

**Charles E. Hoffman**  
President and  
Chief Executive Officer

.01

**to our shareholders**

As wireless communication increasingly becomes pervasive in the lives of Canadians, Rogers™ AT&T® Wireless has positioned itself as Canada's pre-eminent wireless communications company. During 1999, we partnered with two powerful international carriers, improved our balance sheet dramatically and continued to reinforce our network superiority with advanced digital capacity and coverage. Most importantly, we continued to earn the confidence of subscribers, signing more new customers in a single year than ever before and retaining the vast majority of our existing subscribers. With more than 2.6 million wireless customers, Rogers AT&T Wireless is the clear leader in the Canadian wireless industry.

Our financial results reflect our investment in growth. Total revenue was \$1.352 billion, up by 8.8% or \$108.8 million from \$1.243 billion in 1998. Operating income before depreciation and amortization was \$412.5 million, up \$26.9 million or 7.0%. While we reported a loss in 1999 of \$35.8 million or 34 cents per share, it was



**Robert F. Berner**  
Senior Vice President and  
Chief Technology Officer

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less than half of our 1998 loss of \$78.6 million or 85 cents per share. Importantly, our long-term debt was reduced by almost 50% from \$2.24 billion to \$1.41 billion. This, in large part, was due to the sale of a one-third equity stake to AT&T and British Telecommunications plc (BT).

Strategic partners are essential if we are to remain competitive in the global telecommunications market. With AT&T and BT, we couldn't have selected better partners. Their joint investment of \$1.4 billion not only provides our company with greater financial flexibility, but is a ringing endorsement of our quality networks and future prospects.

As one of BT's 30 joint ventures worldwide, we are assured access to the best ideas, practices and technological advances in the industry. With AT&T, we have solidified an already mutually profitable alliance, blending our corporate sales forces and bundling wireless and long-distance services for corporate accounts. Already, through our unrivalled Digital One Rate service plan, Rogers AT&T Wireless customers can call anywhere in North America including



**Patrick J. Bennett**  
Executive Vice President and  
Chief Operating Officer

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Alaska, plus Hawaii and Hong Kong, for a single reasonable rate. Our partnership means we can bring similar products and services to Canada, which provide unique competitive advantages, faster than would have been possible on our own.

Two other key partnerships flourished in 1999. With Ericsson, the world leader in wireless and mobile Internet communications equipment, we signed an exclusive three-year agreement that we believe positions Rogers AT&T Wireless ahead of its competitors for third-generation technology advancements. In retailing, our partnership with RadioShack has ensured a dedicated sales effort in one of our most valuable sales channels. Knowledgeable retail personnel and highly visible in-store displays have resulted in a steady increase in sales through this channel.

To augment our more than 5,600 locations in Canada where customers can purchase Rogers AT&T Wireless service, we will launch an e-tailing Web site in early 2000. Web retailing is ideally suited to wireless sales. It dramatically lowers the cost of acquiring subscribers while providing a wealth of product and rate plan information.

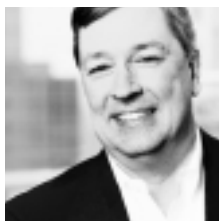


**Michel J.H.J. Beland**  
Senior Vice President and  
Chief Financial Officer

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Our continuous measurement of customer satisfaction — an important indicator of future subscriber retention and additions — showed steady improvement during the year. We expect this trend to continue with our \$188 million investment in Vision 21, a state-of-the-art customer care and billing system that is simplifying customer service, lowering service costs and driving business process change. Launched in February 2000, Vision 21 not only enables us to act faster and more efficiently, but also allows us to gather and apply valuable customer usage history, for more targeted — and cost-effective — marketing.

Another successful investment with gratifying returns is the Rogers AT&T Wireless interactive Mobitex™ messaging network. During 1999, we experienced a huge increase in subscriber growth, particularly among corporate customers using our two-way messaging service.



**William G. Gibson**  
President  
Western Canada

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Customers are also responding extremely well to our recently introduced regional Digital One Rate calling plans. The plans eliminate long-distance charges based on time-of-day usage and distance barriers, allowing Canadians greater freedom to stay in touch with family and friends no matter where they live.

The future is digital. Over the next three years, Rogers AT&T Wireless will commit over \$900 million to the expansion of its digital network. This will allow for greater traffic in voice and data services including Internet and information services, and continue to provide our customers with enhanced security, greater battery life and other services only available on a digital network.

Financially, we can expect strong growth in revenues with the continued addition of new subscribers, particularly among young people and corporate users, and the extra usage from Internet and information services. We can also expect positive earnings and improved shareholder returns as we continue to lower operating costs while offering services of greater value.



**Francis Fox**  
President,  
Eastern Canada

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To maintain our leadership position in a very dynamic Canadian communications industry has required our employees to respond quickly and positively to change. As with customer satisfaction, we measure employee satisfaction and, I am pleased to report, it has never been higher. In a year that propelled us firmly into a profitable future, our people once again proved themselves able to listen to our customers, simplify business processes, deliver high-quality services and satisfy our customers' needs.

