

Supplemental Financial Information

Fourth Quarter 2018

TSX: RCI | NYSE: RCI



Rogers Communications Inc.
Consolidated Financial Results
(unaudited)

	2018					2017 ¹				
(In millions of dollars, except per share amounts)	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Revenue										
Wireless	9,200	2,464	2,331	2,214	2,191	8,569	2,288	2,203	2,076	2,002
Cable ²	3,932	989	983	991	969	3,894	981	977	976	960
Media	2,168	540	488	608	532	2,153	526	516	637	474
Corporate items and intercompany eliminations ²	(204)	(55)	(33)	(57)	(59)	(247)	(64)	(50)	(69)	(64)
Revenue	15,096	3,938	3,769	3,756	3,633	14,369	3,731	3,646	3,620	3,372
Total service revenue ³	12,974	3,276	3,271	3,300	3,127	12,550	3,164	3,196	3,221	2,969
Adjusted EBITDA ⁴										
Wireless	4,090	1,028	1,099	1,029	934	3,726	965	1,017	915	829
Cable ²	1,874	489	490	462	433	1,819	477	471	455	416
Media	196	40	73	60	23	127	37	61	59	(30)
Corporate items and intercompany eliminations ²	(177)	(36)	(42)	(47)	(52)	(170)	(43)	(46)	(40)	(41)
Adjusted EBITDA	5,983	1,521	1,620	1,504	1,338	5,502	1,436	1,503	1,389	1,174
Deduct (add):										
Depreciation and amortization	2,211	564	558	545	544	2,142	531	531	535	545
Gain on disposition of property, plant and equipment	(16)	—	(5)	—	(11)	(49)	—	—	(49)	—
Restructuring, acquisition and other	210	94	47	26	43	152	31	59	34	28
Finance costs	793	205	176	193	219	746	184	183	189	190
Other (income) expense	(32)	(26)	15	2	(23)	(19)	3	20	(31)	(11)
Net income before income tax expense	2,817	684	829	738	566	2,530	687	710	711	422
Income tax expense	758	182	235	200	141	685	188	202	183	112
Net income	2,059	502	594	538	425	1,845	499	508	528	310
Earnings per share:										
Basic	\$4.00	\$0.97	\$1.15	\$1.04	\$0.83	\$3.58	\$0.97	\$0.99	\$1.03	\$0.60
Diluted	\$3.99	\$0.97	\$1.15	\$1.04	\$0.80	\$3.57	\$0.97	\$0.98	\$1.02	\$0.60
Net income	2,059	502	594	538	425	1,845	499	508	528	310
Add (deduct):										
Restructuring, acquisition and other	210	94	47	26	43	152	31	59	34	28
Loss on bond forward derivatives	21	21	—	—	—	—	—	—	—	—
Loss on repayment of long-term debt	28	—	—	—	28	—	—	—	—	—
Gain on disposition of property, plant and equipment	(16)	—	(5)	—	(11)	(49)	—	—	(49)	—
Recovery on wind down of shomi	—	—	—	—	—	(20)	—	—	(20)	—
Income tax impact of above items	(61)	(32)	(11)	(10)	(8)	(28)	(7)	(16)	3	(8)
Income tax adjustment, legislative tax change	—	—	—	—	—	2	2	—	—	—
Adjusted net income ⁴	2,241	585	625	554	477	1,902	525	551	496	330
Adjusted earnings per share ⁴ :										
Basic	\$4.35	\$1.14	\$1.21	\$1.08	\$0.93	\$3.69	\$1.02	\$1.07	\$0.96	\$0.64
Diluted	\$4.34	\$1.13	\$1.21	\$1.07	\$0.90	\$3.68	\$1.02	\$1.07	\$0.96	\$0.64

¹ 2017 reported figures have been restated applying the new revenue recognition standard, IFRS 15. See "Critical Accounting Policies and Estimates" in our Fourth Quarter 2018 Earnings Press Release.

