	863,115	877,985
Penetration as a percentage of homes passed	**49.9%**	**50.7%**	**51.4%**	**52.1%**	52.4%	54.1%
UNITED STATES	**230,304**	**233,941**	**234,985**	**237,313**	—	—
Penetration as a percentage of homes passed	**44.5%**	**45.3%**	**45.5%**	**46.0%**	—	–
Digital Television service customers	**923,812**	**924,155**	**922,703**	**922,576**	771,503	678,326
CANADA	**781,386**	**779,950**	**778,728**	**780,724**	771,503	678,326
Penetration as a percentage of homes passed	**46.7%**	**46.8%**	**46.9%**	**47.2%**	46.8%	41.8%
UNITED STATES	**142,426**	**144,205**	**143,975**	**141,852**	—	–
Penetration as a percentage of homes passed	**27.5%**	**27.9%**	**27.9%**	**27.5%**	—	–
Analogue Television service customers	**141,263**	**155,130**	**164,989**	**175,776**	91,612	199,659
CANADA	**53,385**	**65,394**	**73,979**	**80,315**	91,612	199,659
Penetration as a percentage of homes passed	**3.2%**	**3.9%**	**4.5%**	**4.9%**	5.6%	12.3%
UNITED STATES	**87,878**	**89,736**	**91,010**	**95,461**	—	–
Penetration as a percentage of homes passed	**17.0%**	**17.4%**	**17.6%**	**18.5%**	—	–
High Speed Internet service customers	**838,445**	**837,348**	**832,745**	**821,561**	640,455	605,154
CANADA	**661,337**	**661,178** [2]	**657,766** [2]	**652,008** [2]	640,455 [2]	605,154 [2]
Penetration as a percentage of homes passed	**39.5%**	**39.7%** [2]	**39.6%** [2]	**39.4%** [2]	38.8% [2]	37.3% [2]
UNITED STATES	**177,108**	**176,170**	**174,979**	**169,553**	—	–
Penetration as a percentage of homes passed	**34.3%**	**34.1%**	**33.9%**	**32.9%**	—	–
Telephony service customers	**562,260**	**564,384**	**561,659**	**556,109**	471,484	418,270
CANADA	**484,014**	**485,621**	**482,683**	**477,795**	471,484	418,270
Penetration as a percentage of homes passed	**28.9%**	**29.1%**	**29.1%**	**28.9%**	28.6%	25.8%
UNITED STATES	**78,246**	**78,763**	**78,976**	**78,314**	—	–
Penetration as a percentage of homes passed	**15.1%**	**15.2%**	**15.3%**	**15.2%**	—	–

(1) Represents the sum of Television, High Speed Internet ("HSI") and Telephony service customers.
(2) In the fourth quarter of fiscal 2013, HSI service customers have been adjusted upwards retroactively to comply with the industry practices and consequently, PSU and penetration rates have been also adjusted

QUARTERLY FINANCIAL HIGHLIGHTS

	Fiscal 2013				Fiscal 2012			
Quarters ended[1]	**Nov. 30**	**Feb. 28**	**May. 31**	**Aug. 31**	Nov. 30	Feb. 29	May. 31	Aug. 31
(in thousands of dollars, except percentages and per share data)	**$**	**$**	**$**	**$**	$	$	$	$
Revenue	**366,608**	**458,501**	**504,434**	**504,714**	346,023	345,613	358,032	356,685
Operating income before depreciation and amortization	**156,580**	**195,968**	**220,574**	**224,304**	140,261	144,518	158,446	163,617
Operating income	**83,277**	**94,555**	**105,547**	**104,110**	74,642	58,931	95,473	95,943
Income taxes	**19,168**	**13,591**	**18,504**	**10,370**	12,340	13,372	22,278	33,625
Profit for the period from continuing operations	**47,095**	**50,433**	**50,556**	**43,759**	44,524	29,449	55,373	44,900
Profit for the period from discontinued operations	**—**	**—**	**—**	**—**	3,399	52,047	—	—
Profit for the period	**47,095**	**50,433**	**50,556**	**43,759**	47,923	81,496	55,373	44,900
Profit for the period attributable to owners of the Corporation	**18,487**	**15,080**	**17,338**	**13,826**	18,770	25,089	19,303	13,889
Cash flow from operating activities	**(6,005)**	**157,095**	**167,641**	**233,464**	9,570	126,455	109,546	203,193
Cash flow from operations	**101,790**	**140,413**	**158,461**	**162,427**	104,739	105,153	117,606	119,612
Acquisitions of property, plant and equipment, intangible and other assets	**83,155**	**106,019**	**113,492**	**108,756**	78,404	87,186	88,141	124,638
Free cash flow (deficit)	**18,635**	**34,394**	**44,969**	**53,671**	26,335	17,967	29,465	(5,026)
Earnings per share[2] attributable to owners of the Corporation								
From continuing and discontinued operations								
Basic	**1.11**	**0.90**	**1.04**	**0.83**	1.12	1.50	1.15	0.83
Diluted	**1.10**	**0.90**	**1.03**	**0.82**	1.11	1.49	1.15	0.83
From continuing operations								
Basic	**1.11**	**0.90**	**1.04**	**0.83**	1.06	0.50	1.15	0.83
Diluted	**1.10**	**0.90**	**1.03**	**0.82**	1.05	0.50	1.15	0.83
From discontinued operations								
Basic	**—**	**—**	**—**	**—**	0.07	1.00	—	—
Diluted	**—**	**—**	**—**	**—**	0.06	0.99	—	—

