



**FOR IMMEDIATE RELEASE**

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**Cogent Communications Reports First Quarter 2016 Results  
and Increases Regular Quarterly Dividend on Common Stock**

**Financial and Business Highlights**

- Cogent approves a 2.8% increase of its regular quarterly dividend to \$0.37 per common share to be paid on June 7, 2016 to shareholders of record on May 20, 2016
- Service revenue for Q1 2016 increased by 3.0% from Q4 2015 and on a constant currency basis, increased by 3.0% from Q4 2015
- Service revenue for Q1 2016 increased by 11.4% from Q1 2015 and on a constant currency basis increased by 12.2% from Q1 2015
- EBITDA, as adjusted, for Q1 2016 increased by 14.2% to \$35.6 million from \$31.2 million for Q1 2015
- There were 2,271 buildings on the Cogent network at the end of Q1 2016
- There were 55,356 customer connections on the Cogent network at the end of Q1 2016 – an increase of 16.8% from the end of Q1 2015 and an increase of 4.1% from the end of Q4 2015

**[WASHINGTON, D.C. May 5, 2016]** Cogent Communications Holdings, Inc. (NASDAQ: CCOI) today announced service revenue of \$108.3 million for the three months ended March 31, 2016, an increase of 11.4% from \$97.2 million for the three months ended March 31, 2015 and an increase of 3.0% from \$105.2 million for the three months ended December 31, 2015. Foreign exchange had no impact on service revenue from Q4 2015 to Q1 2016 but negatively impacted service revenue growth from Q1 2015 to Q1 2016 by \$0.9 million. On a constant currency basis, service revenue grew by 12.2% from Q1 2015 to Q1 2016 and grew by 3.0% from Q4 2015 to Q1 2016.

On-net service is provided to customers located in buildings that are physically connected to Cogent's network by Cogent facilities. On-net revenue was \$78.7 million for the three months ended March 31, 2016; an increase of 10.5% over \$71.2 million for the three months ended March 31, 2015 and an increase of 2.9% from \$76.5 million for the three months ended December 31, 2015.

Off-net customers are located in buildings directly connected to Cogent's network using other carriers' facilities and services to provide the last mile portion of the link from the customers' premises to Cogent's network. Off-net revenue was \$29.4 million for the three months ended March 31, 2016; an increase of 14.1% over \$25.7 million for the three months ended March 31, 2015 and an increase of 3.3% over \$28.4 million for the three months ended December 31, 2015.

Non-GAAP gross profit increased by 8.5% from \$56.3 million for the three months ended March 31, 2015 to \$61.1 million for the three months ended March 31, 2016 and increased by 2.8% from \$59.5 million for the three months ended December 31, 2015. Non-GAAP gross profit margin percentage was 56.5% for the three months ended March 31, 2016, 57.9% for the three months ended March 31, 2015 and 56.5% for the three months ended December 31, 2015. Excise taxes, including Universal Service Fund fees, recorded on a gross basis and included in service revenue and cost of network operations expense were \$2.0 million for the three months ended March 31, 2016, \$1.7 million for the three months ended December 31, 2015 and \$0.1 million for the three months ended March 31, 2015.

Earnings before interest, taxes, depreciation and amortization (EBITDA), as adjusted, increased by 14.2% from \$31.2 million for the three months ended March 31, 2015 to \$35.6 million for the three months ended March 31, 2016 and decreased by 3.1% from \$36.8 million for the three months ended December 31, 2015. EBITDA, as adjusted, margin was 32.9% for the three months ended March 31, 2016, 32.1% for the three months ended March 31, 2015 and 34.9% for the three months ended December 31, 2015.

Basic and diluted net income (loss) per share was \$0.08 for the three months ended March 31, 2016, \$(0.04) for the three months ended March 31, 2015 and \$0.06 for the three months ended December 31, 2015.

Total customer connections increased by 16.8% from 47,411 as of March 31, 2015 to 55,356 as of March 31, 2016 and increased by 4.1% from 53,152 as of December 31, 2015. On-net customer connections increased by 16.0% from 40,732 as of March 31, 2015 to 47,252 as of March 31, 2016 and increased by 3.9% from 45,473 as of December 31, 2015. Off-net customer

connections increased by 20.2% from 6,368 as of March 31, 2015 to 7,654 as of March 31, 2016 and increased by 5.2% from 7,279 as of December 31, 2015.