² Effective January 1, 2018 and on a retrospective basis, we realigned our reportable segments and related financial results. As a result, certain figures have been retrospectively amended. See "Reportable Segments" in our Fourth Quarter 2018 Earnings Press Release.

³ See "Key Performance Indicators".

⁴ Adjusted EBITDA, adjusted net income, and adjusted basic and diluted earnings per share are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. These measures have been retrospectively amended to incorporate stock-based compensation when comparing to previously reported figures. See "Reportable Segments" in our Fourth Quarter 2018 Earnings Press Release and "Non-GAAP Measures".

Rogers Communications Inc.
Prior Accounting Basis ¹
(unaudited)

Consolidated Financial Results (In millions of dollars, except per share amounts)	2018					2017				
	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Revenue	14,692	3,741	3,686	3,725	3,540	14,143	3,632	3,581	3,592	3,338
Total service revenue ²	14,135	3,573	3,561	3,591	3,410	13,560	3,430	3,450	3,466	3,214
Adjusted EBITDA ³	5,620	1,325	1,543	1,471	1,281	5,318	1,326	1,448	1,391	1,153
Deduct (add):										
Depreciation and amortization	2,211	564	558	545	544	2,142	531	531	535	545
Gain on disposition of property, plant and equipment	(16)	—	(5)	—	(11)	(49)	—	—	(49)	—
Restructuring, acquisition and other	210	94	47	26	43	152	31	59	34	28
Finance costs	793	205	176	193	219	746	184	183	189	190
Other (income) expense	(32)	(26)	15	2	(23)	(19)	3	20	(31)	(11)
Net income before income tax expense	2,454	488	752	705	509	2,346	577	655	713	401
Income tax expense	661	131	213	191	126	635	158	188	182	107
Net income	1,793	357	539	514	383	1,711	419	467	531	294
Adjusted net income ³	1,975	440	570	530	435	1,768	445	510	499	314

¹ Amounts calculated on a basis consistent with our previous revenue recognition accounting policies prior to adopting IFRS 15. Prior accounting basis is a non-GAAP measure, is not a defined term under IFRS, and does not have a standard meaning, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" in this document for more information.

² See "Key Performance Indicators".

³ Adjusted EBITDA and adjusted net income are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. These measures have been retrospectively amended to incorporate stock-based compensation when comparing to previously reported figures. See "Reportable Segments" and "Non-GAAP Measures" in our Fourth Quarter 2018 Earnings Press Release.

Rogers Communications Inc.
Additional Information
(unaudited)

	2018					2017 ¹				
(In millions of dollars, except capital intensity and per share amounts)	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Capital expenditures										
Wireless	1,086	309	277	240	260	806	269	219	158	160
Cable ²	1,429	422	358	352	297	1,334	430	353	285	266
Media	90	43	18	14	15	83	39	18	13	13
Corporate ²	210	59	52	51	48	287	103	68	69	47
Capital expenditures before proceeds on disposition	2,815	833	705	657	620	2,510	841	658	525	486
Proceeds on disposition	(25)	(5)	(5)	—	(15)	(74)	—	—	(74)	—
Capital expenditures ³	2,790	828	700	657	605	2,436	841	658	451	486
Capital intensity ⁴										
Wireless	11.8%	12.5%	11.9%	10.8%	11.9%	9.4%	11.8%	9.9%	7.6%	8.0%
Cable ²	36.3%	42.7%	36.4%	35.5%	30.7%	34.3%	43.8%	36.2%	29.2%	27.7%
Media	4.2%	8.0%	3.7%	2.3%	2.8%	3.9%	7.4%	3.5%	2.0%	2.7%
Consolidated ²	18.5%	21.0%	18.6%	17.5%	16.7%	17.0%	22.5%	18.0%	12.5%	14.4%
Adjusted EBITDA ⁵	5,983	1,521	1,620	1,504	1,338	5,502	1,436	1,503	1,389	1,174
Deduct (add):										
Capital expenditures	2,790	828	700	657	605	2,436	841	658	451	486
Interest on borrowings, net of capitalized interest	689	168	168	171	182	722	179	180	181	182
Net change in contract asset and deferred commission cost asset balances	363	196	77	33	57	184	110	55	(2)	21
Cash income taxes paid	370	54	125	81	110	475	76	87	152	160
Free cash flow ⁵	1,771	275	550	562	384	1,685	230	523	607	325
Dividends declared	988	247	247	247	247	988	247	247	247	247
Dividends per share	\$1.92	\$0.48	\$0.48	\$0.48	\$0.48	\$1.92	\$0.48	\$0.48	\$0.48	\$0.48

