PRESS RELEASE
For immediate release

Cogeco Cable Inc. reports Second Quarter 2014 financial results

- ***Profit for the period of $60.4 million, an increase of 18.8% over the same period last year;***
- ***Free cash flow[(1)] of $93.2 million, an increase of $57.2 million and cash flow from operating activities of $181.6 million, an increase of $31.5 million over the same period last year;***
- ***Quarterly dividend of $0.30 per share, an increase of 15.4% compared to the same period last year.***

Montréal, April 9, 2014 – Today, Cogeco Cable Inc. (TSX: CCA) (“Cogeco Cable” or the “Corporation”) announced its financial results for the second quarter of fiscal 2014, ended February 28, 2014, in accordance with International Financial Reporting Standards (“IFRS”).

For the second quarter and first six months of fiscal 2014:

- Second quarter revenue increased by $56.3 million, or 13.1%, to reach $486.0 million driven by growth of 2.3% in the Canadian cable services segment, of 14.2% in the American cable services segment and of 98.4% in the Enterprise services segment. Revenue growth results mainly from the full quarter impact of the acquisition of Peer 1 Hosting[(2)] ("PEER 1") which was acquired during the second quarter of fiscal 2013, on January 31, 2013, combined with favorable foreign exchange rates compared to last year and the organic growth from all of our operating units. For the six-month period ended February 28, 2014, revenue reached $961.0 million, an increase of $203.4 million, or 26.8%. Revenue increased mainly attributable to the full impact of the acquisitions of Atlantic Broadband and PEER 1 ("the recent acquisitions") which both occurred in fiscal 2013 combined with the favorable foreign exchange rates and the organic growth from all of our operating units;

- Adjusted EBITDA[(1)] increased by 13.2% to $221.6 million compared to the second quarter of fiscal 2013, and by 26.3% to $433.1 million compared to the first half of the prior year. The rapid progression for both periods results mainly from the recent acquisitions, the favorable foreign exchange rates compared to the same period of last year as well as the improvement in the Canadian cable services segment;

- Operating margin[(1)] remained the same at 45.6% in the quarter and slightly decreased to 45.1% from 45.3% in the first six months compared to the same period of the prior year as a result of lower margins from the business activities of the Enterprise services segment;

- Profit for the period amounted to $60.4 million in the second quarter compared to $50.8 million in fiscal 2013. For the first half of fiscal 2014, profit for the period amounted to $110.1 million compared to $92.9 million for the comparable period of the prior year. Profit progression for both periods is mostly attributable to the improvement of the adjusted EBITDA explained above and the decrease in integration, restructuring and acquisition costs, partly offset by the increases in financial expense and depreciation and amortization expense all related to the recent acquisitions;

- Second quarter free cash flow[(1)] increased by $57.2 million to reach $93.2 million compared to $36.0 million in the second quarter of fiscal 2013. For the first six months, free cash flow increased by $108.5 million to reach $161.4 million compared to $52.9 million in the first half of fiscal 2013. The increase for both periods is attributable to the improvement of adjusted EBITDA explained above, the decrease in acquisitions of property, plant and equipment, intangible and other assets due to the timing of certain initiatives as well as the decrease in integration, restructuring and acquisition costs, partly offset by the increase in financial expense as a result of higher indebtedness;

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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 Management's discussion and analysis.

(2) Peer 1 hosting refers to Peer 1 Network (USA) Holdings Inc., Peer (UK) Ltd. and Peer 1 Network Enterprises, Inc.

- Fiscal 2014 second-quarter cash flow from operating activities reached \$181.6 million compared to \$150.1 million, an increase of \$31.5 million, or 21.0%, compared to fiscal 2013 second-quarter. For the first six months of fiscal 2014, cash flow from operating activities reached \$244.7 million compared to \$149.8 million, an increase of \$94.9 million, or 63.4%, compared to the same period in fiscal 2013. The increase for both periods is mainly explained by an increase in profit for the period explained above and depreciation and amortization expense; and

- A quarterly dividend of \$0.30 per share was paid to the holders of subordinate and multiple voting shares, an increase of \$0.04 per share, or 15.4%, compared to a dividend of \$0.26 per share paid in the second quarter of fiscal 2013. Dividend payments in the first six months totaled \$0.60 per share in fiscal 2014 compared to \$0.52 per share in the comparable period of fiscal 2013.

“We are satisfied with our financial results for the second quarter of fiscal year 2014 as well as with the growth opportunities ahead of us,” declared Louis Audet, President and Chief Executive Officer of Cogeco Cable.

“We’ve remained very diligent with our cost management, which has helped contribute to the strong performance across all of our segments and helped maintain the operating margin over the last quarter to a satisfying level,” continued Louis Audet.

“Fluctuations in foreign exchange rates have furthermore positively impacted our operating results, and we have revised our 2014 financial guidelines as a result. Despite these fluctuations, we remain on a solid path towards reaching our indebtedness leverage ratio objectives by August 2015,” concluded Louis Audet.

ABOUT COGECO CABLE

Cogeco Cable Inc. ("Cogeco Cable") is a telecommunications corporation and is the 11th largest hybrid fibre coaxial cable operator in North America. Through Cogeco Cable Canada GP Inc. (“Cogeco Cable Canada”), Cogeco Cable is the fourth largest cable system operator in Canada and the second largest Canadian cable operator in each of the provinces of Ontario and Québec. Through its subsidiary Atlantic Broadband, Cogeco Cable is the 13th largest cable provider in the United States, operating in four geographic clusters in Western Pennsylvania, South Florida, Maryland/Delaware and South Carolina. Cogeco Cable's two-way broadband cable networks provide to its residential and small business customers Analogue and Digital Television, High Speed Internet and Telephony services. Through its subsidiaries Cogeco Data Services Inc. (“Cogeco Data Services”), Peer 1 Network (USA) Holdings Inc., Peer (UK) Ltd. and Peer 1 Network Enterprises, Inc. (all together as "PEER 1 Hosting" or "PEER 1”), Cogeco Cable provides 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 56 points of presence in North America and Europe. Cogeco Cable's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA). For more information about Cogeco Cable and its subsidiaries visit www.cogeco.ca, cogecodata.com, atlanticbb.com, peer1.com and peer1hosting.co.uk.

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Information:	**Media** René Guimond Vice-President, Public Affairs and Communications Tel.: 514-764-4700
Analyst Conference Call:	**Thursday, April 10, 2014 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: **1 800-820-0231** International Access Number: **+ 1 416-640-5926** Confirmation Code: **8125587** By Internet at www.cogeco.ca/investors A rebroadcast of the conference call will be available until April 16, 2014, by dialing: Canada and United States access number: **1 888-203-1112** International access number: **+ 1 647-436-0148** Confirmation code: **8125587**

FINANCIAL HIGHLIGHTS

(in thousands of dollars, except percentages and per share data)	Quarters ended February 28, 2014	February 28, 2013 (2)	Change	Six months ended February 28, 2014	February 28, 2013 (2)	Change
	$	$	%	**$**	$	%
Operations						
Revenue	**486,008**	429,672	13.1	**960,988**	757,583	26.8
Adjusted EBITDA(1)	**221,616**	195,826	13.2	**433,138**	343,002	26.3
Operating margin(1)	**45.6%**	45.6%	—	**45.1%**	45.3%	—
Profit for the period	**60,381**	50,833	18.8	**110,079**	92,946	18.4
Profit for the period attributable to owners of the Corporation	**60,381**	51,035	18.3	**110,079**	93,148	18.2
Cash Flow						
Cash flow from operating activities	**181,628**	150,084	21.0	**244,738**	149,804	63.4
Cash flow from operations(1)	**174,013**	140,401	23.9	**327,277**	240,132	36.3
Acquisitions of property, plant and equipment, intangible and other assets	**80,806**	104,433	(22.6)	**165,895**	187,266	(11.4)
Free cash flow(1)	**93,207**	35,968	—	**161,382**	52,866	—
Financial Condition(3)						
Property, plant and equipment	**—**	—	—	**1,838,584**	1,854,155	(0.8)
Total assets	**—**	—	—	**5,354,942**	5,254,419	1.9
Indebtedness(4)	**—**	—	—	**3,004,191**	2,944,182	2.0
Shareholders' equity	**—**	—	—	**1,439,788**	1,342,940	7.2
Capital intensity(1)	**16.6%**	24.3%	—	**17.3%**	24.7%	—
Per Share Data(5)						
Earnings per share						
Basic	**1.24**	1.05	18.1	**2.26**	1.91	18.3
Diluted	**1.23**	1.04	18.3	**2.24**	1.90	17.9

(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").

(2) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

(3) At February 28, 2014 and August 31, 2013.

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

(5) Per multiple and subordinate voting share.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Three and six-month periods ended February 28, 2014

FORWARD-LOOKING STATEMENTS

Certain statements in this Management's Discussion and Analysis ("MD&A") may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Cable'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 Cable 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 Cable 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 MD&A as well as in the present MD&A) that could cause actual results to differ materially from what Cogeco Cable currently expects. These factors include namely 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 required by law.