(1) The addition of quarterly information may not correspond to the annual total due to rounding.

(2) Per multiple and subordinate voting share.

(3) During the fourth quarter of fiscal 2013, Cogeco Cable adjusted the preliminary allocation of the purchase price of Atlantic Broadband and retroactively adjusted the second and third quarters of fiscal 2013 to reflect new information obtained about facts and circumstances that existed as at the acquisition date and, if they had been known, would have impacted the amounts recognized at that date. The impact on the previous quarters are as follows:

	Quarters ended	
	February 28, 2013	May 31, 2013
	Three months	Three months
(In thousands of Canadian dollars)	$	$
Increase in depreciation of property, plant and equipment	5,059	5,126
Increase in amortization of intangible assets	2,850	2,936
Decrease in deferred income taxes	(331)	(2,930)
Net decrease on profit for the period	7,578	5,132

SEASONAL VARIATIONS

Cogeco Cable's operating results are not generally subject to material seasonal fluctuations except as follows. In the Canadian and American cable operations customer growth in the Television service customers and HSI service are generally lower in the second half of the fiscal year as a result of a decrease in economic activity due to the beginning of the vacation period, the end of the television season, and students leaving their campuses at the end of the school year. Cogeco Cable offers its services in several university and college towns such as Kingston, Windsor, St.Catharines, Hamilton, Peterborough, Trois-Rivières and Rimouski in Canada and Pennsylvania region, to a lesser extent in South Carolina, Maryland and Delaware in United States. In United States, Miami region is also subject to seasonal fluctuations due to the winter season residents returning home from late Spring through the Fall.

ADDITIONAL INFORMATION

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

ABOUT COGECO

COGECO is a diversified holding corporation. Through its Cogeco Cable subsidiary, COGECO provides to its residential and business customers Analogue and Digital Television, High Speed Internet and Telephony services. Cogeco Cable operates in Canada through its subsidiary Cogeco Cable Canada in Quebec and Ontario, and in the United States through its subsidiary Atlantic Broadband in Western Pennsylvania, South Florida, Maryland/Delaware and South Carolina. Through its subsidiary Cogeco Enterprise Services, the holding company of Cogeco Data Services and Peer 1 Network Enterprises, Cogeco Cable provides to its commercial customers, a suite of IT hosting, information and communications technology services (data centre, colocation, managed hosting, cloud infrastructure and connectivity), with 20 data centres, extensive fibre networks in Montreal and Toronto as well as points-of-presence in North America and Europe. Through its subsidiary Cogeco Diffusion, COGECO owns and operates 13 radio stations across most of Québec with complementary radio formats serving a wide range of audiences as well as Cogeco News, its news agency. Through its subsidiary Métromédia, COGECO operates an advertising representation house specialized in the public transit sector that holds exclusive advertising rights in the Province of Québec where it also represents its business partners active across other Canadian markets. COGECO's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Cable are also listed on the Toronto Stock Exchange (TSX: CCA). For more information about COGECO and its subsidiaries visit www.cogeco.ca, cogecodiffusion.com and cogecometromedia.com.

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Analyst Conference Call: **Thursday, October 31, 2013 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: **1 866-321-6651**
International Access Number: **+ 1 416-642-5212**
Confirmation Code: **7376711**
By Internet at www.cogeco.ca/investors

A rebroadcast of the conference call will be available until November 7, 2013, by dialing:

Canada and United States access number: **1 888-203-1112**
International access number: **+ 1 647-436-0148**
Confirmation code: **7376711**