¹ 2017 reported figures have been restated applying the new revenue recognition standard, IFRS 15. See "Critical Accounting Policies and Estimates" in our Fourth Quarter 2018 Earnings Press Release.

² Effective January 1, 2018 and on a retrospective basis, we realigned our reportable segments and related financial results. As a result, certain figures have been retrospectively amended. See "Reportable Segments" in our Fourth Quarter 2018 Earnings Press Release.

³ Includes additions to property plant and equipment net of proceeds on disposition, but does not include expenditures for spectrum licences.

⁴ See "Key Performance Indicators".

⁵ Adjusted EBITDA and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

Rogers Communications Inc.

Free Cash Flow

(unaudited)

(In millions of dollars)	2018					2017 ¹				
	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Cash provided by operating activities	4,288	1,051	1,304	1,048	885	3,938	1,142	1,377	823	596
Add (deduct):										
Capital expenditures	(2,790)	(828)	(700)	(657)	(605)	(2,436)	(841)	(658)	(451)	(486)
Interest on borrowings, net of capitalized interest	(689)	(168)	(168)	(171)	(182)	(722)	(179)	(180)	(181)	(182)
Restructuring, acquisition and other	210	94	47	26	43	152	31	59	34	28
Interest paid	726	151	192	145	238	735	125	239	133	238
Program rights amortization	(58)	(19)	(9)	(16)	(14)	(64)	(15)	(13)	(16)	(20)
Change in non-cash operating working capital items	114	42	(77)	128	21	164	17	(251)	223	175
Other adjustments	(30)	(48)	(39)	59	(2)	(82)	(50)	(50)	42	(24)
Free cash flow ²	1,771	275	550	562	384	1,685	230	523	607	325

¹ 2017 free cash flow has been retrospectively amended to include stock-based compensation. See "Reportable Segments" in our Fourth Quarter 2018 Earnings Press Release.

² Free cash flow is a non-GAAP measure and should not be considered as a substitute or alternative for GAAP measures. It is not a defined term under IFRS and does not have a standard meaning, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about this measure, including how we calculate it.

Rogers Communications Inc.

Adjusted Net Debt

(unaudited)

(In millions of dollars, except ratios)	2018				2017			
	Q4'18	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17
Current portion of long-term debt	900	400	400	2,205	1,756	1,747	—	500
Long-term debt	13,390	13,465	13,600	13,432	12,692	12,655	14,927	15,434
Deferred transaction costs and discounts	114	117	117	120	107	110	114	117
	14,404	13,982	14,117	15,757	14,555	14,512	15,041	16,051
Add (deduct):								
Net debt derivative assets	(1,373)	(785)	(975)	(1,200)	(1,129)	(1,196)	(1,378)	(1,555)
Credit risk adjustment related to net debt derivative assets	(75)	(26)	(31)	(19)	(17)	(22)	(31)	(41)
Short-term borrowings	2,255	1,903	2,176	747	1,585	1,738	1,988	1,136
(Cash and cash equivalents) bank advances	(405)	(57)	11	49	6	35	74	49
Adjusted net debt ¹	14,806	15,017	15,298	15,334	15,000	15,067	15,694	15,640
Divided by: trailing 12-month adjusted EBITDA ²	5,983	5,898	5,781	5,666	5,502	n/a	n/a	n/a
Debt leverage ratio ^{1,2}	2.5	2.5	2.6	2.7	2.7	n/a	n/a	n/a

n/a - not applicable

¹ Adjusted net debt and debt leverage ratio are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

² We have not restated metrics prior to January 1, 2017 in accordance with IFRS 15. As a result, trailing 12-month adjusted EBITDA and debt leverage ratio have not been restated prior to Q4 2017.