All amounts are stated in Canadian dollars unless otherwise indicated. This report should be read in conjunction with the Corporation's condensed interim consolidated financial statements and the notes thereto for the three and six-month periods ended February 28, 2014, prepared in accordance with the International Financial Reporting Standards ("IFRS") and the MD&A included in the Corporation's 2013 Annual Report.

CORPORATE OBJECTIVES AND STRATEGIES

Cogeco Cable Inc.'s ("Cogeco Cable" or the "Corporation") objectives are to provide outstanding service to its customers, improve profitability and create shareholder value. To achieve these objectives, the Corporation has developed strategies that focus on expanding its service offering and enhancing its existing services or bundles, improving the networks, improving customer experience and business processes as well as keeping a sound capital management and a strict control over spending. The Corporation measures its performance, with regard to these objectives by monitoring adjusted EBITDA[(1)], operating margin[(1)], free cash flow[(1)] and capital intensity[(1)].

KEY PERFORMANCE INDICATORS

ADJUSTED EBITDA AND OPERATING MARGIN

For the six-month period ended February 28, 2014, adjusted EBITDA increased by 26.3% to reach $433.1 million compared to the same period of fiscal 2013 and operating margin decreased to 45.1% from 45.3%. The improvement in adjusted EBITDA is mainly attributable to the acquisitions of Atlantic Broadband and PEER 1[(2)] (the "recent acquisitions") which occurred at the end of the first quarter and in the second quarter of fiscal 2013, respectively, combined with the favorable foreign exchange rates compared to last year and the improvement of the Canadian cable services segment. As a result of the overall performance of all of our operating units as well as the appreciation of the US dollar and British Pound currency compared to the Canadian dollar, the Corporation revised its financial guidelines for the 2014 fiscal year issued on October 30, 2013. Adjusted EBITDA is now expected to reach $895 million from $885 million and operating margin should now increase from 45.7% to 45.8%. For further details, please consult the fiscal 2014 revised projections in the "Fiscal 2014 financial guidelines" section.

FREE CASH FLOW

For the six-month period ended February 28, 2014, Cogeco Cable reports free cash flow of $161.4 million, an increase of $108.5 million compared to $52.9 million for the same period of the previous fiscal year. This variance is mostly attributable to the improvement of adjusted EBITDA explained above, the decrease in acquisitions of property, plant and equipment, intangible and other assets due to the timing of certain initiatives as well as the decrease in integration, restructuring and acquisition costs, partly offset by the increase in financial expense due to higher level of indebtedness. As a result of the improvement in adjusted EBITDA explained above, the Corporation also revised its free cash projections from $230 million to $240 million. For further detail, please consult the fiscal 2014 revised projections in the "Fiscal 2014 financial guidelines" section.

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

During the six-month period ended February 28, 2014, the acquisitions of property, plant and equipment, intangible and other assets amounted to $165.9 million and revenue of $961.0 million for a capital intensity ratio of 17.3% compared to 24.7% in the comparable period of the prior year. The improvement of the capital intensity ratio is mainly attributable to higher revenue for the first half of fiscal 2014 as a result of the full impact of the recent acquisitions combined with lower acquisitions of property, plant and equipment, intangible and other assets due to the timing of certain initiatives compared to the same period of the prior year. For further details on the Corporation's capital expenditures please refer to the "Cash flow analysis" section.

OPERATING AND FINANCIAL RESULTS

OPERATING RESULTS

	Quarters ended			Six months ended		
	February 28, 2014	February 28, 2013 (1)	Change	**February 28, 2014**	February 28, 2013 (1)	Change
(in thousands of dollars, except percentages)	**$**	$	%	**$**	$	%
Revenue	**486,008**	429,672	13.1	**960,988**	757,583	26.8
Operating expenses	**264,227**	230,858	14.5	**518,176**	405,012	27.9
Management fees – COGECO Inc.	**165**	2,988	(94.5)	**9,674**	9,569	1.1
Adjusted EBITDA	**221,616**	195,826	13.2	**433,138**	343,002	26.3
Operating margin	**45.6%**	45.6%		**45.1%**	45.3%	

(1) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

(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.
(2) PEER 1 refers to Peer 1 Network (USA) Holdings Inc., Peer (UK) Ltd. and Peer 1 Network Enterprises, Inc.

REVENUE

Fiscal 2014 second-quarter revenue increased by $56.3 million, or 13.1%, to reach $486.0 million driven by growth of 2.3% in the Canadian cable services segment, of 14.2% in the American cable services segment and of 98.4% in the Enterprise services segment. Revenue increase results mainly from the full quarter impact of the acquisition of PEER 1 compared to one month of operating results for the same period of fiscal 2013. The favorable foreign exchange rates compared to last year and the organic growth from all of our operating units also contributed to the increase of the revenue in the quarter. For the first six months of fiscal 2014, revenue amounted to $961.0 million, an increase of $203.4 million, or 26.8% compared to the same period of fiscal 2013. The increase is mainly attributable to full impact of the recent acquisitions compared to fiscal 2013 combined with the favorable foreign exchange rates as well as the organic growth from all of our operating units. For further details on the Corporation's revenue, please refer to the "Segmented operating results" section.

OPERATING EXPENSES AND MANAGEMENT FEES

For the second quarter of fiscal 2014, operating expenses increased by $33.4 million, to reach $264.2 million, an increase of 14.5% compared to the prior year. For the first half of the fiscal year, operating expenses amounted to $518.2 million, an increase of $113.2 million, or 27.9%, compared to the same period of fiscal 2013. Operating expenses increase is mostly attributable to the full impact of the recent acquisitions and the appreciation of the US dollar and British Pound currency compared to the Canadian dollar, partly offset by cost reduction initiatives and restructuring activities which occurred in the fourth quarter of fiscal 2013 in the Canadian cable services. For further details on the Corporation's operating expenses, please refer to the "Segmented operating results" section.

For the second quarter of fiscal 2014, management fees paid to COGECO Inc. amounted to $0.2 million, 94.5% lower compared to $3.0 million for the same period in fiscal 2013. For the first half of the fiscal year 2014, management fees paid to COGECO Inc. amounted to $9.7 million, 1.1% higher compared to $9.6 million in the comparable period of fiscal 2013. For further details on the Corporation's management fees, please refer to the "Related party transactions" section.

ADJUSTED EBITDA AND OPERATING MARGIN

For the three and six-month periods ended February 28, 2014, adjusted EBITDA increased by $25.8 million, or 13.2%, to reach $221.6 million, and by $90.1 million, or 26.3%, to reach $433.1 million, respectively, compared to the comparable periods of the prior year. The increases for both periods is mainly attributable to the full impact of the recent acquisitions, the favorable foreign exchange rates compared to the same periods of last year as well as the improvement in the Canadian cable services segment. Cogeco Cable's second-quarter operating margin remained the same at 45.6% and decreased to 45.1% from 45.3% for the first six months of fiscal 2014 compared to the comparable periods of the prior year essentially due to lower margin business activities from the Enterprise services segment. For further details on the Corporation's adjusted EBITDA and operating margin, please refer to the "Segmented operating results" section.

FIXED CHARGES

	Quarters ended			Six months ended		
	February 28, 2014	February 28, 2013 (1)	Change	**February 28, 2014**	February 28, 2013 (1)	Change
(in thousands of dollars, except percentages)	**$**	$	%	**$**	$	%
Depreciation and amortization	**113,133**	92,500	22.3	**228,887**	157,166	45.6
Financial expense	**32,918**	29,208	12.7	**65,467**	44,922	45.7

(1) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

For the three and six-month periods ended February 28, 2014, depreciation and amortization expense amounted to $113.1 million and $228.9 million, respectively, compared to $92.5 million and $157.2 million for the same periods of the prior year, as a result of the full impact of the recent acquisitions, which occurred at the end of the first quarter and in the second quarter of fiscal 2013 and by the appreciation of the US dollar and the British Pound currency compared to the Canadian dollar.

Fiscal 2014 second-quarter financial expense increased by $3.7 million, or 12.7%, amounting to $32.9 million compared to $29.2 million in fiscal 2013 second-quarter. For the first six months of fiscal 2014, financial expense increased by $20.5 million, or 45.7%, at $65.5 million, compared to $44.9 million in the prior year. Financial expense increased in both periods as a result of the cost of financing related to the recent acquisitions.

INCOME TAXES

For the three and six-month periods ended February 28, 2014, income tax expense amounted to $14.8 million and $28.1 million, respectively, compared to $15.8 million and $33.2 million, respectively, for the comparable periods in the prior year. The decrease is mostly attributable to the increase in fixed charges explained above as well as the favorable impact of the tax structure from the recent acquisitions, partly offset by the improvement in adjusted EBITDA.

PROFIT FOR THE PERIOD

For the second quarter of fiscal 2014, profit for the period amounted to $60.4 million, or $1.24 per share, compared to $50.8 million, or $1.05 per share last year. For the six-month period ended February 28, 2014, profit for the period amounted to $110.1 million, or $2.26 per share, compared to $92.9 million, or $1.91 for the comparable period. Profit progression for both periods is mostly attributable to the improvement of the adjusted EBITDA explained above and the decrease in integration, restructuring and acquisition costs, partly offset by the increase in the fixed charges.