The number of on-net buildings increased by 116 on-net buildings from 2,155 on-net buildings as of March 31, 2015 to 2,271 on-net buildings as of March 31, 2016 and increased by 20 on-net buildings from 2,251 on-net buildings as of December 31, 2015.

### **Quarterly Dividend Increase Approved**

On May 4, 2016, Cogent's board approved a regular quarterly dividend of \$0.37 per common share payable on June 7, 2016 to shareholders of record on May 20, 2016. This first quarter 2016 regular dividend of \$0.37 per share represents an increase of 2.8% from the fourth quarter 2015 regular dividend of \$0.36 per share.

The payment of any future dividends and any other returns of capital will be at the discretion of Cogent's board of directors and may be reduced, eliminated or increased and will be dependent upon Cogent's financial position, results of operations, available cash, cash flow, capital requirements, limitations under Cogent's debt indenture agreements and other factors deemed relevant by Cogent's board of directors.

### **Conference Call and Website Information**

Cogent will host a conference call with financial analysts at 8:30 a.m. (ET) on May 5, 2016 to discuss Cogent's operating results for the first quarter of 2016 and to discuss Cogent's expectations for full year 2016. Investors and other interested parties may access a live audio webcast of the earnings call in the "Events" section of Cogent's website at [www.cogentco.com/events](http://www.cogentco.com/events). A replay of the webcast, together with the press release, will be available on the website following the earnings call.

### **About Cogent Communications**

Cogent Communications (NASDAQ: CCOI) is a multinational, Tier 1 facilities-based ISP. Cogent specializes in providing businesses with high speed Internet access, Ethernet transport, and colocation services. Cogent's facilities-based, all-optical IP network backbone provides services in over 190 markets globally.

Cogent Communications is headquartered at 2450 N Street, NW, Washington, D.C. 20037. For more information, visit [www.cogentco.com](http://www.cogentco.com). Cogent Communications can be reached in the United States at (202) 295-4200 or via email at [info@cogentco.com](mailto:info@cogentco.com).

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**COGENT COMMUNICATIONS HOLDINGS, INC., AND SUBSIDIARIES**

**Summary of Financial and Operational Results**

	<b><u>Q1 2015</u></b>	<b><u>Q2 2015</u></b>	<b><u>Q3 2015</u></b>	<b><u>Q4 2015</u></b>	<b><u>Q1 2016</u></b>
<b><u>Metric (\$ in 000's, except share and per share data) – unaudited</u></b>					
<b>On-Net revenue</b>	\$71,234	\$72,010	\$75,088	\$76,513	\$78,705
% Change from previous Qtr.	-0.1%	1.1%	4.3%	1.9%	2.9%
<b>Off-Net revenue</b>	\$25,730	\$26,522	\$27,688	\$28,421	\$29,356
% Change from previous Qtr.	2.3%	3.1%	4.4%	2.6%	3.3%
<b>Non-Core revenue (1)</b>	\$278	\$267	\$241	\$243	\$230
% Change from previous Qtr.	-3.8%	-4.0%	-9.7%	0.8%	-5.3%
<b>Service revenue – total</b>	\$97,242	\$98,799	\$103,017	\$105,177	\$108,291
% Change from previous Qtr.	0.5%	1.6%	4.3%	2.1%	3.0%
<b>Constant currency total revenue quarterly growth rate – sequential quarters</b>	2.9%	2.0%	4.4%	2.5%	3.0%
<b>Constant currency total revenue quarterly growth rate – year over year quarters</b>	9.3%	9.5%	12.1%	12.1%	12.2%
<b>Network operations expenses (2)</b>	\$40,907	\$42,252	\$45,056	\$45,710	\$47,156
% Change from previous Qtr.	0.0%	3.3%	6.6%	1.5%	3.2%
<b>Non-GAAP gross margin (2)</b>	\$56,335	\$56,547	\$57,961	\$59,467	\$61,135
% Change from previous Qtr.	0.9%	0.4%	2.5%	2.6%	2.8%
<b>Non-GAAP gross margin percentage (2)</b>	57.9%	57.2%	56.3%	56.5%	56.5%
<b>Selling, general and administrative expenses (3)</b>	\$26,708	\$25,987	\$24,740	\$24,737	\$27,472
% Change from previous Qtr.	6.6%	-2.7%	-4.8%	0.0%	11.1%
<b>Depreciation and amortization expense</b>	\$17,513	\$17,371	\$17,634	\$18,008	\$17,753
% Change from previous Qtr.	-0.2%	-0.8%	1.5%	2.1%	-1.4%