Rogers Communications Inc.
Consolidated Statements of Financial Position
(unaudited)

	2018				2017 ¹			
(In millions of dollars)	Q4'18	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17
ASSETS								
Current assets:								
Cash and cash equivalents	405	57	—	—	—	—	—	—
Accounts receivable	2,259	2,085	2,071	1,900	2,035	1,807	1,875	1,731
Inventories	466	383	390	356	435	349	412	433
Current portion of contract assets	1,052	944	884	861	820	776	752	735
Other current assets	436	456	468	435	414	450	496	528
Current portion of derivative instruments	270	131	145	442	421	423	101	118
Total current assets	4,888	4,056	3,958	3,994	4,125	3,805	3,636	3,545
Property, plant and equipment	11,780	11,506	11,350	11,227	11,143	10,821	10,678	10,704
Intangible assets	7,205	7,203	7,203	7,222	7,244	7,270	7,290	7,111
Investments	2,134	2,124	2,156	2,277	2,561	2,569	2,385	2,243
Derivative instruments	1,339	921	1,058	972	953	988	1,484	1,605
Contract assets	535	457	443	441	413	362	354	366
Other long-term assets	132	133	132	135	143	146	145	151
Deferred tax assets	—	3	3	3	3	6	7	7
Goodwill	3,905	3,905	3,905	3,905	3,905	3,905	3,905	3,905
Total assets	31,918	30,308	30,208	30,176	30,490	29,872	29,884	29,637
LIABILITIES AND SHAREHOLDERS' EQUITY								
Current liabilities:								
Bank advances	—	—	11	49	6	35	74	49
Short-term borrowings	2,255	1,903	2,176	747	1,585	1,738	1,988	1,136
Accounts payable and accrued liabilities	3,052	2,751	2,651	2,516	2,931	2,589	2,364	2,345
Income tax payable	177	170	194	147	62	95	105	134
Other current liabilities	132	126	128	110	132	122	194	248
Contract liabilities	233	196	274	329	278	207	301	385
Current portion of long-term debt	900	400	400	2,205	1,756	1,747	—	500
Current portion of derivative instruments	87	68	74	85	133	84	107	26
Total current liabilities	6,836	5,614	5,908	6,188	6,883	6,617	5,133	4,823
Provisions	35	35	36	36	35	33	33	33
Long-term debt	13,390	13,465	13,600	13,432	12,692	12,655	14,927	15,434
Derivative instruments	22	128	102	136	147	160	153	154
Other long-term liabilities	546	564	525	599	613	540	490	541
Deferred tax liabilities	2,910	2,713	2,592	2,517	2,624	2,508	2,350	2,279
Total liabilities	23,739	22,519	22,763	22,908	22,994	22,513	23,086	23,264
Shareholders' equity	8,179	7,789	7,445	7,268	7,496	7,359	6,798	6,373
Total liabilities and shareholders' equity	31,918	30,308	30,208	30,176	30,490	29,872	29,884	29,637

¹ 2017 reported figures have been restated applying the new revenue recognition standard, IFRS 15. See "Critical Accounting Policies and Estimates" in our Fourth Quarter 2018 Earnings Press Release.