CUSTOMER STATISTICS

	Consolidated	UNITED STATES	CANADA	Consolidated			
				Net additions (losses)		Net additions (losses)	
				Quarters ended		Six months ended	
	February 28, 2014			**February 28, 2014**	February 28, 2013	**February 28, 2014**	February 28, 2013
PSU [(1)]	**2,454,627**	**492,550**	**1,962,077**	**(10,305)**	6,074	**(13,030)**	21,862
Television service customers	**1,044,611**	**228,759**	**815,852**	**(13,248)**	(10,660)	**(22,341)**	(12,736)
HSI service customers	**857,786**	**184,805**	**672,981**	**8,889**	11,184	**19,341**	22,737
Telephony service customers	**552,230**	**78,986**	**473,244**	**(5,946)**	5,550	**(10,030)**	11,861

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

At February 28, 2014 , PSU reached 2,454,627 of which 1,962,077 come from the Canadian cable services segment and 492,550 come from the American cable services segment. For the three and six-month periods ended February 28, 2014, PSU net losses stood at 10,305 and 13,030 , respectively, compared to net additions of 6,074 and 21,862 for the comparable periods of fiscal 2013. Fiscal 2014 second-quarter and first six months net losses for Television service customers stood at 13,248 and 22,341 compared to 10,660 and 12,736, HSI service customers grew by 8,889 and 19,341 compared to 11,184 and 22,737 and the Telephony service customers net losses stood at 5,946 and 10,030 compared to net additions of 5,550 and 11,861 for the comparable periods of fiscal 2013. HSI net additions continue to stem from the enhancement of the product offering and the impact of the bundle offer.

In the Canadian cable services segment, PSU decreased by 13,425 for the second-quarter of fiscal 2014, compared to an increase of 2,314 for the comparable period last year. For the first six months of fiscal 2014, PSU decreased by 18,045, compared to an increase of 18,102 for the comparable period in 2013. The decrease is explained by service category maturity and a much more competitive environment in all services.

In the American cable services segment, PSU increased by 3,120 for the second-quarter of fiscal 2014, compared to an increase of 3,760 for the same period of prior year. For the first six months of fiscal 2014, PSU increased by 5,015, compared to an increase of 3,760 for the comparable period in 2013. The increase is explained by additional HSI and Telephony services, offset by losses in the Television service.

RELATED PARTY TRANSACTIONS

Cogeco Cable Inc. is a subsidiary of COGECO Inc., which holds 32.0% of the Corporation's equity shares, representing 82.5% of the Corporation's voting shares. On September 1, 1992, Cogeco Cable Inc. executed a management agreement with COGECO Inc. under which the parent company agreed to provide certain executive, administrative, legal, regulatory, strategic and financial planning services and additional services to the Corporation and its subsidiaries (the "Management Agreement"). These services are provided by COGECO Inc.'s senior executives, including the President and Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Vice President, Corporate Affairs, Chief Legal Officer and Secretary, the Vice President, Regulatory Affairs and Copyright, the Vice President, Corporate Development, the Vice President and Treasurer, the Vice President, Public Affairs and Communications and the Vice President, Internal Audit and Risk Management. No direct remuneration is payable to such senior executives by the Corporation. However, the Corporation granted 83,650 stock options (71,233 in 2013) to these senior executives as senior executives of Cogeco Cable during the first six months of fiscal year 2014. During the second quarter and first six months of fiscal 2014, the Corporation charged COGECO Inc. amounts of $68,000 and $162,000 ($86,000 and $176,000 in 2013) with regards to the Corporation's stock options granted to these senior executives.

During the first six months of fiscal 2014 the Corporation also granted 12,450 (12,280 in 2013) Incentive Share Units ("ISUs") to these senior executives as senior executives of Cogeco Cable. During the second quarter and first six months of fiscal 2014, the Corporation charged COGECO Inc. amounts of $119,000 and $318,000 ($112,000 and $219,000 in 2013) with regards to the Corporation's ISUs granted to these senior executives.

Under the Management Agreement, the Corporation pays monthly fees equal to 2% of its total revenue to COGECO Inc. for the above-mentioned services. The management fees are subject to annual upward adjustment based on increases in the Consumer Price Index in Canada. This limit can be increased under certain circumstances upon request to that effect by COGECO Inc. For fiscal year 2014, management fees have been set at a maximum of $9.7 million ($9.6 million in 2013), which were paid within the first half of the fiscal year. For fiscal year 2013, management fees were also fully paid in the first half of the year. In addition, the Corporation reimburses COGECO Inc.'s out-of-pocket expenses incurred with respect to services provided to the Corporation under the Management Agreement.

Details regarding the Management Agreement and stock options and ISUs granted to COGECO Inc.'s senior executives are provided in the Corporation's 2013 Annual Report.

There were no other material related party transactions during the periods covered.

CASH FLOW ANALYSIS

	Quarters ended		Six months ended	
	February 28, 2014	February 28, 2013 (1)	**February 28, 2014**	February 28, 2013 (1)
(in thousands of dollars)	**$**	$	**$**	$
Cash flow from operations	**174,013**	140,401	**327,277**	240,132
Changes in non-cash operating activities	**(6,081)**	4,931	**(92,785)**	(76,182)
Amortization of deferred transaction costs and discounts on long-term debt	**(1,888)**	(2,723)	**(3,730)**	(3,463)
Income taxes paid	**(19,239)**	(17,475)	**(37,543)**	(60,008)
Current income tax expense	**20,217**	23,027	**46,770**	48,118
Financial expense paid	**(18,312)**	(27,285)	**(60,718)**	(43,715)
Financial expense	**32,918**	29,208	**65,467**	44,922
Cash flow from operating activities	**181,628**	150,084	**244,738**	149,804
Cash flow from investing activities	**(80,655)**	(733,414)	**(165,315)**	(2,170,308)
Cash flow from financing activities	**(74,458)**	610,025	**(66,151)**	1,841,086
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	**1,726**	705	**1,925**	705
Net change in cash and cash equivalents	**28,241**	27,400	**15,197**	(178,713)
Cash and cash equivalents, beginning of the period	**26,531**	9,278	**39,575**	215,391
Cash and cash equivalents, end of the period	**54,772**	36,678	**54,772**	36,678

(1) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

OPERATING ACTIVITIES

Fiscal 2014 second-quarter cash flow from operating activities reached $181.6 million compared to $150.1 million, an increase of $31.5 million, or 21.0%, compared to fiscal 2013 second-quarter. The increase is mainly explained by an increase of $9.5 million in profit for the period and of $20.6 million in depreciation and amortization expense, a decrease of $9.0 million in financial expense paid and by a decrease of $11.0 million in changes in non-cash operating activities mainly as a result of an higher increase in trade and other receivables and a lower increase in trade and other payables compared to the prior year. For the first six months of fiscal 2014, cash flow from operating activities reached $244.7 million compared to $149.8 million, an increase of $94.9 million, or 63.4%, compared to the same period in fiscal 2013. The increase is mainly explained by the improvement of $17.1 million in profit for the period, increases of $71.7 million in depreciation and amortization expense, of $20.5 million in financial expense and by a decrease in income taxes paid of $22.5 million, partly offset by an increase of $17.0 million in financial expense paid and a decrease of $16.6 million in changes in non-cash operating activities mainly as result of higher increase in trade and other receivables, a higher decrease in trade and other payables and an increase in prepaid expenses and other compared to a decrease in the prior year.

For the three and six-month periods ended February 28, 2014, cash flow from operations amounted to $174.0 million and $327.3 million, respectively, compared to $140.4 million and $240.1 million for the comparable periods in fiscal 2013. Increases for both periods are primarily due to the improvement of adjusted EBITDA as well as the decrease in integration, restructuring and acquisition costs, partly offset by an increase in financial expense as a result of higher indebtedness levels from the recent acquisitions.

INVESTING ACTIVITIES

For the three and six-month periods ended February 28, 2014, investing activities amounted to $80.7 million and $165.3 million, respectively, mainly due to the acquisitions of property, plant and equipment, intangible and other assets. For the comparable periods of fiscal 2013, investing activities amounted to $733.4 million and $2.2 billion explained below.

BUSINESS COMBINATIONS IN FISCAL 2013

On January 31, 2013 and on April 3, 2013, the Corporation acquired 100% of the issued and outstanding shares of PEER 1 one of the world's leading internet infrastructure providers, specializing in managed hosting, dedicated servers, cloud services and colocation. During the second quarter of fiscal 2014, the Corporation finalized the purchase price allocation of PEER 1 which had no impact on the statement of profit or loss and comprehensive income for three and six-month periods ended February 28, 2013. The impact of the finalization on the statement of financial position at August 31, 2013, increased income tax receivable by $0.7 million, increased deferred tax assets by $4.4 million, decreased intangibles assets by $0.9 million, decreased goodwill by $2.8 million, increased deferred tax liabilities by $2.5 million and decreased accumulated other comprehensive income by $1.2 million.