**imagine**

**Charles E. Hoffman**  
President and Chief Executive Officer



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## financial highlights

### Rogers AT&T Wireless

(In thousands of dollars, except per share data)  
Years ended December 31, 1999 and 1998

1999

1998

#### Income Statement

Revenue	\$ 1,351,723	\$ 1,242,925
Operating profit <sup>1</sup>	412,477	385,622
Loss for year	(35,829)	(78,555)
– Under U.S. GAAP	(39,357)	(188,592)

#### Per Share Data

Loss for year	\$ (0.34)	\$ (0.85)
– Under U.S. GAAP	(0.38)	(2.03)
Cash flow <sup>2</sup>	3.07	2.11

#### Changes in Financial Position

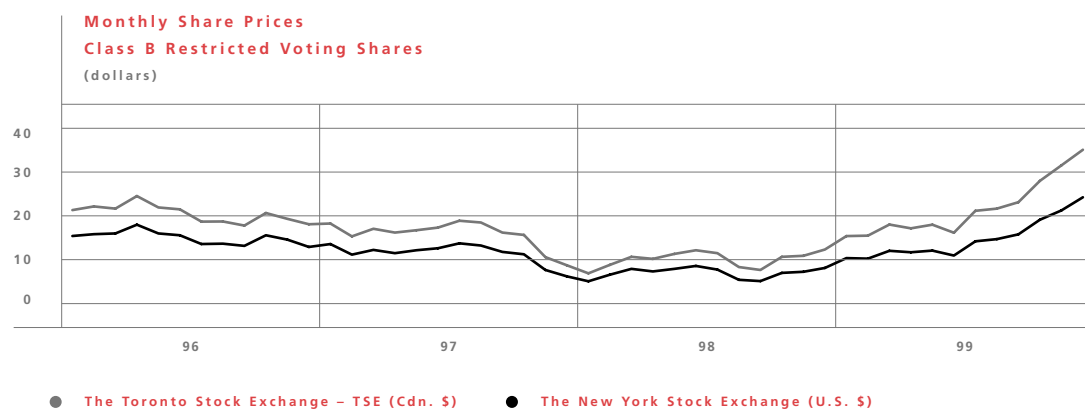
Cash flow from operations <sup>2</sup>	\$ 318,960	\$ 195,709
Capital expenditures	400,959	301,287

#### Balance Sheet

Total assets	\$ 2,116,617	\$ 2,023,813
Fixed assets (net)	1,778,545	1,643,881
Long-term debt	1,413,792	2,237,358
Shareholders' equity (deficiency)	307,381	(622,929)

<sup>1</sup> Operating income before depreciation and amortization.

<sup>2</sup> Cash flow from operations before changes in working capital amounts.



\* The Class B Restricted Voting shares trade on the Toronto Stock Exchange under the symbol RCM.B and on the New York Stock Exchange under the symbol RCN. On January 11, 1996, Rogers Cantel Mobile Communications Inc. delisted from the NASDAQ Stock Exchange and began trading on the New York Stock Exchange.

For purposes of this discussion, financial figures have been segmented into "Cellular Services" and "Other". The results of Cellular Services include both Digital Personal Communications Services ("Digital PCS") and analog services. Cellular Services revenue includes monthly basic service fees, airtime usage, long-distance charges, optional service charges, system access fees and roaming charges. "Other" operating profit includes Messaging Services, Wireless Data Services and Equipment Sales. Equipment Sales includes the sale of hardware and accessories, both to the Company's independent dealers and its agents. This discussion should be read in conjunction with the detailed Consolidated Financial Statements provided on pages 24 to 44 of this report.

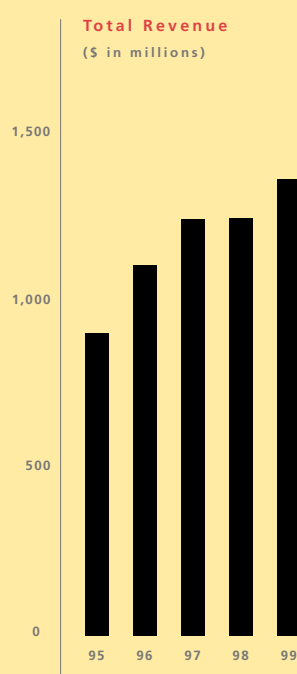
The following discussion contains forward-looking statements regarding the future performance of the Company. All forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information. Please refer to the "Cautionary statement regarding forward-looking information" on page 18 of this report for a further discussion.

## A. Operations and financial review

(In thousands of dollars)  
Years ended December 31, 1999 and 1998

	1999	1998	% change
<b>Financial Overview</b>			
<b>Revenue</b>			
Cellular Services	\$ 1,121,666	\$ 1,045,388	7.3%
Equipment Sales	178,267	150,639	18.3%
Messaging and Data Services	51,790	46,898	10.4%
<b>Total</b>	<b>\$ 1,351,723</b>	<b>\$ 1,242,925</b>	<b>8.8%</b>
<b>Operating profit<sup>1</sup></b>			
Cellular Services	\$ 400,619	\$ 379,271	5.6%
Other	11,858	6,351	86.7%
<b>Total</b>	<b>\$ 412,477</b>	<b>\$ 385,622</b>	<b>7.0%</b>
<b>Operating profit<sup>1</sup> as a % of revenue</b>			
Cellular Services	35.7%	36.3%	
Other	5.2%	3.2%	
<b>Total</b>	<b>30.5%</b>	<b>31.0%</b>	
<b>Loss for the year</b>	<b>\$ 35,829</b>	<b>\$ 78,555</b>	
<b>Capital expenditures</b>	<b>\$ 400,959</b>	<b>\$ 301,287</b>	<b>33.1%</b>

<sup>1</sup> Operating income before depreciation and amortization.