<b>Equity-based compensation expense</b>	\$3,141	\$3,098	\$2,704	\$2,571	\$2,181
% Change from previous Qtr.	4.7%	-1.4%	-12.7%	-4.9%	-15.2%
<b>Operating income</b>	\$10,487	\$10,810	\$15,519	\$16,174	\$15,675
% Change from previous Qtr.	-19.7%	3.1%	43.6%	4.2%	-3.1%
<b>Interest expense</b>	\$11,307	\$9,692	\$10,002	\$10,280	\$10,065
% Change from previous Qtr.	-7.2%	-14.3%	3.2%	2.8%	-2.1%
<b>Net income (loss)</b>	\$(1,585)	\$840	\$3,161	\$2,480	\$3,354
<b>Basic net income (loss) per common share</b>	\$(0.04)	\$0.02	\$0.07	\$0.06	\$0.08
<b>Diluted net income (loss) per common share</b>	\$(0.04)	\$0.02	\$0.07	\$0.06	\$0.08
<b>Weighted average common shares – basic</b>	45,158,250	44,774,831	44,474,724	44,323,131	44,402,640
% Change from previous Qtr.	-0.2%	-0.8%	-0.7%	-0.3%	0.2%
<b>Weighted average common shares – diluted</b>	45,158,250	45,054,507	44,702,127	44,558,089	44,571,937
% Change from previous Qtr.	-0.2%	-0.2%	-0.8%	-0.3%	0.0%
<b>EBITDA (4)</b>	\$29,627	\$30,560	\$33,221	\$34,730	\$33,663
% Change from previous Qtr.	-3.8%	3.1%	8.7%	4.5%	-3.1%
<b>EBITDA margin</b>	30.5%	30.9%	32.2%	33.0%	31.1%
Gains on asset related transactions	\$1,548	\$719	\$1,152	\$2,023	\$1,946
<b>EBITDA, as adjusted (4)</b>	\$31,175	\$31,279	\$34,373	\$36,753	\$35,609
% Change from previous Qtr.	-7.3%	0.3%	9.9%	6.9%	-3.1%
<b>EBITDA, as adjusted, margin</b>	32.1%	31.7%	33.4%	34.9%	32.9%
Fees – net neutrality	\$1,405	\$952	\$816	\$569	\$493

<b>Net cash provided by operating activities</b>	\$18,372	\$20,035	\$23,403	\$21,999	\$27,557
% Change from previous Qtr.	2.4%	9.1%	16.8%	-6.0%	25.3%
<b>Capital expenditures</b>	\$12,916	\$10,866	\$6,838	\$4,962	\$15,034
% Change from previous Qtr.	-0.8%	-15.9%	-37.1%	-27.4%	203.0%
<b>Principal payments on capital leases</b>	\$3,650	\$7,332	\$5,956	\$3,273	\$3,369
% Change from previous Qtr.	31.8%	100.9%	-18.8%	-45.0%	2.9%
<b>Dividends paid</b>	\$16,001	\$18,972	\$15,296	\$16,045	\$16,171
<b>Purchases of common stock</b>	\$8,119	\$19,106	\$12,169	\$ -	\$ -
<b>Gross Leverage Ratio</b>	4.42	4.50	4.57	4.55	4.39
<b>Net Leverage Ratio</b>	2.45	2.77	2.98	3.02	2.97
<b><u>Customer Connections – end of period</u></b>					
On-Net	40,732	42,002	43,364	45,473	47,252
% Change from previous Qtr.	2.4%	3.1%	3.2%	4.9%	3.9%
Off-Net	6,368	6,583	6,897	7,279	7,654
% Change from previous Qtr.	4.8%	3.4%	4.8%	5.5%	5.2%
Non-Core (1)	311	325	356	400	450
% Change from previous Qtr.	-14.1%	4.5%	9.5%	12.4%	12.5%
Total customer connections	47,411	48,910	50,617	53,152	55,356
% Change from previous Qtr.	2.6%	3.2%	3.5%	5.0%	4.1%
<b><u>On-Net Buildings – end of period</u></b>					
Multi-Tenant office buildings	1,488	1,510	1,523	1,541	1,545
Carrier neutral data center buildings	618	631	647	659	675
Cogent data centers	49	50	51	51	51
Total on-net buildings	2,155	2,191	2,221	2,251	2,271
Square feet – multi-tenant office buildings – on-net	804,760,238	818,039,601	823,712,433	831,585,875	834,341,216
<b><u>Network – end of period</u></b>					
Intercity route miles	59,161	55,191	56,079	56,079	56,183
Metro fiber miles	27,619	28,036	28,067	28,158	28,316