On November 30, 2012, the Corporation completed the acquisition of all the outstanding shares of Atlantic Broadband, an independent cable system operator formed in 2003, providing Analogue and Digital Television, as well as HSI and Telephony services to residential and small and medium business customers. During the first quarter of fiscal 2014 the Corporation finalized the purchase price allocation of Atlantic Broadband which remained unchanged since the last adjustments made in the fourth quarter of fiscal 2013.

The final purchase price allocations of Atlantic Broadband and PEER 1 are as follows:

	As previously presented	February 28, 2014		
	PEER 1	PEER 1	Atlantic Broadband	TOTAL
	Preliminary	Final	Final	
	$	$	$	$
Consideration				
Paid				
Purchase of shares	494,796	**494,796**	**337,779**	**832,575**
Working capital adjustments	—	**—**	**5,415**	**5,415**
Repayment of secured debts and settlement of options outstanding	170,872	**170,872**	**1,021,854**	**1,192,726**
	665,668	**665,668**	**1,365,048**	**2,030,716**
Net assets acquired				
Cash and cash equivalents	10,840	**10,840**	**5,480**	**16,320**
Restricted cash	8,729	**8,729**	**—**	**8,729**
Trade and other receivables	12,772	**12,772**	**12,012**	**24,784**
Prepaid expenses and other	3,855	**3,855**	**1,370**	**5,225**
Income tax receivable	2,160	**2,797**	**3,907**	**6,704**
Other assets	2,462	**2,462**	**—**	**2,462**
Property, plant and equipment	150,013	**150,013**	**302,211**	**452,224**
Intangible assets	144,671	**144,231**	**711,418**	**855,649**
Goodwill	412,347	**410,454**	**522,215**	**932,669**
Deferred tax assets	4,727	**8,872**	**98,592**	**107,464**
Trade and other payables assumed	(26,512)	**(26,512)**	**(27,620)**	**(54,132)**
Provisions	—	**—**	**(721)**	**(721)**
Deferred and prepaid revenue and other liabilities assumed	(3,388)	**(3,388)**	**(7,697)**	**(11,085)**
Long-term debt assumed	(1,735)	**(1,735)**	**—**	**(1,735)**
Deferred tax liabilities	(55,273)	**(57,722)**	**(256,119)**	**(313,841)**
	665,668	**665,668**	**1,365,048**	**2,030,716**

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

Investing activities, including acquisition of property, plant and equipment segmented according to the *National Cable Television Association* ("NCTA") standard reporting categories, are as follows:

	Quarters ended		Six months ended	
	February 28, 2014	February 28, 2013	**February 28, 2014**	February 28, 2013
(in thousands of dollars)	**$**	$	**$**	$
Customer premise equipment(1)	**18,228**	18,174	**43,545**	37,874
Scalable infrastructure(2)	**15,675**	24,302	**35,475**	56,916
Line extensions	**6,121**	5,191	**11,418**	8,120
Upgrade / Rebuild	**5,261**	12,139	**10,567**	15,650
Support capital	**4,750**	4,771	**8,731**	10,383
Acquisition of property, plant and equipment - Cable services(3)	**50,035**	64,577	**109,736**	128,943
Acquisition of property, plant and equipment - Enterprise services(4)	**26,158**	35,363	**47,430**	49,189
Acquisitions of property, plant and equipment	**76,193**	99,940	**157,166**	178,132
Acquisition of intangible and other assets - Cable services(3)	**3,467**	4,214	**7,145**	8,115
Acquisition of intangible and other assets - Enterprise services(4)	**1,146**	279	**1,584**	1,019
Acquisitions of intangible and other assets	**4,613**	4,493	**8,729**	9,134
	80,806	104,433	**165,895**	187,266

(1) Includes mainly home terminal devices as well as new and replacement drops.
(2) Includes mainly head-end equipment, digital video and telephony transport as well as HSI equipment.
(3) Fiscal 2013 six-months period include only three months of operating results of American cable services.
(4) Fiscal 2013 three and six-month periods include only one month of operating results of PEER 1.

For the three and six-month periods ended February 28, 2014, acquisition of property, plant and equipment in the Cable services amounted to $50.0 million and $109.7 million, respectively, compared to $64.6 million and $128.9 million for the comparable periods of fiscal 2013.

In the Canadian cable services, fiscal 2014 second-quarter acquisition of property, plant and equipment amounted to $32.5 million, a decrease of 36.7% when compared to $51.4 million in the second quarter of the prior year. For the six-month period ended February 28, 2014, acquisition of property, plant and equipment amounted to $81.3 million, a decrease of 29.8% when compared to the prior year.

For the second quarter of fiscal 2014, acquisition of property, plant and equipment in the American cable services segment amounted to $17.5 million compared to $13.2 million for the comparable period of fiscal 2013. For the six-month period ended February 28, 2014, acquisition of property, plant and equipment amounted to $28.4 million compared to $13.2 million in the prior year as a result of six months of operating results compared to three months in fiscal 2013.

The decreases in the Canadian and American cable services segments are mainly attributable to the following factors:

- A decrease in the quarter and for the six-month period ended February 28, 2014 in scalable infrastructure and network upgrades and rebuild due to the deployment in fiscal 2012 and early fiscal 2013 of advanced technologies such as DOCSIS 3.0 and Switched Digital Video in existing areas served; and
- An increase in customer equipment for the three and six-month period ended February 28, 2014 mainly due to the launch of TiVo's digital entertainment services in the American cable services segment.

Fiscal 2014 second-quarter and first six months acquisition of property, plant and equipment in the Enterprise services segment amounted to $26.2 million and $47.4 million, respectively, compared to $35.4 million and $49.2 million in the comparable periods of fiscal 2013. The decrease in the quarter is mainly attributable to the timing of initiatives while the capital expenditures for the first six months of fiscal 2014 slightly increase as a result of expansion of data centre facilities in Toronto, Canada and in Portsmouth, England as well as the fiber expansion in the Toronto area in order to fulfill orders from new customer demand.

Acquisition of intangible and other assets are mainly attributable to reconnect and additional service activation costs as well as other customer acquisition costs. For the second quarter and the first six months of fiscal 2014, the acquisition of intangible and other assets amounted to $4.6 million and $8.7 million, respectively, compared to $4.5 million and $9.1 million for the same periods last year.

FREE CASH FLOW AND FINANCING ACTIVITIES

For the second quarter of fiscal 2014, free cash flow amounted to $93.2 million, $57.2 million higher than in the comparable period of fiscal 2013. For the six-month period, free cash flow amounted to $161.4 million, $108.5 million higher than the same period of last year. Free cash flow increase for both periods over the prior year are due to the improvement of adjusted EBITDA as well as the decrease in acquisitions of property, plant and equipment, intangible and other assets due to the timing of certain initiatives, and in integration, restructuring and acquisition costs, partly offset by the increase in financial expense as a result of higher indebtedness level from the recent acquisitions.

In the second quarter of fiscal 2014, a lower Indebtedness level provided for a cash decrease of $60.9 million, mainly due to the repayments under the revolving facilities of $48.9 million and a decrease in bank indebtedness of $7.4 million. In the second quarter of fiscal 2013, a higher Indebtedness level provided a cash increase of $636.4 million mainly due to drawings of $640.3 million (net of transaction costs of $2.8 million) under the former secured credit facilities amounting to approximately to $650 million incurred to finance the acquisition of PEER 1.

For the six-month period of fiscal 2014, a lower Indebtedness level provided for a cash decrease of $33.2 million, mainly due to a decrease in bank indebtedness of $11.5 million and repayments under the revolving facilities of $15.6 million. For the six-month of fiscal 2013, a higher Indebtedness level provided for a cash increase of $1.9 billion, mainly due to the draw-down on the existing Term Revolving Facility of $584.2 million (US$588 million) and the Term Loan Facilities of $637.4 million (US$641.5 million, net of transaction costs of US$18.5 million) to finance the acquisition of Atlantic Broadband as well to drawings of $640.3 million (net of transaction costs of $2.8 million) under credit facilities amounting to approximately to $650 million incurred to finance the acquisition of PEER 1.

During the second quarter of fiscal 2014, a quarterly dividend of $0.30 per share was paid to the holders of subordinate and multiple voting shares, totaling $14.6 million, compared to a dividend paid of $0.26 per share, or $12.6 million in the second quarter of fiscal 2013. Dividend payments in the first six months totaled $0.60 per share, or $29.2 million, compared to $0.52 per share, or $25.3 million the year before.

As at February 28, 2014, the Corporation had a working capital deficiency of $119.3 million compared to $223.5 million at August 31, 2013. The reduction of $104.3 million in the deficiency is mainly due to the decrease of $81.8 million in trade and other payables and of $11.5 million in bank indebtedness as well as an increase of $15.2 million in cash and cash equivalents as a result of generated free cash flow of $161.4 million. As part of the usual conduct of its business, Cogeco Cable maintains a working capital deficiency due to a low level of accounts receivable as a large portion of the Corporation's customers pay before their services are rendered, unlike trade and other payables, which are paid after products are delivered or services are rendered, thus enabling the Corporation to use cash and cash equivalents to reduce Indebtedness.