Rogers Communications Inc.
Consolidated Statements of Cash Flows
(unaudited)

(In millions of dollars)	2018					2017 ¹				
	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Cash provided by (used in):										
Operating activities:										
Net income for the period	2,059	502	594	538	425	1,845	499	508	528	310
Adjustments to reconcile net income to cash provided by operating activities:										
Depreciation and amortization	2,211	564	558	545	544	2,142	531	531	535	545
Program rights amortization	58	19	9	16	14	64	15	13	16	20
Finance costs	793	205	176	193	219	746	184	183	189	190
Income tax expense	758	182	235	200	141	685	188	202	183	112
Post-employment benefits contributions, net of expense	(44)	(6)	31	(86)	17	4	28	35	(65)	6
Gain on disposition of property, plant and equipment	(16)	—	(5)	—	(11)	(49)	—	—	(49)	—
Recovery on wind down of shomi	—	—	—	—	—	(20)	—	—	(20)	—
Net change in contract asset balances	(354)	(186)	(74)	(25)	(69)	(156)	(95)	(32)	(5)	(24)
Other	33	18	20	21	(26)	51	10	12	19	10
	5,498	1,298	1,544	1,402	1,254	5,312	1,360	1,452	1,331	1,169
Change in non-cash operating working capital items	(114)	(42)	77	(128)	(21)	(164)	(17)	251	(223)	(175)
	5,384	1,256	1,621	1,274	1,233	5,148	1,343	1,703	1,108	994
Income taxes paid	(370)	(54)	(125)	(81)	(110)	(475)	(76)	(87)	(152)	(160)
Interest paid	(726)	(151)	(192)	(145)	(238)	(735)	(125)	(239)	(133)	(238)
Cash provided by operating activities	4,288	1,051	1,304	1,048	885	3,938	1,142	1,377	823	596
Investing activities:										
Capital expenditures	(2,790)	(828)	(700)	(657)	(605)	(2,436)	(841)	(658)	(451)	(486)
Additions to program rights	(54)	(26)	(16)	(6)	(6)	(59)	(21)	(5)	(19)	(14)
Changes in non-cash working capital related to capital expenditures and intangible assets	(125)	107	(37)	(57)	(138)	109	101	96	(7)	(81)
Acquisitions and strategic transactions, net of cash acquired	—	—	—	—	—	(184)	—	—	(184)	—
Other	25	9	5	1	10	(60)	21	(29)	(26)	(26)
Cash used in investing activities	(2,944)	(738)	(748)	(719)	(739)	(2,630)	(740)	(596)	(687)	(607)
Financing activities:										
Net proceeds received (repayment) on short-term borrowings	508	256	(255)	1,355	(848)	858	(163)	(204)	889	336
Net (repayment) issuance of long-term debt	(823)	—	—	(1,761)	938	(1,034)	(3)	(183)	(795)	(53)
Net proceeds (payments) on settlement of debt derivatives and forward contracts	388	26	16	362	(16)	(79)	40	(108)	(8)	(3)
Transaction costs incurred	(18)	—	(2)	—	(16)	—	—	—	—	—
Dividends paid	(988)	(247)	(247)	(247)	(247)	(988)	(247)	(247)	(247)	(247)
Cash (used in) provided by financing activities	(933)	35	(488)	(291)	(189)	(1,243)	(373)	(742)	(161)	33
Change in cash and cash equivalents	411	348	68	38	(43)	65	29	39	(25)	22
(Bank advances) cash and cash equivalents, beginning of period	(6)	57	(11)	(49)	(6)	(71)	(35)	(74)	(49)	(71)
Cash and cash equivalents (bank advances), end of period	405	405	57	(11)	(49)	(6)	(6)	(35)	(74)	(49)

¹ 2017 reported figures have been restated applying the new revenue recognition standard, IFRS 15. See "Critical Accounting Policies and Estimates" in our Fourth Quarter 2018 Earnings Press Release.