## Overview

Rogers Cantel Mobile Communications Inc. ("Rogers Wireless" or "the Company"), now operating under the co-brand Rogers AT&T Wireless, is Canada's largest wireless telecommunications company offering subscribers a broad spectrum of wireless products and services nationally. Rogers Wireless is currently the only company in Canada licensed to provide Digital PCS, cellular, messaging and wireless data services nationwide. Rogers Wireless' seamless cellular network covers over 82% of Canada's population in "digital mode" and 93% of Canada's population in "analog mode". The service also extends throughout the United States to include coverage of 95% of the U.S. population through AT&T Corp. ("AT&T") and other roaming partners. At December 31, 1999, Rogers Wireless had over 2.1 million Digital PCS and cellular subscribers and over 452,000 messaging subscribers. Cellular service made up 83% of Rogers Wireless' revenue and 97% of operating income in 1999.

Rogers Wireless continues to focus its messaging operations on the consumer segment that represents the fastest growing segment in the industry. In order to ensure success within this target market, the Company has established the largest retail distribution in the country with products and services being offered in over 1,200 locations nationally.

Rogers Wireless' data division operates the Mobitex™ packet-switched data network in all major urban centres, covering 49% of the Canadian population from Victoria to Halifax. This service provides customers with digital wireless connectivity for many applications including e-mail, point-of-sale, remote data collection (meter reading, alarm monitoring, asset tracking) and two-way messaging. The Rogers Wireless two-way messaging service, Interactive Messaging, is the latest and most advanced service operating on the Mobitex network. This service provides users with the ability to send and receive e-mail or text messages from a device comparable in size to a conventional alphanumeric pager.

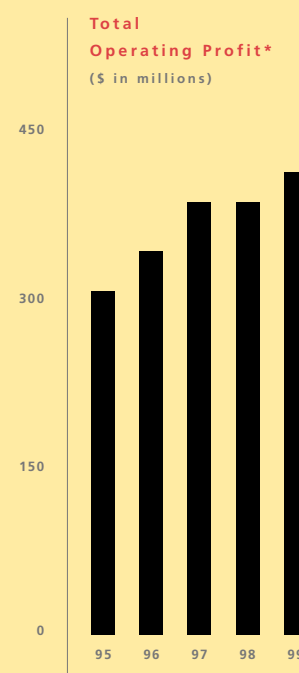
## Summary

In 1999, Rogers Wireless significantly strengthened its global alliances. In August, AT&T and British Telecommunications plc ("BT") of the United Kingdom agreed to jointly acquire a 33% equity stake in Rogers Wireless. This strengthening of the existing partnership with AT&T and the addition of BT to this partnership has increased the Company's competitive position in many ways. Rogers Wireless now draws on the knowledge, ideas and bargaining power of two world-class, international leaders in telecommunications. For Rogers Wireless customers this means more affordable handsets, improved product offers or "bundles" and faster access to the best of what is available worldwide.

This transaction also improved the Company's financial flexibility. Rogers Wireless used the proceeds it received from the equity sale primarily to reduce debt. This improves the Company's overall financial position and brings it closer to producing annual free cash flow through reduced interest payments.

In 1999, Rogers Wireless also announced an exclusive three-year agreement with Ericsson Canada that enables Rogers Wireless to build a third-generation ("3G") wireless network. The agreement reinforces the Company's commitment to work with Ericsson as an exclusive network supplier in return for greater discounts and improved delivery. This will maximize the value of the funds that are allocated to the Company's network capital from 2000 to 2003 and at the same time provide a clear path to 3G.

Operational results reflected strong improvements over the prior year. Total revenue increased \$108.8 million or 8.8% to reach \$1,351.7 million in 1999, compared to \$1,242.9 million in 1998. Operating income before depreciation and amortization ("operating profit") was \$412.5 million in 1999, an increase of \$26.9 million or 7.0% from \$385.6 million in 1998. Operating profit as a percentage of revenue ("operating profit margin") was 30.5%, down from 1998 operating profit margin of 31.0%. This was largely due to the increase in variable acquisition costs arising from the substantial increase in subscriber additions.



\* Operating income before provision for restructuring and asset writedowns, and depreciation and amortization.

Many of the sales and marketing improvements that were initiated in 1998, and enhanced in 1999, helped produce strong operational results, including the net addition of 415,500 Digital PCS and cellular subscribers in the year, an increase of 230,000 or 124.6% from 1998. These sales and marketing improvements included:

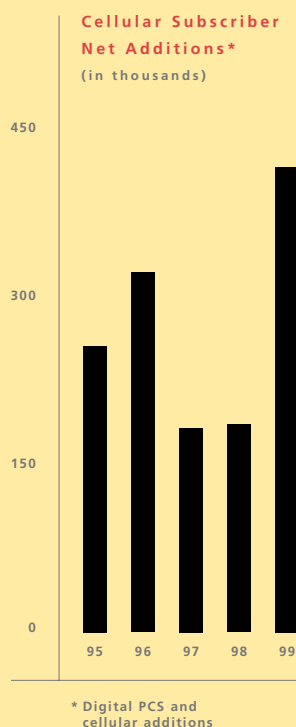
- Pricing simplification, resulting in a reduced number of price plans and elimination of differential pricing on digital and analog services. In addition, flat rate long-distance offerings were introduced.
- The launch of Digital One Rate pricing plans that eliminated separate long-distance charges and provided customers with a simple low-cost rate no matter where they were in North America, making the continent the local calling area under these plans. Canadian Digital One Rate plans were also introduced that made Canada the local calling area.
- The introduction of a simplified "phone in the box", distributed through retail, that reduced the requirement for retail sales staff assistance and allowed the customer to select a price plan over the phone.
- An increase in the overall number of distribution points. Prepaid distribution in particular increased dramatically with the addition of Canada Post, Petro Canada, 7-11, Sears, Home Hardware and others.