Connected networks – AS's	5,334	5,435	5,511	5,582	5,617
<b><u>Headcount – end of period</u></b>					
Sales force – quota bearing	343	358	363	378	398
Sales force - total	459	464	474	495	517
Total employees	785	799	808	828	855
<b>Sales rep productivity – units per full time equivalent sales rep (“FTE”) per month</b>	5.3	5.6	6.0	6.3	6.3
<b>FTE – sales reps</b>	326	330	337	351	373

- (1) Consists of legacy services of companies whose assets or businesses were acquired by Cogent, primarily including voice services (only provided in Toronto, Canada).
- (2) Network operations expense excludes equity-based compensation expense of \$172, \$160, \$126, \$126 and \$121 in the three month periods ended March 31, 2015 through March 31, 2016, respectively. Network operations expense includes excise taxes, including Universal Service Fund fees of \$53, \$57, \$1,757, \$1,729 and \$2,003 in the three month periods ended March 31, 2015 through March 31, 2016, respectively. Non-GAAP gross margin represents service revenue less network operations expense, excluding equity-based compensation and amounts shown separately (depreciation expense). Non-GAAP gross margin percentage is defined as non-GAAP gross margin divided by total service revenue. Management believes that gross margin is a relevant metric to provide investors, as it is a metric that management uses to measure the margin available to the company after network service costs, in essence a measure of the efficiency of the Company's network.
- (3) Excludes equity-based compensation expense of \$2,969, \$2,938, \$2,578, \$2,445 and \$2,060 in the three month periods ended March 31, 2015 through March 31, 2016, respectively.
- (4) See schedule of non-GAAP metrics below for definition and reconciliation to GAAP measures below.

### **Schedule of Non-GAAP Measures**

#### **EBITDA and EBITDA, as adjusted**

EBITDA represents net cash flows from operating activities plus changes in operating assets and liabilities, cash interest expense and income tax expense. Management believes the most directly comparable measure to EBITDA calculated in accordance with generally accepted accounting principles in the United States, or GAAP, is cash flows provided by operating activities. The Company also believes that EBITDA is a frequently used measure by securities analysts, investors, and other interested parties in their evaluation of issuers. EBITDA, as adjusted, represents EBITDA plus net gains (losses) on asset related transactions.

The Company believes EBITDA, and EBITDA, as adjusted, are useful measures of its ability to service debt, fund capital expenditures and expand its business. EBITDA, and EBITDA, as adjusted are an integral part of the internal reporting and planning system used by management as a supplement to GAAP financial information. EBITDA, and EBITDA, as adjusted are not recognized terms under GAAP and accordingly, should not be viewed in isolation or as a substitute for the analysis of results as reported under GAAP, but rather as a supplemental measure to GAAP. For example, these metrics are not intended to reflect the Company's free cash flow, as it does not consider certain current or future cash requirements, such as capital expenditures, contractual commitments, and changes in working capital needs, interest expenses and debt service requirements. The Company's calculations of these metrics may also differ from the calculations performed by its competitors and other companies and as such, its utility as a comparative measure is limited.

#### **COGENT COMMUNICATIONS HOLDINGS, INC., AND SUBSIDIARIES**

EBITDA, and EBITDA, as adjusted, are reconciled to cash flows provided by operating activities in the table below.