Rogers Communications Inc.
Wireless
(unaudited)

(In millions of dollars, except margins)	2018					2017 ¹				
	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Revenue										
Service revenue	7,091	1,806	1,837	1,761	1,687	6,765	1,724	1,757	1,680	1,604
Equipment revenue	2,109	658	494	453	504	1,804	564	446	396	398
Revenue	9,200	2,464	2,331	2,214	2,191	8,569	2,288	2,203	2,076	2,002
Operating expenses										
Cost of equipment	2,264	695	520	488	561	2,002	622	482	451	447
Other operating expenses ²	2,846	741	712	697	696	2,841	701	704	710	726
Operating expenses	5,110	1,436	1,232	1,185	1,257	4,843	1,323	1,186	1,161	1,173
Adjusted EBITDA	4,090	1,028	1,099	1,029	934	3,726	965	1,017	915	829
Adjusted EBITDA margin	44.5%	41.7%	47.1%	46.5%	42.6%	43.5%	42.2%	46.2%	44.1%	41.4%
Capital expenditures	1,086	309	277	240	260	806	269	219	158	160
Wireless Subscriber Results ³										
(In thousands, except churn, blended ABPU, and blended ARPU)										
Postpaid										
Gross additions	1,632	448	418	389	377	1,599	456	434	366	343
Net additions	453	112	124	122	95	354	72	129	93	60
Total postpaid subscribers ⁴	9,157	9,157	9,045	8,921	8,799	8,704	8,704	8,839	8,710	8,617
Churn (monthly)	1.10%	1.23%	1.09%	1.01%	1.08%	1.20%	1.48%	1.16%	1.05%	1.10%
Prepaid										
Gross additions	751	157	240	191	163	782	165	254	213	150
Net (losses) additions	(152)	(139)	60	(13)	(60)	61	(8)	97	14	(42)
Total prepaid subscribers ⁴	1,626	1,626	1,765	1,705	1,718	1,778	1,778	1,786	1,689	1,675
Churn (monthly)	4.38%	5.85%	3.48%	3.98%	4.24%	3.48%	3.22%	3.04%	3.96%	3.74%
Blended ABPU (monthly)	\$64.74	\$65.12	\$66.20	\$64.80	\$62.67	\$62.31	\$63.46	\$63.78	\$62.13	\$59.96
Blended ARPU (monthly) ³	\$55.64	\$55.91	\$57.21	\$55.60	\$53.68	\$54.23	\$54.95	\$55.81	\$54.21	\$52.03

¹ 2017 reported figures have been restated applying the new revenue recognition standard, IFRS 15. See "Critical Accounting Policies and Estimates" in our Fourth Quarter 2018 Earnings Press Release.

² Other operating expenses for 2017 have been retrospectively amended to include stock-based compensation. See "Reportable Segments" in our Fourth Quarter 2018 Earnings Press Release.

³ Subscriber counts, subscriber churn, and blended ARPU are key performance indicators. See "Key Performance Indicators".

⁴ As at end of period.

(In millions of dollars, except margins)	2018					2017				
	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Revenue										
Service revenue	8,251	2,102	2,127	2,052	1,970	7,775	1,990	2,011	1,925	1,849
Equipment revenue	544	164	121	131	128	568	199	127	123	119
Revenue	8,795	2,266	2,248	2,183	2,098	8,343	2,189	2,138	2,048	1,968
Operating expenses										
Cost of equipment	2,308	715	532	511	550	2,033	648	483	446	456
Other operating expenses ²	2,761	720	694	676	671	2,768	686	693	685	704
Operating expenses	5,069	1,435	1,226	1,187	1,221	4,801	1,334	1,176	1,131	1,160
Adjusted EBITDA	3,726	831	1,022	996	877	3,542	855	962	917	808
Adjusted EBITDA margin ³	45.2%	39.5%	48.0%	48.5%	44.5%	45.6%	43.0%	47.8%	47.6%	43.7%

¹ Amounts calculated on a basis consistent with our previous revenue recognition accounting policies prior to adopting IFRS 15. Prior accounting basis is a non-GAAP measure, is not a defined term under IFRS, and does not have a standard meaning, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" in this document for more information.

² Other operating expenses for 2017 have been retrospectively amended to include stock-based compensation. See "Reportable Segments" in our Fourth Quarter 2018 Earnings Press Release.

³ Under the prior accounting basis, adjusted EBITDA margin is calculated using Wireless service revenue.