At February 28, 2014, the Corporation had used $574.8 million of its $800 million amended and restated Term Revolving Facility for a remaining availability of $225.2 million. In addition, two subsidiaries of the Corporation also benefit from a Revolving Facility of $110.7 million (US$100 million) related to its acquisition of Atlantic Broadband, of which $23.3 million (US$21.1 million) was used at February 28, 2014 for a remaining availability of $87.4 million (US$78.9 million).

FINANCIAL POSITION

Since August 31, 2013, the following balances have changed significantly: “cash and cash equivalents”, “property, plant and equipment”, "intangible assets", “goodwill”, “bank indebtedness”, “trade and other payables” and “long-term debt”.

The increase of $15.2 million in cash and cash equivalents, the decrease of $11.5 million in bank indebtedness and the increase of $76.6 million in long-term debt are due to the appreciation of the US dollar and British Pound currency compared to the Canadian dollar, partly offset by the factors previously discussed in the "Cash flow analysis" section. The $15.6 million decrease in property, plant and equipment is mainly related to the excess of depreciation expense over acquisitions discussed in the "Cash flow analysis" section, partly offset by the impact of the appreciation of the US dollar and British Pound currency compared to the Canadian dollar. Intangible assets and goodwill increased by $20.9 million and $48.1 million, respectively, due to the appreciation of the US dollar and the British Pound against the Canadian dollar during the first six months of fiscal 2014. The decrease of $81.8 million in trade and other payables is related to the timing of payments made to suppliers.

OUTSTANDING SHARE DATA

A description of Cogeco Cable’s share data at March 31, 2014 is presented in the table below. Additional details are provided in note 11 of the condensed interim consolidated financial statements.

	Number of shares/options	Amount (in thousands of dollars)
Common shares		
Multiple voting shares	15,691,100	98,346
Subordinate voting shares	33,352,985	909,002
Options to purchase subordinate voting shares		
Outstanding options	846,377	
Exercisable options	312,020	

FINANCING

In the normal course of business, Cogeco Cable has incurred financial obligations, primarily in the form of long-term debt, operating and finance leases and guarantees. Cogeco Cable’s obligations, as discussed in the 2013 Annual Report, have not materially changed since August 31, 2013, except as mentioned below.

On November 22, 2013, the Corporation amended and restated its Term Revolving Facility of $800 million with a syndicate of lenders. The maturity was extended until January 22, 2019 and can be further extended annually. The amendments reduced the margin for the calculation of the interest rate and reduced restrictions on some covenants. The amended and restated Term Revolving Facility also replaced Cogeco Cable’s Secured Credit Facilities coming to maturity on January 27, 2017 which was fully repaid on November 22, 2013. This amended and restated Term Revolving Facility is comprised of two tranches: a first tranche, a Canadian tranche, amounting to $788 million and the second tranche, a UK tranche, amounting to $12 million. Both Cogeco Cable and Peer 1 (UK) Ltd. can borrow under the UK tranche. The Canadian tranche is available in Canadian dollars, US dollars, Euros and British Pounds and interest rates are based on banker's acceptance, US dollar base rate loans, LIBOR loans in US dollars, Euros or British Pounds, plus the applicable margin. The UK tranche is available in British Pounds and interest rates are based on British Pounds base rate loans and British Pounds LIBOR loans. The Term Revolving Facility is indirectly secured by first priority fixed and floating charges and a security interest on substantially all present and future real and personal properties and undertaking of every nature and kind of the Corporation and certain of its subsidiaries, and provides for certain permitted encumbrances, including purchased money obligations, existing funded obligations and charges granted by any subsidiary prior to the date when it becomes a subsidiary, subject to a maximum amount. The provisions under this facility provide for restrictions on the operations and activities of the Corporation. Generally, the most significant restrictions relate to permitted investments and dividends on multiple and subordinate voting shares, as well as incurrence and maintenance of certain financial ratios primarily linked to operating income before amortization, financial expense and total indebtedness.

FINANCIAL MANAGEMENT

The Corporation has entered into cross-currency swap agreements to set the liability for interest and principal payments on its US$190 million Senior Secured Notes Series A maturing on October 1, 2015. These agreements have the effect of converting the U.S. interest coupon rate of 7.00% per annum to an average Canadian dollar interest rate of 7.24% per annum. The exchange rate applicable to the principal portion of the debt has been fixed at $1.0625 per US dollar. The Corporation elected to apply cash flow hedge accounting on these derivative financial instruments. During the first half of fiscal 2014, amounts due under the US$190 million Senior Secured Notes Series A increased by $10.3 million due to the US dollar’s appreciation relative to the Canadian dollar. The fair value of cross-currency swaps asset increased by a net amount of $11.1 million, of which an increase of $10.3 million offsets the foreign exchange loss on the debt denominated in US dollars. The difference of $0.8 million was recorded as an increase of other comprehensive income. During the first half of fiscal 2013, amounts due under the US$190 million Senior Secured Notes Series A increased by $8.7 million due to the US dollar’s appreciation over the Canadian dollar. The fair value of cross-currency swaps liability decreased by a net amount of $7.9 million, of which a decrease of $8.7 million offsets the foreign exchange loss on the debt denominated in US dollars. The difference of $0.7 million was recorded as a decrease of other comprehensive income.

In addition, on July 22, 2013, Cogeco Cable had 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 the Term Revolving Facility until July 25, 2015. The Corporation elected to apply hedge accounting on these derivative financial instruments. During the first half of fiscal 2014, the fair value of interest rate swaps asset decreased by a net amount of $0.9 million which was recorded as a decrease of other comprehensive income.

The sensitivity of the Corporation's annual financial expense to a variation of 1% in the interest rate applicable to these facilities is approximately $7.7 million based on the current debt at February 28, 2014.

Furthermore, the Corporation's investment in foreign operations is exposed to market risk attributable to fluctuations in foreign currency exchange rates, primarily changes in the values of the Canadian dollar versus the US dollar and British Pounds. This risk was mitigated since the major part of the purchase prices for Atlantic Broadband and PEER 1 were borrowed directly in US dollars and British Pounds. At February 28, 2014, the investments for Atlantic Broadband and PEER 1 amounted to US$1.1 billion and £65.5 million while long-term debt hedging these investments were US$859.5 million and £56.9 million. The exchange rates used to convert the US dollar currency and British Pounds currency into Canadian dollars for the statement of financial position accounts at February 28, 2014 were $1.1074 per US dollar and $1.8543 per British Pound compared to $1.0530 per US dollar and $1.6318 per British Pound at August 31, 2013. The impact of a 10% fluctuation in the exchange rates of the US dollar and British Pound into Canadian dollars would change other comprehensive income by approximately $28.0 million.

Since the Corporation's condensed interim consolidated financial statements are expressed in Canadian dollars but a portion of its business is conducted in US dollars and British Pound currency, exchange rate fluctuations can increase or decrease the Corporation's operating results. For the three and six-month periods ended February 28, 2014, the average rates prevailing used to convert the operating results of the American cable services and a portion of the Enterprise services were as follows:

	Quarters ended			Six months ended		
	February 28, 2014	February 28, 2013	Change	**February 28, 2014**	February 28, 2013	Change
	$	$	%	**$**	$	%
US dollar vs Canadian dollar	**1.0879**	0.9971	9.1	**1.0639**	0.9924	7.2
British Pound vs Canadian dollar	**1.7917**	1.5623	14.7	**1.7294**	1.5623	10.7

The following table highlights in Canadian dollars, the impact of a 10% increase in the US dollar or British Pound against the Canadian dollar as the case may be, of Cogeco Cable's operating results for the three and six-month periods ended February 28, 2014:

	Canadian cable services		American cable services		Enterprise services	
Quarter ended February 28, 2014	As reported	Exchange rate impact	As reported	Exchange rate impact	As reported	Exchange rate impact
(in thousands of dollars)	$	$	$	$	$	$
Revenue	**313,159**	**—**	**98,048**	**9,804**	**75,339**	**3,802**
Operating expense	**155,372**	**440**	**55,767**	**5,575**	**50,174**	**2,841**
Adjusted EBITDA	**157,787**	**(440)**	**42,281**	**4,229**	**25,165**	**961**
Acquisitions of property, plant and equipment, intangible and other assets	**35,580**	**969**	**17,922**	**1,792**	**27,304**	**1,008**

	Canadian cable services		American cable services		Enterprise services	
Six months ended February 28, 2014	As reported	Exchange rate impact	As reported	Exchange rate impact	As reported	Exchange rate impact
(in thousands of dollars)	$	$	$	$	$	$
Revenue	**622,678**	**—**	**190,597**	**19,060**	**148,711**	**7,476**
Operating expense	**310,545**	**1,208**	**105,786**	**10,579**	**95,655**	**5,481**
Adjusted EBITDA	**312,133**	**(1,208)**	**84,811**	**8,481**	**53,056**	**1,995**
Acquisitions of property, plant and equipment, intangible and other assets	**87,591**	**3,592**	**29,290**	**2,929**	**49,014**	**2,164**

DIVIDEND DECLARATION

At its April 9, 2014 meeting, the Board of Directors of Cogeco Cable declared a quarterly eligible dividend of $0.30 per share for multiple voting and subordinate voting shares, payable on May 7, 2014, to shareholders of record on April 23, 2014. The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, the amount and frequency may vary.