	<b><u>Q1</u></b> <b><u>2015</u></b>	<b><u>Q2</u></b> <b><u>2015</u></b>	<b><u>Q3</u></b> <b><u>2015</u></b>	<b><u>Q4</u></b> <b><u>2015</u></b>	<b><u>Q1</u></b> <b><u>2016</u></b>
<b>(\$ in 000's) – unaudited</b>					

Net cash flows provided by operating activities	\$18,372	\$20,035	\$23,403	\$21,999	\$27,557
Changes in operating assets and liabilities	(159)	1,245	(68)	3,047	(3,681)
Cash interest expense and income tax expense	<u>11,414</u>	<u>9,280</u>	<u>9,886</u>	<u>9,684</u>	<u>9,787</u>
<b>EBITDA</b>	<b>\$29,627</b>	<b>\$30,560</b>	<b>\$33,221</b>	<b>\$34,730</b>	<b>\$33,663</b>
PLUS: Gains on asset related transactions	<u>1,548</u>	<u>719</u>	<u>1,152</u>	<u>2,023</u>	<u>1,946</u>
<b>EBITDA, as adjusted</b>	<b>\$31,175</b>	<b>\$31,279</b>	<b>\$34,373</b>	<b>\$36,753</b>	<b>\$35,609</b>

**Impact of foreign currencies (“constant currency” impact) on change in sequential quarterly service revenue**

<b>(\$ in 000's) – unaudited</b>	<b>Q1 2016</b>
Service revenue, as reported – Q1 2016	\$108,291
Impact of foreign currencies on service revenue	<u>(10)</u>
Service revenue - Q1 2016, as adjusted (1)	<u>\$108,281</u>
Service revenue, as reported – Q4 2015	<u>\$105,177</u>
Constant currency increase from Q4 2015 to Q1 2016 - (Service revenue, as adjusted for Q1 2016 less service revenue, as reported for Q4 2015)	<u>\$3,104</u>
Percent increase (Constant currency increase from Q4 2015 to Q1 2016 divided by service revenue, as reported for Q4 2015)	<u>3.0%</u>

- (1) Service revenue, as adjusted, is determined by translating the service revenue for the three months ended March 31, 2016 at the average foreign currency exchange rates for the three months ended December 31, 2015. The Company believes that disclosing quarterly revenue growth without the impact of foreign currencies on service revenue is a useful measure of revenue growth. Service revenue, as adjusted, is an integral part of the internal reporting and planning system used by management as a supplement to GAAP financial information.

**Impact of foreign currencies (“constant currency” impact) on change in prior year quarterly service revenue**

<b>(\$ in 000's) – unaudited</b>	<b>Q1 2016</b>
Service revenue, as reported – Q1 2016	\$108,291
Impact of foreign currencies on service revenue	<u>855</u>
Service revenue - Q1 2016, as adjusted (2)	<u>\$109,146</u>
Service revenue, as reported – Q1 2015	<u>\$97,242</u>
Constant currency increase from Q1 2015 to Q1 2016 - (Service revenue, as adjusted for Q1 2016 less service revenue, as reported for Q1 2015)	<u>\$11,904</u>
Percent increase (Constant currency increase from Q1 2015 to Q1 2016 divided by service revenue, as reported for Q1 2015)	<u>12.2%</u>

- (2) Service revenue, as adjusted, is determined by translating the service revenue for the three months ended March 31, 2016 at the average foreign currency exchange rates for the three months ended March 31, 2015. The Company believes that disclosing quarterly revenue growth without the impact of foreign currencies on service revenue is a useful measure of revenue growth. Service revenue, as adjusted, is an integral part of the internal reporting and planning system used by management as a supplement to GAAP financial information.

**Gross and Net Leverage Ratios**

Cogent's Gross Leverage Ratio was 4.55 at December 31, 2015 and 4.39 at March 31, 2016 and Cogent's Net Leverage Ratio was 3.02 at December 31, 2015 and 2.97 at March 31, 2016 and as shown below.