Rogers Communications Inc.
Cable
(unaudited)

(In millions of dollars, except margins)	2018					2017 ¹				
	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Revenue										
Internet	2,114	536	534	538	506	1,967	508	495	490	474
Television	1,442	363	357	357	365	1,501	372	377	377	375
Phone	363	86	88	93	96	411	98	101	106	106
Service revenue	3,919	985	979	988	967	3,879	978	973	973	955
Equipment revenue	13	4	4	3	2	15	3	4	3	5
Revenue	3,932	989	983	991	969	3,894	981	977	976	960
Operating expenses										
Cost of equipment	21	6	6	4	5	20	5	5	6	4
Other operating expenses ²	2,037	494	487	525	531	2,055	499	501	515	540
Operating expenses	2,058	500	493	529	536	2,075	504	506	521	544
Adjusted EBITDA	1,874	489	490	462	433	1,819	477	471	455	416
Adjusted EBITDA margin	47.7%	49.4%	49.8%	46.6%	44.7%	46.7%	48.6%	48.2%	46.6%	43.3%
Capital expenditures	1,429	422	358	352	297	1,334	430	353	285	266
Subscriber Results ³										
(In thousands)										
Internet ⁴										
Net additions	109	25	35	23	26	95	20	29	13	33
Total Internet subscribers ⁵	2,430	2,430	2,405	2,370	2,347	2,321	2,321	2,301	2,272	2,259
Television										
Net losses	(55)	(16)	(18)	(9)	(12)	(80)	(13)	(18)	(25)	(24)
Total Television subscribers ⁵	1,685	1,685	1,701	1,719	1,728	1,740	1,740	1,753	1,771	1,796
Phone										
Net additions (losses)	8	(4)	—	3	9	14	9	1	2	2
Total Phone subscribers ⁵	1,116	1,116	1,120	1,120	1,117	1,108	1,108	1,099	1,098	1,096
Homes passed ⁵	4,361	4,361	4,354	4,344	4,327	4,307	4,307	4,288	4,269	4,255
Total service units ⁶										
Net additions (losses)	62	5	17	17	23	29	16	12	(10)	11
Total service units ⁵	5,231	5,231	5,226	5,209	5,192	5,169	5,169	5,153	5,141	5,151

¹ Effective January 1, 2018 and on a retrospective basis, we realigned our reportable segments and related financial results. See "Reporting Segments" in our Fourth Quarter 2018 Earnings Press Release.

² Other operating expenses for 2017 have been retrospectively amended to include stock-based compensation. See "Reporting Segments" in our Fourth Quarter 2018 Earnings Press Release.

³ Subscriber counts are key performance indicators. See "Key Performance Indicators".

⁴ Effective January 1, 2018, and on a retrospective basis our Internet subscriber results include Smart Home Monitoring subscribers.

⁵ As at end of period.

⁶ Includes Internet, Television, and Phone subscribers.

Rogers Communications Inc.

Media

(unaudited)

(In millions of dollars, except margins)	2018					2017				
	Annual	Q4'18	Q3'18	Q2'18	Q1'18	Annual	Q4'17	Q3'17	Q2'17	Q1'17
Revenue	2,168	540	488	608	532	2,153	526	516	637	474
Operating expenses ¹	1,972	500	415	548	509	2,026	489	455	578	504
Adjusted EBITDA	196	40	73	60	23	127	37	61	59	(30)
Adjusted EBITDA margin	9.0%	7.4%	15.0%	9.9%	4.3%	5.9%	7.0%	11.8%	9.3%	(6.3%)
Capital expenditures	90	43	18	14	15	83	39	18	13	13

¹ Operating expenses for 2017 have been retrospectively amended to include stock-based compensation. See "Reportable Segments" in our Fourth Quarter 2018 Earnings Press Release.