SEGMENTED OPERATING RESULTS

The Corporation reports its operating results in three operating segments: Canadian cable services, American cable services and Enterprise services. The reporting structure reflects how the Corporation manages the business activities to make decisions about resources to be allocated to the segment and to assess its performance.

CANADIAN CABLE SERVICES

CUSTOMER STATISTICS

		Net additions (losses)				% of penetration(1)	
		Quarters ended		Six months ended			
	February 28, 2014	**February 28, 2014**	February 28, 2013	**February 28, 2014**	February 28, 2013	**February 28, 2014**	February 28, 2013
PSU(2)	**1,962,077**	**(13,425)**	2,314	**(18,045)**	18,102		
Television service customers	**815,852**	**(11,797)**	(8,332)	**(18,919)**	(10,408)	**48.5**	51.4
HSI service customers	**672,981**	**4,724**	5,758	**11,644**	17,311	**40.0**	39.6
Telephony service customers	**473,244**	**(6,352)**	4,888	**(10,770)**	11,199	**28.1**	29.1

(1) As a percentage of homes passed.
(2) Represents the sum of Television, HSI and Telephony service customers.

Fiscal 2014 second-quarter and first six months PSU net losses amounted to 13,425 and 18,045 compared to net additions of 2,314 and 18,102 for the comparable periods of the prior year, mainly as a result of service category maturity, competitive offers in the industry and tightening of our customer qualifications. For the second quarter and first six months of fiscal 2014, net customer losses for Television service stood at 11,797 and 18,919 compared to 8,332 and 10,408 for the same periods last year. Television service customer net losses are mainly due to the promotional offers of competitors for the video service combined with the tightening of our customer credit controls. For the second quarter and first six months of fiscal 2014, net additions for HSI service customers stood at 4,724 and 11,644, respectively, compared to net additions of 5,758 and 17,311 for the comparable periods of fiscal 2013. HSI net additions continue to stem from the enhancement of the product offering, the impact of the bundled offer of Television, HSI and Telephony services, and promotional activities. Net losses for the Telephony service amounted to 6,352 and 10,770, respectively, for the second quarter and first six months of fiscal 2014, compared to net additions of 4,888 and 11,199 for the same periods of prior year.

Furthermore, as at February 28, 2014, 68% (67% in 2013) of the Canadian cable services customers subscribed to two or more services. The distribution of customers by number of services for the Canadian cable services were: 32% who subscribe to the single play (33% in 2013), 32% to the double play (30% in 2013) and 36% to the triple play (37% in 2013).

OPERATING RESULTS

	Quarters ended			Six months ended		
	February 28, 2014	February 28, 2013 (1)	Change	**February 28, 2014**	February 28, 2013 (1)	Change
(in thousands of dollars, except percentages)	**$**	$	%	**$**	$	%
Revenue	**313,159**	306,173	2.3	**622,678**	610,988	1.9
Operating expenses	**155,372**	155,820	(0.3)	**310,545**	311,980	(0.5)
Adjusted EBITDA	**157,787**	150,353	4.9	**312,133**	299,008	4.4
Operating margin	**50.4%**	49.1%		**50.1%**	48.9%	

(1) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

Revenue

Fiscal 2014 second-quarter revenue increased by $7.0 million, or 2.3%, to reach $313.2 million, compared to the same period last year. For the first six months, revenue amounted to $622.7 million, an increase of 1.9% compared to the first six months of fiscal 2013. Revenue increase is mainly attributable to rate increases implemented in June 2013 in Quebec and Ontario, partly offset by PSU losses.

Operating expenses

For the second quarter ended February 28, 2014, operating expenses decreased by $0.4 million to $155.4 million. For the first six months, operating expenses amounted to $310.5 million, a decrease of 0.5% compared to the same period of prior year. These decreases are mainly attributable to cost reduction initiatives and the restructuring activities which occurred in the fourth quarter of fiscal 2013.

Adjusted EBITDA and operating margin

Fiscal 2014 second-quarter adjusted EBITDA amounted to $157.8 million, or 4.9% higher than in the same period of the prior year. For the first six months of fiscal 2014, adjusted EBITDA amounted to $312.1 million, or 4.4% higher than in the same period of the prior year. Both increases in adjusted EBITDA are mainly attributable to revenue growth combined with operating expense reduction. Consequently, operating margin increased to 50.4% from 49.1% compared to fiscal 2013 second-quarter and from 48.9% to 50.1% for the first six months of fiscal 2014 compared to the prior year.

AMERICAN CABLE SERVICES

On November 30, 2012, the Corporation completed the acquisition of Atlantic Broadband, an independent cable system operator formed in 2003 and providing Analogue and Digital Television, as well as HSI and Telephony services. Atlantic Broadband operates cable systems in Western Pennsylvania, Southern Florida, Maryland/Delaware and South Carolina.

CUSTOMER STATISTICS

		Net additions (losses)				% of penetration[1]	
		Quarters ended		Six months ended			
	February 28, 2014	**February 28, 2014**	February 28, 2013	**February 28, 2014**	February 28, 2013	**February 28, 2014**	February 28, 2013
PSU[2]	**492,550**	**3,120**	3,760	**5,015**	3,760		
Television service customers	**228,759**	**(1,451)**	(2,328)	**(3,422)**	(2,328)	**44.2**	45.5
HSI service customers	**184,805**	**4,165**	5,426	**7,697**	5,426	**35.7**	33.9
Telephony service customers	**78,986**	**406**	662	**740**	662	**15.3**	15.3

(1) As a percentage of homes passed.

(2) Represents the sum of Television, HSI and Telephony service customers.

Fiscal 2014 second-quarter and first six months PSU net additions amounted to 3,120 and 5,015, respectively, compared to 3,760 for both periods in fiscal 2013. The comparable figures for fiscal 2013 include only three months of operating results since the acquisition of Atlantic Broadband occurred at the end of first quarter of fiscal 2013. Net customer losses for the Television service stood at 1,451 and 3,422, respectively, for the second quarter and first six months of fiscal 2014, compared to net losses of 2,328 for the comparable periods of last year as a result of competitive offers in the industry. For the second quarter and first six months of fiscal 2014, net customer additions for HSI service amounted to 4,165 and 7,697 compared to 5,426 for the same periods of prior year mainly due to additional marketing which focused on bundle package offerings, thus increasing overall demand given the higher speed offerings, as well as increased commercial HSI. The net customer additions for Telephony service stood at 406 and 740 for the three and six-month periods ended February 28, 2014, compared to 662 for the same periods of fiscal 2013.

Furthermore, as at February 28, 2014, 59% (59% in 2013) of the American cable services customers subscribed to two or more services. The distribution of customers by number of services for the American cable services were: 41% who subscribe to the single play (41% in 2013), 38% to the double play (38% in 2013) and 21% to the triple play (21% in 2013).

OPERATING RESULTS

	Quarters ended			Six months ended		
	February 28, 2014	February 28, 2013	Change	**February 28, 2014**	February 28, 2013	Change
(in thousands of dollars, except percentages)	**$**	$	%	**$**	$	%
Revenue	**98,048**	85,850	14.2	**190,597**	85,850	—
Operating expenses	**55,767**	46,629	19.6	**105,786**	46,629	—
Adjusted EBITDA	**42,281**	39,221	7.8	**84,811**	39,221	—
Operating margin	**43.1%**	45.7%		**44.5%**	45.7%	

Revenue

Fiscal 2014 second-quarter revenue increased by $12.2 million, or 14.2%, to reach $98.0 million compared to the same period last year. Revenue for the quarter increase is mainly attributable to the PSU growth, rate increases implemented in fiscal 2014 as well as favorable foreign exchange rates compared to last year. For the first six months, revenue amounted to $190.6 million, an increase of $104.7 million compared to the first six months of fiscal 2013 since Atlantic Broadband was acquired at the end of the first quarter of fiscal 2013, on November 30, 2012.

For the second quarter and first six months of fiscal 2014, revenue in local currency amounted to US$90.1 million and US$179.1 million, compared to US$86.1 million for the same periods last year.

Operating expenses

Fiscal 2014 second-quarter operating expenses amounted to $55.8 million, an increase of 19.6% compared to the same period last year. The increase is mainly attributable to servicing additional PSU, additional programming costs, the deployment of TiVo's digital entertainment services as well as marketing initiatives to improve PSU growth and by the appreciation of the US dollar over the Canadian dollar. For the first six months, operating expenses amounted to $105.8 million, an increase of $59.2 million compared to the first six months of fiscal 2013 since Atlantic Broadband was acquired at the end of the first quarter of fiscal 2013, on November 30, 2012.

Operating expenses in local currency for the for the second quarter and first six months of fiscal 2014 amounted to US$51.2 million and US$99.3 million, compared to US$46.8 million for the same periods last year.