#### Revenue and usage

Cellular Services revenue in 1999 totalled \$1,121.7 million, up \$76.3 million or 7.3% from the prior year's total of \$1,045.4 million. This increase reflects the growth in cellular subscribers, offset by a continued decline in monthly average revenue per user ("ARPU"). The subscriber growth resulted in an aggregate increase in monthly fees, local airtime, long-distance and optional service revenue of \$64.2 million. The balance of the increase in Cellular Services' revenue came from increases in roaming revenue and system access fees.

Although Cellular Service revenue increased during the year, the trend towards lower monthly ARPU continued. Monthly ARPU in 1999 was \$49, down 9% from \$54 in 1998. This trend in monthly ARPU is primarily attributable to the impact of prepaid subscribers that represented 13.5% of the year-end total cellular subscriber base with a monthly ARPU in 1999 of \$11, down 36.5% from \$17 in 1998. Post-paid (core) monthly ARPU was \$53, down only 3.7% on a year-over-year basis. Average monthly airtime usage per post-paid subscriber increased to 216 minutes in 1999 from 202 minutes in 1998.

In 2000, Rogers Wireless will continue to take steps to minimize the decline in monthly ARPU. Sales efforts will be aimed at increasing the number of higher revenue business subscribers through offers such as Digital One Rate that generate a higher than average monthly ARPU. Rogers Wireless will also offer additional services and options to its existing customers and look for ways to increase monthly ARPU of existing as well as new prepaid customers.



#### Customer satisfaction and retention

With a customer base that exceeds 2.6 million Digital PCS, cellular, messaging and wireless data subscribers, and a very competitive operating environment, management recognizes the need to balance the traditional industry focus on acquiring new customers with a greater emphasis on retaining existing customers by earning their satisfaction and loyalty. Management has focused on developing programs that address the broad spectrum of customer satisfaction requirements, from the beginning of the sales cycle to the needs of experienced users.

Beginning in 1998, Rogers Wireless launched a number of programs designed to address customer satisfaction and retention. These programs included simplified pricing, increased value in offers, and strengthened sales efforts by rebuilding a corporate sales team to solidify the relationships with the corporate account segment.

In 1999, Rogers Wireless increased its efforts in all aspects of customer service. This focus resulted in significantly improved customer satisfaction, as measured by monthly satisfaction surveys. These surveys were completed throughout 1999 with a portion of management's compensation tied to improvement in these measures. Customer satisfaction survey results improved substantially in 1999 and is being further enhanced as a result of the Company's relationship with AT&T and BT. Rogers Wireless now has access to worldwide best-practices on churn management and is using this information to improve customer satisfaction and reduce churn.

In addition to customer satisfaction and retention initiatives, Rogers Wireless embarked on an aggressive employee satisfaction program in 1999. Management believes that employee satisfaction translates directly into improved customer service and satisfaction. Employee satisfaction improved substantially in 1999 and management believes this contributed to the improved customer satisfaction.

The average monthly cellular disconnect or "churn" rate for 1999 of 1.86% compared favourably to carriers around the world and other competitors in the Canadian marketplace. In the early part of 1999, the Company experienced higher than average churn in the corporate segment as a result of aggressive pricing by its competitors and the lack of strong account relationships. In the latter half of the year, churn in the consumer segment was higher than average as a result of a large number of three-year term customers completing their term and "shopping" new airtime offers and hardware availability in a very competitive environment.

During 1999, the Company commenced a number of initiatives that will benefit customers in 2000. The most notable initiative was the purchase of a complete billing and customer care system that will be fully implemented in 2000. The benefits of this system include:

- Quicker response to customer enquiries and changes;
- Reduced errors on billing and accounts;
- Greater flexibility in billing and pricing options, including bundles of services; and
- Reduced customer care costs and more effective handling of customer enquiries.

Another key initiative in 1999 was the development, in co-operation with Rogers Cable Inc. ("Rogers Cable"), of an electronic business site that will allow customers to purchase services and products from both Rogers Wireless and Rogers Cable. Testing of this site will be completed in the first half of 2000. ShopRogers.com will provide another option for customers to purchase products and services from the Rogers Group of Companies.

In 2000, Rogers Wireless will expand upon its 1999 customer satisfaction initiatives with the goals of reducing churn and increasing loyalty. In-store customer service will be added to high-profile locations in each major market. Customer surveys show that many of these initiatives have improved customer satisfaction, which should help reduce churn in 2000.