<b>(\$ in 000's) – unaudited</b>	<b>As of December 31, 2015</b>	<b>As of March 31, 2016</b>
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Cash and cash equivalents	\$203,591	\$196,050
<b>Debt</b>		
Capital leases – current portion	6,247	5,584
Capital leases – long term	129,763	131,371
Senior unsecured notes	200,000	200,000
Senior secured notes	250,000	250,000
Note payable	21,203	19,020
Total debt	607,213	605,975
Total net debt	403,622	409,925
Trailing 12 months EBITDA, as adjusted	133,579	138,014
Gross Leverage Ratio	4.55	4.39
Net Leverage Ratio	3.02	2.97

Cogent's SEC filings are available online via the Investor Relations section of [www.cogentco.com](http://www.cogentco.com) or on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

**COGENT COMMUNICATIONS HOLDINGS, INC., AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF MARCH 31, 2016 AND DECEMBER 31, 2015**  
**(IN THOUSANDS, EXCEPT SHARE DATA)**

	March 31, 2016 (Unaudited)	December 31, 2015
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 196,050	\$ 203,591
Accounts receivable, net of allowance for doubtful accounts of \$1,241 and \$1,757, respectively	31,528	30,718
Prepaid expenses and other current assets	19,815	17,030
Total current assets	247,393	251,339
<b>Property and equipment, net</b>	366,482	360,136
<b>Deferred tax assets - noncurrent</b>	42,858	45,142
<b>Deposits and other assets - \$133 and \$355 restricted, respectively</b>	8,363	6,199
Total assets	<u>\$ 665,096</u>	<u>\$ 662,816</u>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 19,025	\$ 12,401
Accrued and other current liabilities	40,896	38,355
Installment payment agreement, current portion, net of discount of \$540 and \$678, respectively	13,406	11,901
Current maturities, capital lease obligations	5,584	6,247
Total current liabilities	78,911	68,904
<b>Senior secured 2022 notes, net of unamortized debt costs of \$1,209 and \$1,252, respectively</b>	248,791	248,748
<b>Senior unsecured 2021 notes, net of unamortized debt costs of \$3,171 and \$3,305, respectively</b>	196,829	196,695
<b>Capital lease obligations, net of current maturities</b>	131,371	129,763
<b>Other long term liabilities</b>	27,576	30,977
Total liabilities	<u>683,478</u>	<u>675,087</u>
<b>Commitments and contingencies:</b>		
<b>Stockholders' equity:</b>		
Common stock, \$0.001 par value; 75,000,000 shares authorized; 45,217,520 and 45,198,718 shares issued and outstanding, respectively	45	45
Additional paid-in capital	436,793	434,161
Accumulated other comprehensive income — foreign currency translation	(10,619)	(14,693)
Accumulated deficit	(444,601)	(431,784)
Total stockholders' deficit	(18,382)	(12,271)
<b>Total liabilities and stockholders' deficit</b>	<u>\$ 665,096</u>	<u>\$ 662,816</u>

**COGENT COMMUNICATIONS HOLDINGS, INC., AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND MARCH 31, 2015**  
**(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)**

	<u>Three Months Ended March 31, 2016 (Unaudited)</u>	<u>Three Months Ended March 31, 2015 (Unaudited)</u>
<b>Service revenue</b>	\$ 108,291	\$ 97,242
<b>Operating expenses:</b>		
Network operations (including \$121 and \$172 of equity-based compensation expense, respectively, exclusive of depreciation and amortization shown separately below)	47,277	41,079
Selling, general, and administrative (including \$2,060 and \$2,969 of equity-based compensation expense, respectively)	29,532	29,677
Depreciation and amortization	<u>17,753</u>	<u>17,513</u>
Total operating expenses	94,562	88,269
<b>Gain on capital lease termination</b>	—	10,110
<b>Gains on equipment transactions</b>	1,946	1,548
<b>Loss on debt extinguishment and redemption</b>	<u>—</u>	<u>(10,144)</u>
<b>Operating income</b>	15,675	10,487
<b>Interest income and other, net</b>	133	97
<b>Interest expense</b>	<u>(10,065)</u>	<u>(11,307)</u>
<b>Income (loss) before income taxes</b>	5,743	(723)
<b>Income tax provision</b>	<u>(2,389)</u>	<u>(862)</u>
<b>Net income (loss)</b>	<u>\$ 3,354</u>	<u>\$ (1,585)</u>
<b>Comprehensive income (loss):</b>		
Net income (loss)	\$ 3,354	\$ (1,585)
Foreign currency translation adjustment	4,074	(7,396)
<b>Comprehensive income (loss)</b>	<u>\$ 7,428</u>	<u>\$ (8,981)</u>
<b>Net income (loss) per common share:</b>		
<b>Basic and diluted net income (loss) per common share</b>	\$ 0.08	\$ (0.04)
<b>Dividends declared per common share</b>	\$ 0.36	\$ 0.35
<b>Weighted-average common shares - basic</b>	44,402,640	45,158,250
<b>Weighted-average common shares - diluted</b>	44,571,937	45,158,250