Adjusted EBITDA and operating margin

Fiscal 2014 second-quarter adjusted EBITDA increased by 7.8% to reach $42.3 million compared to last year as a result of the factors previously discussed. For the first six months of fiscal 2014, adjusted EBITDA amounted to $84.8 million compared to $39.2 million for the same period of fiscal 2013 as a result of six months of operating results compared to three months for the comparable period and to the factors previously discussed. As a result of operating expenses growth exceeding revenue growth, operating margin for the three and six-month periods ended February 28, 2014 decreased to 43.1% from 45.7% and to 44.5% from 45.7% for the comparable periods of the prior year.

Fiscal 2014 second-quarter adjusted EBITDA in local currency amounted to US$38.9 million compared to US$39.3 million for the same period last year and US$79.8 million compared to US$39.3 million for the first six months of fiscal 2013. The decrease is mainly attributable to additional programming costs as well as marketing initiatives to improve PSU growth.

ENTERPRISE SERVICES

	Quarters ended			Six months ended		
	February 28, 2014	February 28, 2013	Change	**February 28, 2014**	February 28, 2013	Change
(in thousands of dollars, except percentages)	**$**	$	%	**$**	$	%
Revenue	**75,339**	37,980	98.4	**148,711**	61,480	—
Operating expenses	**50,174**	23,671	—	**95,655**	37,353	—
Adjusted EBITDA	**25,165**	14,309	75.9	**53,056**	24,127	—
Operating margin	**33.4%**	37.7%		**35.7%**	39.2%	

OPERATING RESULTS

Revenue

Fiscal 2014 second-quarter revenue increased by $37.4 million, or 98.4%, to reach $75.3 million, compared to the same period last year. For the first six months of fiscal 2014, revenue amounted to $148.7 million, an increase of $87.2 million compared to the first six months of fiscal 2013. The increases in revenue for both periods are primarily due to the acquisition of PEER 1 during the second quarter of fiscal 2013 combined with favorable foreign exchange rates as well as the organic growth from data centre, managed IT and connectivity services.

Operating expenses

For the second quarter of fiscal 2014 operating expenses increased by $26.5 million, to $50.2 million. For the first six months of fiscal 2014, operating expenses amounted to $95.7 million, an increase of $58.3 million compared to last year. The increases in operating expenses for both periods are primarily due to the PEER 1 acquisition, the appreciation of the US dollar and the British Pound currency compared to the Canadian dollar as well as organic growth.

Adjusted EBITDA and operating margin

As a result of revenue growth exceeding the increase in operating expenses, fiscal 2014 second-quarter adjusted EBITDA increased by $10.9 million, or 75.9%, to reach $25.2 million and by $28.9 million in the first six months to reach $53.1 million, compared to the same periods of the prior year. Operating margin decreased to 33.4% from 37.7% in the second quarter and to 35.7% from 39.2% for first six months compared to the comparable periods of fiscal 2013 as a result of lower margins business activities from PEER 1.

FISCAL 2014 FINANCIAL GUIDELINES

Giving effect to the overall performance of all of our operating units as well as the appreciation of the US dollar and British Pound currency compared to the Canadian dollar, the Corporation revised its financial guidelines for the 2014 fiscal year issued on October 30, 2013. Management expects revenue to reach $1,955 million, representing a growth of $20 million, or 1.0%, compared to those issued on October 30, 2013. Adjusted EBITDA should increase by $10 million to reach $895 million and consequently, operating margin should improve to approximately 45.8% compared to 45.7%. Acquisitions of property, plant and equipment, intangible and other assets as well as the depreciation and amortization expense should remain the same as a result of lower capital expenditures which should be offset by the Canadian dollar depreciation. Free cash flow is expected to increase by $10 million to reach $240 million and profit for the year is expected to amount to $235 million, representing a growth of $5 million or 2.2% compared to the October 30, 2013 projections.

Fiscal 2014 revised financial guidelines are as follows:

(in millions of dollars, except operating margin and capital intensity)	**Revised projections April 9, 2014** **Fiscal 2014** **$**	Revised projections October 30, 2013 Fiscal 2014 $
Financial guidelines		
Revenue	**1,955**	1,935
Adjusted EBITDA	**895**	885
Operating margin	**45.8%**	45.7%
Depreciation and amortization	**470**	470
Financial expense	**130**	130
Current income tax expense	**100**	100
Profit for the year	**235**	230
Acquisitions of property, plant and equipment, intangible and other assets	**425**	425
Free cash flow(1)	**240**	230
Capital intensity	**21.7%**	22.0%

(1) Free cash flow is calculated as adjusted EBITDA less, financial expense, current income tax expense and acquisitions of property, plant and equipment, intangible and other assets.

CONTROLS AND PROCEDURES

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with IFRS. The President and Chief Executive Officer ("CEO") and the Senior Vice President and Chief Financial Officer ("CFO"), together with Management, are responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and ICFR, as defined in National Instrument 52-109. Cogeco Cable's internal control framework is based on the criteria published in the updated version released in May 2013 of the report *Internal Control Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*.

The CEO and CFO, supported by Management, evaluated the design of the Corporation's DC&P and ICFR as at February 28, 2014, and concluded that, as described below, there exists a material weakness in ICFR at PEER 1. A material weakness in ICFR exists if there exists a deficiency or combination of deficiencies in ICFR such that there is a reasonable possibility that a material misstatement of the annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

Cogeco Cable acquired 96.57% of the issued and outstanding shares of PEER 1 on January 31, 2013 pursuant to the public offer made by Cogeco Cable, through its indirectly wholly-owned subsidiary 0957926 B.C. LTD. The remaining shares of PEER 1 were acquired on April 3, 2013. Management has been working diligently since the acquisition to complete its review of the design of ICFR at PEER 1. Despite these efforts, Management has not to date completed its review. During the course of the portion of the review that has been completed, Management identified certain deficiencies in ICFR at PEER 1 principally relating to the financial statements close, procurement and sales processes.

Management has committed additional resources in order to complete the review of PEER 1's ICFR and bring them in line with Cogeco Cable's design standards by August 31, 2014, and has commenced the implementation of a number of measures to address the deficiencies described above. More specifically, Management has implemented a number of remediations related to the financial statements close process, transitioned to a new procurement system with appropriate embedded approval controls and introduced a series of corporate policies to enhance PEER 1's overall control environment. The Corporation cannot currently assess the potential impact of any further design deficiencies which may be identified during the completion of its review of PEER 1's ICFR.

Based on the review completed to date, the CEO and the CFO believe that (i) the Corporation's interim filings for the three and six-month periods ended February 28, 2014 do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, and (ii) the interim financial report together with the other financial information included in the interim filings fairly present, in all material respects, the financial condition, financial performance and cash flows of Cogeco Cable for the three and six-month periods ended February 28, 2014.

PEER 1 represents 10% of revenue, -14% of profit for the period, 15% of total assets, 16% of current assets, 15% of non current assets, 6% of current liabilities and 16% of non current liabilities of the condensed consolidated interim financial statements for the six-month period ended February 28, 2014.

UNCERTAINTIES AND MAIN RISK FACTORS

There has been no significant change in the uncertainties and main risk factors faced by the Corporation since August 31, 2013, except as mentioned below. A detailed description of the uncertainties and main risk factors faced by Cogeco Cable can be found in the 2013 Annual Report, available at <www.sedar.com> and <www.cogeco.ca>.

On October 24, 2013, the Canadian Radio-Television and Telecommunications Commission ("CRTC") issued a broadcasting notice inviting Canadians to express their views on the future of the television system in Canada. The first phase of that public proceeding was completed in December 2013 and the second phase will take place in the winter of 2014. This public consultation is likely to lead to changes in regulatory policy respecting significant aspects of the production, funding and distribution of television programming content in Canada. On the heels of the CRTC's invitation for comments from the public, the Canadian Government issued on November 14, 2013 a direction to the CRTC under the authority of section 15 of the Broadcasting Act requesting that the CRTC report on television channel choice by no later than April 30, 2014. The requested report will focus specifically on the issue of unbundling of television channels, including the steps the CRTC intends to take in that regard. At this time, it is not known what steps or measures the CRTC will recommend in its report, or how and when these steps or measures would be implemented. They could have a major impact on wholesale and retail pricing of television services distributed by Cogeco Cable and other Canadian terrestrial and satellite broadcasting distributors as, if and when they are eventually implemented.

On November 26, 2013, Rogers Communications and the National Hockey League ("NHL") announced that they had concluded a twelve-year comprehensive broadcast and multimedia licensing agreement respecting all national rights to NHL games on all platforms in all languages in Canada, beginning with 2014-2015 season. Rogers Communications also announced that it had selected CBC and TVA for separate sublicensing deals for English-language broadcasts of "Hockey Night in Canada" and all national French-language multimedia rights, respectively. At this time, the impact of this long-term agreement on wholesale and retail rates for linear subscription and on-demand television programming services involving NHL hockey games distributed by Cogeco Cable and other terrestrial and satellite broadcasting distributors cannot be assessed, nor the extent to which the consumption of Canadian premium sports programming will change over the next twelve years as a result of future distribution sublicensing terms for NHL hockey games.