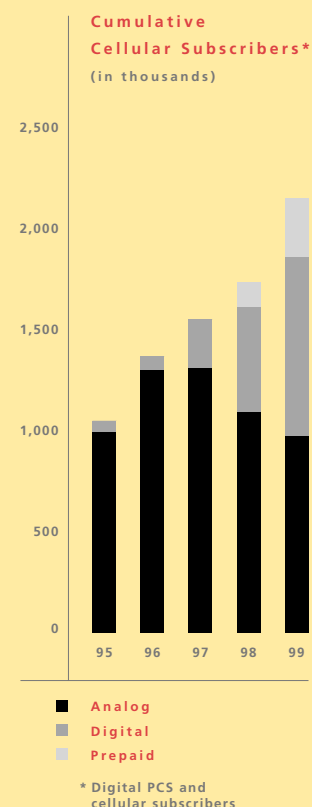
#### Sales and marketing

Strong sales momentum achieved in the later part of 1998 continued throughout 1999. Rogers Wireless added 415,500 new Digital PCS and cellular subscribers in 1999, net of disconnects, ending the year with 2,153,100 subscribers, a 23.9% increase from 1,737,600 at December 31, 1998. The 415,500 subscriber net addition represents an increase of 230,500, or 124.6%, from 185,000 subscriber net additions in 1998. At December 31, 1999, 884,000 subscribers were on Digital PCS, representing 41.1% of the total cellular subscriber base, and 291,700 were on the prepaid cellular service, "Pay As You Go". The balance of the subscriber base was on post-paid analog plans.

One of the key sales objectives in 1999 was not only to achieve strong absolute sales levels, but also to maintain a reasonable mix of post-paid subscribers, given their higher monthly ARPU. This goal was largely achieved through focused advertising as well as properly trained and compensated dealers. In 1999, post-paid additions represented 78.6% of total cellular gross additions versus 77.9% in 1998 and 58.8% of total cellular net additions versus 35.2% in 1998.

One of the primary areas of focus for 1999 was to improve existing distribution channels and develop new ones. This focus will continue into 2000 despite the considerable progress that was made in 1999. During 1999, the exclusive dealer distribution channel was stabilized with emphasis placed on both customer satisfaction and sales growth.

The Company's corporate sales force greatly strengthened its presence in the corporate marketplace in 1999 and began to rebuild relationships in this segment. Corporate customer sales and retention efforts were also strengthened through the Company's relationship with AT&T. Beginning in the latter half of 1999, the Company's corporate sales force was combined with the AT&T Canada sales force. The goal was to improve overall sales, offering combined Rogers Wireless and AT&T Canada services, and leverage existing relations with corporate accounts in an efficient way.



The exclusive arrangement with RadioShack to operate the Company's Mall Stores and their corporate stores produced consistent results throughout 1999. Both Rogers Wireless and RadioShack were extremely pleased with the growth and remain committed to the relationship.

In addition to selling the Company's products and services, certain distribution partners commenced selling other Rogers products and services. In 2000, this initiative will be expanded across more points of distribution in order to offer customers a more comprehensive set of services, including cable and high-speed Internet access service.

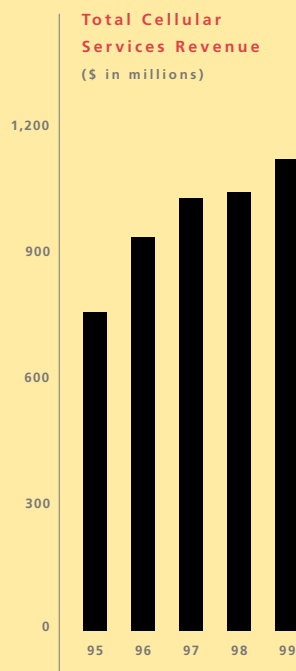
Rogers Wireless, in conjunction with the other Rogers companies, participated in the VIP Program. This program allows customers subscribing to a complete cable package to receive discounts of 10% on other Rogers services, such as wireless or high-speed Internet access. Early results indicate that this type of bundled offer increases customer loyalty and greatly reduces churn. The success of this program to date has given the Company tremendous insight into the power of bundling products and services.

The Company estimates that its Digital PCS and cellular penetration of the population served in Canada reached 7.6% at December 31, 1999, as compared to 6.4% at the end of the prior year.

#### Messaging and Data Services

Messaging and data services revenue was \$51.8 million in 1999, an increase of \$4.9 million or 10.4%, from \$46.9 million in 1998. Subscriber growth of 74.0% brought the total number of messaging and data subscribers to 452,000 at December 31, 1999, up from 259,800 at December 31, 1998. Approximately 132,000 of this increase in subscribers is attributable to the acquisition of Shaw Paging in November 1999. This strategic acquisition increased the size of the messaging business and is expected to increase future operating margins through improved economies of scale. The increase in revenue growth is attributed to strong subscriber growth, slightly offset by declining messaging and data service prices. Monthly messaging and data ARPU declined to \$12, down \$2 or 14.3% in 1999, from \$14 in 1998.

During 1999, Rogers Wireless focused on reducing operating costs in messaging and data services in order to maintain operating profit margins as monthly ARPU declined. Average monthly messaging and data cost per subscriber was \$7 in 1999, a decline of \$2 per month or 22.2%, from \$9 per month in 1998. Average monthly messaging and data churn decreased to 2.59% in 1999 from 3.23% in 1998.