**COGENT COMMUNICATIONS HOLDINGS, INC., AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND MARCH 31, 2015**  
**(IN THOUSANDS)**

	<b>Three months Ended March 31, 2016 (Unaudited)</b>	<b>Three months Ended March 31, 2015 (Unaudited)</b>
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 3,354	\$ (1,585)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	17,753	17,513
Amortization of debt discount and premium	216	(164)
Equity-based compensation expense (net of amounts capitalized)	2,181	3,141
Loss on debt extinguishment and redemption	—	10,144
Gain on capital lease termination	—	(10,110)
Gains — equipment transactions and other, net	(2,186)	(1,022)
Deferred income taxes	2,323	822
Changes in operating assets and liabilities:		
Accounts receivable	(387)	2,123
Prepaid expenses and other current assets	(2,217)	(4,550)
Accounts payable, accrued liabilities and other long-term liabilities	8,379	2,088
Deposits and other assets	(1,859)	(28)
Net cash provided by operating activities	<u>27,557</u>	<u>18,372</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(15,034)	(12,916)
Net cash used in investing activities	<u>(15,034)</u>	<u>(12,916)</u>
<b>Cash flows from financing activities:</b>		
Dividends paid	(16,171)	(16,001)
Purchases of common stock	—	(8,119)
Net proceeds from issuance of senior secured 2022 notes	—	248,659
Redemption of senior secured 2018 notes	—	(251,280)
Proceeds from exercises of stock options	206	130
Principal payments on installment payment agreement	(2,184)	—
Principal payments of capital lease obligations	(3,369)	(3,650)
Net cash used in financing activities	<u>(21,518)</u>	<u>(30,261)</u>
<b>Effect of exchange rates changes on cash</b>	<u>1,454</u>	<u>(2,935)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(7,541)</u>	<u>(27,740)</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>203,591</u>	<u>287,790</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 196,050</u>	<u>\$ 260,050</u>

*Except for historical information and discussion contained herein, statements contained in this release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to statements identified by words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “targets,” “projects” and similar expressions. The statements in this release are based upon the current beliefs and expectations of Cogent’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Numerous factors could cause or contribute to such differences, including future economic instability in the global economy or a contraction of the capital markets which could affect spending on Internet services and our ability to engage in financing activities; the impact of changing foreign exchange rates (in particular the Euro to USD and Canadian dollar to USD*

*exchange rates) on the translation of our non-USD denominated revenues, expenses, assets and liabilities; legal and operational difficulties in new markets; the imposition of a requirement that we contribute to the U.S. Universal Service Fund and similar funds in other countries; changes in government policy and/or regulation, including net neutrality rules by the United States Federal Communications Commission and in the area of data protection; increasing competition leading to lower prices for our services; our ability to attract new customers and to increase and maintain the volume of traffic on our network; the ability to maintain our Internet peering arrangements on favorable terms; our reliance on an equipment vendor, Cisco Systems Inc., and the potential for hardware or software problems associated with such equipment; the dependence of our network on the quality and dependability of third-party fiber providers; our ability to retain certain customers that comprise a significant portion of our revenue base; the management of network failures and/or disruptions; and outcomes in litigation as well as other risks discussed from time to time in our filings with the Securities and Exchange Commission, including, without limitation, our report on Form 10-Q for the quarter ended March 31, 2016 to be filed with the Securities and Exchange Commission. Cogent undertakes no duty to update any forward-looking statement or any information contained in this press release or in other public disclosures at any time.*

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