FUTURE ACCOUNTING DEVELOPMENTS IN CANADA

A number of new standards, interpretations and amendments to existing standards issued by the International Accounting Standard Board ("IASB") are effective for annual periods starting on or after January 1, 2013 and have been applied in preparing the condensed interim consolidated financial statements for the three and six-month periods ended February 28, 2014.

NEW ACCOUNTING STANDARDS

The Corporation adopted the following new accounting standards on September 1, 2013. The impacts of the application of this standard are described in Note 2 of the condensed interim consolidated financial statements.

- *Amendment to IAS 19, Employee Benefits* : The principal difference in the amended standard is that the expected long-term rate of return on plan assets will no longer be used to calculate the defined benefit pension costs. The defined benefit pension costs concepts of "interest cost" and "expected return on plan assets" are replaced by the concept of "net interest" calculated by applying the discount rate to the net liability or asset. The net interest cost takes into account the change any contributions and benefit payments have on the net defined benefit liability or asset during the period.

The Corporation also adopted the following standards on September 1, 2013 which had no impact on the condensed interim consolidated financial statements.

- Amendments to IFRS 7 *Financial Instruments: Disclosures*
- IFRS 10 *Consolidated Financial Statements*
- IFRS 12 *Disclosure of Interest in Other Entities*
- IFRS 13 *Fair Value Measurement*

CHANGES IN CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There has been no significant change in Cogeco Cable's accounting policies, estimates and future accounting pronouncements since August 31, 2013. A description of the Corporation's policies and estimates can be found in the 2013 Annual Report, available at www.sedar.com and www.cogeco.ca.

NON-IFRS FINANCIAL MEASURES

This section describes non-IFRS financial measures used by Cogeco Cable 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", "adjusted EBITDA" and "operating margin".

CASH FLOW FROM OPERATIONS AND FREE CASH FLOW

Cash flow from operations is used by Cogeco Cable'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 Cable'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		Six months ended	
	February 28, 2014	February 28, 2013 (1)	**February 28, 2014**	February 28, 2013 (1)
(in thousands of dollars)	**$**	$	**$**	$
Cash flow from operating activities	**181,628**	150,084	**244,738**	149,804
Changes in non-cash operating activities	**6,081**	(4,931)	**92,785**	76,182
Amortization of deferred transaction costs and discounts on long-term debt	**1,888**	2,723	**3,730**	3,463
Income taxes paid	**19,239**	17,475	**37,543**	60,008
Current income tax expense	**(20,217)**	(23,027)	**(46,770)**	(48,118)
Financial expense paid	**18,312**	27,285	**60,718**	43,715
Financial expense	**(32,918)**	(29,208)	**(65,467)**	(44,922)
Cash flow from operations	**174,013**	140,401	**327,277**	240,132

(1) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

Free cash flow is calculated as follows:

	Quarters ended		Six months ended	
	February 28, 2014	February 28, 2013 (1)	**February 28, 2014**	February 28, 2013 (1)
(in thousands of dollars)	**$**	$	**$**	$
Cash flow from operations	**174,013**	140,401	**327,277**	240,132
Acquisition of property, plant and equipment	**(76,193)**	(99,940)	**(157,166)**	(178,132)
Acquisition of intangible and other assets	**(4,613)**	(4,493)	**(8,729)**	(9,134)
Free cash flow	**93,207**	35,968	**161,382**	52,866

(1) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

ADJUSTED EBITDA AND OPERATING MARGIN

Adjusted EBITDA is used by Cogeco Cable'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. Adjusted EBITDA 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. Operating margin is a measure of the proportion of the Corporation's revenue which is available, before income taxes, to pay for its fixed costs, such as interest on Indebtedness. Operating margin is calculated by dividing adjusted EBITDA by revenue.

The most comparable IFRS financial measure is profit for the period. Adjusted EBITDA and operating margin are calculated as follows:

	Quarters ended		Six months ended	
	February 28, 2014	February 28, 2013 (1)	**February 28, 2014**	February 28, 2013 (1)
(in thousands of dollars, except percentages)	**$**	$	**$**	$
Profit for the period	**60,381**	50,833	**110,079**	92,946
Income taxes	**14,838**	15,821	**28,111**	33,204
Financial expense	**32,918**	29,208	**65,467**	44,922
Depreciation and amortization	**113,133**	92,500	**228,887**	157,166
Integration, restructuring and acquisitions costs	**346**	7,464	**594**	14,764
Adjusted EBITDA	**221,616**	195,826	**433,138**	343,002
Revenue	**486,008**	429,672	**960,988**	757,583
Operating margin	**45.6%**	45.6%	**45.1%**	45.3%

(1) Comparative figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits*. For further details, please refer to Note 2 of the condensed interim consolidated financial statements.

CAPITAL INTENSITY

Capital intensity is used by Cogeco Cable's management and investors to assess the Corporation's investment in capital expenditures in order to support a certain level of revenue. Capital intensity ratio is defined as amount spent for acquisitions of property, plant and equipment, intangible and other assets divided by revenue.

Capital intensity is calculated as follows:

	Quarters ended		Six months ended	
	February 28, 2014	February 28, 2013	**February 28, 2014**	February 28, 2013
(in thousands of dollars, except percentages)	**$**	$	**$**	$
Acquisition of property, plant and equipment	**76,193**	99,940	**157,166**	178,132
Acquisition of intangible and other assets	**4,613**	4,493	**8,729**	9,134
Total capital expenditures	**80,806**	104,433	**165,895**	187,266
Revenue	**486,008**	429,672	**960,988**	757,583
Capital intensity	**16.6%**	24.3%	**17.3%**	24.7%

SUPPLEMENTARY QUARTERLY FINANCIAL INFORMATION

Quarters ended	**February 28,**		November 30,		August 31,		May 31,	
(in thousands of dollars, except percentages and per share data)	**2014**	2013 (2)	**2013**	2012 (2)	2013 (2)	2012	2013 (2)	2012
	$	$	$	$	$	$	$	$
Revenue	**486,008**	429,672	**474,980**	327,911	470,386	324,768	464,497	319,771
Adjusted EBITDA	**221,616**	195,826	**211,522**	147,176	222,539	160,825	215,182	152,661
Operating margin	**45.6%**	45.6%	**44.5%**	44.9%	47.3%	49.5%	46.3%	47.7%
Income taxes	**14,838**	15,821	**13,273**	17,383	11,159	32,987	18,411	21,449
Profit for the period	**60,381**	50,833	**49,698**	42,113	43,870	45,705	48,079	53,159
Profit for the period attributable to owners of the Corporation	**60,381**	51,035	**49,698**	42,113	43,870	45,705	47,877	53,159
Cash flow from operating activities	**181,628**	150,084	**63,110**	(280)	228,230	203,343	166,976	112,275
Cash flow from operations	**174,013**	140,401	**153,264**	99,731	161,581	126,946	155,868	113,075
Acquisitions of property, plant and equipment, intangible and other assets	**80,806**	104,433	**85,089**	82,833	108,095	124,392	112,841	87,459
Free cash flow	**93,207**	35,968	**68,175**	16,898	53,486	2,554	43,027	25,616
Capital intensity	**16.6%**	24.3%	**17.9%**	25.3%	23.0%	38.3%	24.3%	27.4%
Earnings per share(1)								
Basic	**1.24**	1.05	**1.02**	0.87	0.90	0.94	0.98	1.09
Diluted	**1.23**	1.04	**1.01**	0.86	0.89	0.93	0.98	1.09

(1) Per multiple and subordinate voting share.
(2) These figures have been adjusted to comply with the adoption of *IAS 19 - Employee Benefits.*

SEASONAL VARIATIONS

Cogeco Cable's operating results are not generally subject to material seasonal fluctuations except as follows. In the Canadian and American cable services segment the number of customers in the Television service 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 in the Pennsylvania region, and to a lesser extent in South Carolina, Maryland/Delaware in the United States. In the American cable services segment, the Miami region is also subject to seasonal fluctuations due to the winter season residents returning home from late Spring through the Fall. Furthermore, the second, third and fourth quarter's operating margin is usually higher as very low or no management fees are paid to COGECO Inc. Under the Management Agreement, Cogeco Cable pays a fee equal to 2% of its total revenue subject to a maximum amount. As the maximum amount has been reached in the second quarter of fiscal 2014, Cogeco Cable will not pay management fees in the second half of fiscal 2014. Similarly, as the maximum amount was paid in the first six months of fiscal 2013, Cogeco Cable paid no management fees in the second half of the previous fiscal year.

ADDITIONAL INFORMATION

This MD&A was prepared on April 9, 2014. Additional information relating to the Corporation, including its Annual Information Form, is available on the SEDAR website at www.sedar.com.

/s/ Jan Peeters
Jan Peeters
Chairman of the Board

/s/ Louis Audet
Louis Audet
President and Chief Executive Officer

Cogeco Cable Inc.
Montréal, Québec
April 9, 2014