### Other revenue

In 1999, revenue from equipment sales was \$178.3 million, up \$27.7 million or 18.4% from \$150.6 million in the prior year. Equipment is generally provided to the Company's independent dealers and agents at cost. The increase is due primarily to a greater percentage of digital phones sold to both new and existing customers. Digital phones are generally more expensive than analog phones.

### Operating costs

Cellular operating expenses (including cost of sales) totalled \$721.0 million in 1999, an increase of \$54.9 million or 8.2% from \$666.1 million in the prior year. This increase was largely due to increases in variable sales and marketing, customer service and network related costs, which were partially offset by savings in credit and collections costs.

Sales and marketing cost per gross cellular subscriber addition was \$452 in 1999, 25.9% lower than the 1998 level of \$610. A number of factors accounted for the decrease in sales and marketing expenses per gross subscriber addition, including:

- A reduction in fixed overhead or non-sales-producing activities in the sales and marketing departments;
- A reduction in sales commissions driven by declines in the cost of digital and analog phones; and
- The success of prepaid cellular, which carries essentially no variable acquisition costs.

Cellular operating expenses before sales and marketing costs were \$354.5 million in 1999, an increase of \$18.0 million or 5.4% from \$336.5 million in 1998. This increase is attributed to a larger average customer base in 1999 over 1998 and additional technical service costs offset by lower bad debt expenses. Cellular operating expenses per average subscriber, excluding sales and marketing costs, decreased by \$2 or 11.4% to \$15 per month in 1999, compared to \$17 in 1998.

In 2000, the Company will continue to look for opportunities to reduce costs in such a manner as not to slow the considerable effort aimed at improving customer service and sales performance. The Company believes that in such a competitive market, being the low-cost operator is essential.

### Operating profit

Operating profit from Cellular Services ("cellular operating profit") was \$400.6 million in 1999, an increase of \$21.3 million or 5.6% from \$379.3 million in the prior year. Cellular operating profit, as a percentage of revenue, was 35.7% compared to 36.3% in 1998.

Operating profit from Other operations was \$11.9 million in 1999, an increase of \$5.5 million or 86.7% from \$6.4 million in 1998.

### Fixed charges

Depreciation and amortization expense totalled \$285.5 million in 1999, an increase of \$11.2 million or 4.1% from \$274.3 million in the prior year. Capital spending in 1999 was \$401.0 million.

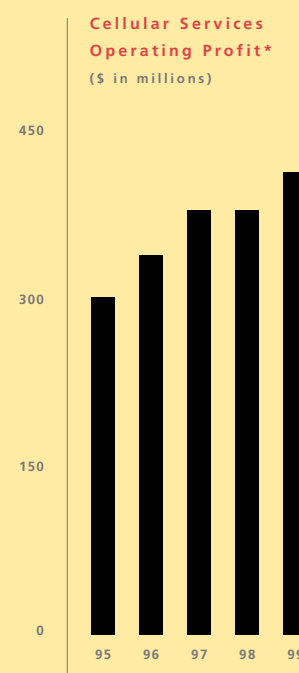
Net interest expense was \$163.3 million in 1999, a decrease of \$22.1 million or 11.9% from \$185.4 million in the prior year, due to lower average long-term debt balances. (See Sections C and D of this discussion for details on Liquidity and Financial Instruments.)

### Loss

The Company's loss for the year was \$35.8 million in 1999 compared to a loss of \$78.6 million in 1998.

### Staffing

At December 31, 1999, staff levels of 3,443 full-time equivalent employees represented an increase of 572 from 2,871 at December 31, 1998. Almost all staff increases in 1999 were in customer facing areas with 363 employees added in customer service departments and 130 employees added in sales and marketing.



\* Operating income before provision for restructuring and asset writedowns, and depreciation and amortization.



### Capital expenditures

Capital expenditures totalled \$401.0 million in 1999, an increase of \$99.7 million or 33.1% from \$301.3 million in 1998. Of this total, 57% was for increased cellular network capacity, new coverage, increased signal strength in existing coverage areas, expansion and upgrading of the Mobitex mobile packet data network and new products/services. The remaining 43% was for general capital expenditures, the large majority of which related to the new customer care and billing system that was initiated in 1998 and the Year 2000 compliance project. Other capital spending related to facilities costs including additional call centre capabilities.

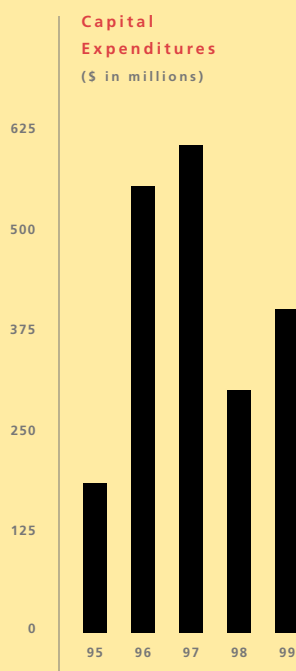
Approximately 50% of the \$230 million spent on network capital in 1999 was for network capacity expansion including "up-banding" existing sites to 1.9 GHz. An additional 22% of the network capital spending was for in-fill sites and network optimization projects to improve voice quality in existing coverage areas. A total of 83 new cell sites were added in 1999 to expand into new coverage areas, provide increased capacity and improve voice quality in existing areas. With these additional sites, the Company has continued to construct the cell site infrastructure to allow for rapid and low-cost increases in capacity, for the most part by only adding additional channels. The Company has provisioned the necessary buffer capacity to accommodate greater than planned subscriber growth and/or higher network usage that may arise in this competitive marketplace.