Key Performance Indicators

We measure the success of our strategy using a number of key performance indicators that are defined and discussed in our 2017 Annual MD&A and our Fourth Quarter 2018 Earnings Press Release. We believe these key performance indicators allow us to appropriately measure our performance against our operating strategy as well as against the results of our peers and competitors. The following key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS. They include:

- subscriber counts;
 - Wireless;
 - Cable; and
 - homes passed (Cable);
- subscriber churn (churn);
- blended average billings per user (ABPU);
- blended average revenue per user (ARPU);
- capital intensity; and
- total service revenue.

Non-GAAP Measures

We use the following non-GAAP measures. These are reviewed regularly by management and our Board in assessing our performance and making decisions regarding the ongoing operations of our business and its ability to generate cash flows. Some or all of these measures may also be used by investors, lending institutions, and credit rating agencies as indicators of our operating performance, of our ability to incur and service debt, and as measurements to value companies in the telecommunications sector. These are not recognized measures under GAAP and do not have standard meanings under IFRS, so may not be reliable ways to compare us to other companies.

Non-GAAP measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted EBITDA Adjusted EBITDA margin	<ul style="list-style-type: none"> To evaluate the performance of our businesses, and when making decisions about the ongoing operations of the business and our ability to generate cash flows. We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and to meet other payment obligations. We also use it as one component in determining short-term incentive compensation for all management employees. 	<p>Adjusted EBITDA: Net income add (deduct) income tax expense (recovery); finance costs; depreciation and amortization; other expense (income); restructuring, acquisition and other; and loss (gain) on disposition of property, plant and equipment.</p> <p>Adjusted EBITDA margin: Adjusted EBITDA divided by revenue.</p>	Net income
Adjusted net income Adjusted basic and diluted earnings per share	<ul style="list-style-type: none"> To assess the performance of our businesses before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply that they are non-recurring. 	<p>Adjusted net income: Net income add (deduct) restructuring, acquisition and other; loss (recovery) on sale or wind down of investments; loss (gain) on disposition of property, plant and equipment; (gain) on acquisitions; loss on non-controlling interest purchase obligations; loss on repayment of long-term debt; and income tax adjustments on these items, including adjustments as a result of legislative changes.</p> <p>Adjusted basic and diluted earnings per share: Adjusted net income divided by basic and diluted weighted average shares outstanding.</p>	Net income Basic and diluted earnings per share
Free cash flow	<ul style="list-style-type: none"> To show how much cash we have available to repay debt and reinvest in our company, which is an important indicator of our financial strength and performance. We believe that some investors and analysts use free cash flow to value a business and its underlying assets. 	Adjusted EBITDA deduct capital expenditures; interest on borrowings net of capitalized interest; net change in contract asset and deferred commission cost asset balances; and cash income taxes.	Cash provided by operating activities
Adjusted net debt	<ul style="list-style-type: none"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	Total long-term debt add (deduct) current portion of long-term debt; deferred transaction costs and discounts; net debt derivative (assets) liabilities; credit risk adjustment related to net debt derivatives; bank advances (cash and cash equivalents); and short-term borrowings.	Long-term debt
Debt leverage ratio	<ul style="list-style-type: none"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	Adjusted net debt (defined above) divided by 12-month trailing adjusted EBITDA (defined above).	Long-term debt divided by net income

Effective January 1, 2018, we adopted IFRS 15, Revenue from contracts with customers (IFRS 15), which had a significant effect on our reported results in our Wireless segment. We have presented certain figures on a "prior accounting basis". We have provided these figures to assist users in understanding the differences between our GAAP reporting under IFRS 15 and our results applying our previous accounting policies prior to adoption of IFRS 15 (the "prior accounting basis" results). Prior accounting basis is not a defined term under IFRS and does not have a standard meaning, so may not be a reliable way to compare us to other companies. These results are calculated under the assumption that we were not required to adopt IFRS 15 and we had continued reporting under previous IFRS. These former revenue recognition policies are disclosed in note 5 to our 2017 Annual Audited Consolidated Financial Statements. Certain non-GAAP measures presented under a prior accounting basis have been retrospectively amended as a result of our use of adjusted EBITDA.