By year-end 1999, Rogers Wireless provided coverage to 93% of the Canadian population, including digital coverage to 82% of the Canadian population. The Company believes this extensive and industry-leading digital coverage will increasingly differentiate it from its competitors since the functionality of digital wireless expands to include a number of enhanced features. These features are only available in digital coverage areas.

The Company's capital spending level is currently budgeted to be approximately \$450 million in 2000. Approximately 69% of 2000 capital spending will be directed to network development. Of the network spending, approximately 73% will be for increased digital network capacity (including the continued rollout of 1.9 GHz coverage in key urban areas across Canada) and construction of in-fill sites to further improve voice quality and improve portable-grade coverage.

The infrastructure investments currently being made by the Company will facilitate the introduction of 3G capabilities, which will provide high-speed packet data capability in accordance with the International Telecommunications Union standards. These capabilities will enable a broad variety of advanced wireless services, including video streaming, high-speed mobile Internet access and the extension of high-bandwidth corporate information systems into the mobile wireless environment. In 2000, the Company expects to deploy Wireless Access Protocol, or "WAP"-based wireless data access capability, throughout its national digital footprint, providing access to a broad variety of information-based services including Internet access. These services will be available on both PCS phones and Mobitex data devices.

The other 31% of 2000 capital expenditures are budgeted primarily in the area of information technology with \$56 million dedicated to the implementation of the new billing and customer care system. The system will be fully implemented in 2000.



## B. Operating risks and uncertainties

New competitive entrants and aggressive pricing have reduced Canadian Digital PCS and cellular pricing to among the lowest in the industrialized world. The Company cannot predict whether further price reductions will continue in 2000 but anticipates some re-pricing of its existing base as new lower pricing is offered to customers when their term contracts come to an end.

Rogers Wireless cannot anticipate what impact new wireless communication services and lower prices will have on overall market growth. The Company will compete vigorously for all customer segments and in all markets based on the strengths of its digital and analog networks, strong brands and broad distribution.

In 1998, the Canadian Radio-television and Telecommunications Commission ("CRTC") initiated a proceeding to examine whether wireless carriers should be required to pay monthly charges for the provision of 9-1-1 service. When implemented, a monthly charge per cellular telephone number would be assessed by province. In light of the magnitude of the charges, wireless carriers may be required to pass on these charges directly to customers. The higher charges could amount to approximately \$3 million per year for the Company.

Currently, only long-distance service providers (including cellular service providers) are required to make contribution payments to subsidize the cost of providing local exchange service. However, the CRTC is reviewing the appropriateness of the current contribution regime, including the types of services that should be subject to the contribution levies. A change in scope of the contribution regime could have a significant impact on the subsidy that Wireless is required to contribute to basic local service.

In November 1999, Industry Canada announced that it would license an additional 40 MHz of PCS frequency spectrum in the 1.9 GHz band by Fall 2000 using an auction process. The Company expects to fully participate in this process. Industry Canada has initiated a public process to consider the appropriate policies and procedures for this auction, including any restrictions on the eligibility of existing national and regional PCS licensees and new potential entrants to participate in the auction. This will be the first spectrum auction that Rogers Wireless has participated in. Industry Canada has also indicated that additional PCS spectrum may be licensed in 2001 or when appropriate. It is anticipated that most future spectrum allocations will be made through the use of auctions.

Rogers Wireless may elect to become a Competitive Local Exchange Carrier ("CLEC") nationally or on an exchange by exchange basis. While entering this business could have a positive revenue impact, certain requirements would have to be met that may create additional costs. The financial impact includes the capital outlay required to provide equal access and local number portability, and the risk of long-distance revenue loss and increased subscriber churn.

Since 1996, with the addition of new U.S. entrants in the Canadian marketplace, the Company's messaging division has experienced increased competition and price decreases. The Company believes it is well positioned to benefit from the market expansion that increased competition will bring because of its extensive national network and broad distribution. However, there will continue to be downward pressure on prices and margins.

## C. Financial position – liquidity and capital resources

Rogers Wireless reported a loss in 1999 of \$35.8 million compared to a loss of \$78.6 million in 1998. During 1999, the Company's free cash flow deficiency (defined as cash flow from operations after working capital less capital expenditures and investments) decreased to \$154.8 million, from \$50.4 million in 1998. The Company funded this shortfall during the year through the issuance of \$966.1 million in capital stock.

In 2000, Rogers Wireless anticipates growth in operating income before depreciation and amortization over 1999, increases in capital expenditures and a decrease in interest expense. The Company does not anticipate it will generate free cash flow in 2000. The Company anticipates that cash from operations, together with additional borrowings available under its bank credit facility, will satisfy its cash funding requirements through the year 2002. For details on the Company's long-term debt, including the bank credit facility, see Note 7 of the Notes to Consolidated Financial Statements.

The Company's cash flow from operations before working capital (defined as the net loss, offset by adding back all special provisions and other non-cash items such as depreciation and amortization) increased to \$319.0 million in 1999 from \$195.7 million in the prior year. With an increase of \$53.1 million of working capital during the year, funds from operations totalled \$265.9 million. This, combined with a decrease of \$287.0 million of intercompany debt owing to Rogers Communications Inc. ("RCI") and a \$527.2 million net repayment of third party debt and the issuance of \$966.1 million in capital stock, funds available for use totalled \$417.8 million. In general, these funds were used to purchase net fixed assets of \$401.0 million.

The Company's total debt, including amounts owing to RCI, decreased by \$823.6 million during 1999 to \$1,413.8 million. The \$823.6 million change reflects a decrease of \$287.0 million in intercompany debt and a \$536.6 million net reduction of third party debt. For details regarding the \$1,413.8 million of long-term debt outstanding at December 31, 1999, see Notes 7 and 8 of the Notes to Consolidated Financial Statements.

Rogers Wireless' required repayment of third party debt is minimal, totalling \$4.2 million over the five-year period from 2000 to 2004 inclusive.

#### Financing

In August 1999, the Company issued to AT&T and BT preferred shares convertible into 15,334,453 Class A Multiple Voting shares and 12,443,324 Class B Restricted Voting shares of the Company, generating net proceeds to Rogers Wireless of \$957.7 million (see Note 9 of the Notes to Consolidated Financial Statements for additional details of the investment made by AT&T and BT). Substantially all of the proceeds from the AT&T/BT transaction were used by the Company to repay intercompany notes owing to RCI and to repurchase through open market transactions U.S. \$275.8 million of U.S. dollar denominated notes and debentures. As a result of the repurchase of the U.S. dollar denominated long-term debt, the Company paid a prepayment premium of \$36.4 million, recorded a gain from redesignating certain cross-currency interest rate exchange agreements of \$2.0 million and wrote-off deferred foreign exchange of \$28.1 million and deferred financing costs of \$6.8 million, resulting in a net loss on repayment of \$69.3 million.

The Company's total long-term debt aggregated \$1.41 billion at December 31, 1999. The Company has an \$800 million long-term secured revolving/reducing bank credit facility provided by a consortium of Canadian financial institutions, as well as a \$10.0 million secured operating line of credit with a Canadian chartered bank. Access to the Company's bank credit facility, which was undrawn at December 31, 1999, is based on certain debt to operating cash flow ratios. Based on the Company's most restrictive covenants under its bank credit facility and public indentures, at December 31, 1999, the Company could have borrowed \$784.5 million of additional long-term debt, all of which could have been borrowed under the bank credit facility. Of all the Company's debt instruments, the terms of the bank credit facility generally impose the most restrictive covenants, maintenance tests and restrictions on sales of assets and distributions to shareholders. For details see Note 7 of the Notes to Consolidated Financial Statements.

The Company expects that cash from operations, together with additional borrowings available under its bank credit facility, will provide it with sufficient financial resources through 2002.

## D. Financial instruments

#### Interest rate and foreign exchange management

The Company manages its exposure to floating interest rates and U.S. dollar foreign exchange fluctuations through the use of interest rate and cross-currency exchange agreements or "swaps". In order to minimize the risk of counterparty default under its swap agreements, the Company assesses the credit worthiness of its swap counterparties. Currently, 100% of its total swap portfolio is held by financial institutions with a Standard & Poor's rating (or the equivalent) ranging from A+ to AA-.

At December 31, 1999, 64.6% of the Company's consolidated long-term debt was fixed with respect to interest rates, a decrease from 70.4% at December 31, 1998, due largely to the repurchase of U.S. \$275.8 million of fixed rate debt during 1999. The weighted average interest rate for total long-term debt was 8.4% per annum at December 31, 1999, (i.e. — 8.9% per annum on the fixed rate portion and 7.4% per annum on the floating rate portion) for a weighted average term of approximately nine years. Currently, management is comfortable with this position.

The incurrence of U.S. dollar denominated debt has caused substantial foreign exchange exposure as the Company's revenue and assets are almost exclusively denominated in Canadian dollars. In recognition of this, several years ago the Company established a target of hedging approximately 50% of its foreign exchange exposure through the use of cross-currency swaps and, since 1997, periodic use of short-term foreign exchange options. As at December 31, 1999, the Company's U.S. dollar denominated long-term debt amounted to U.S. \$899.2 million. At December 31, 1999, approximately 55.1% or U.S. \$495.1 million of the Company's U.S. dollar denominated long-term debt was hedged with respect to foreign exchange, increased from 42.1% at December 31, 1998. The increase in the degree to which the Company has hedged its U.S. dollar denominated debt with respect to foreign exchange is the result of maintaining all of its cross-currency swaps despite repurchasing approximately U.S. \$275.8 million of its U.S. dollar denominated debt during 1999.

Currently, management is comfortable with its hedged position since there are no material scheduled U.S. dollar denominated unhedged principal repayments due until 2007. Management continually re-evaluates its hedging strategies.

The effect of the existing cross-currency swap agreements is to convert the obligation to service U.S. dollar denominated debt in the amount of U.S. \$495.1 million into Canadian dollar denominated debt at an average exchange rate of 1.3000 Canadian dollars to U.S. \$1.00. The Company calculates that on the unhedged portion of its U.S. dollar denominated debt, each 1 cent change in the Canadian dollar versus the U.S. dollar results in a change in principal amount of debt and annual interest expense of Cdn. \$4.0 million and Cdn. \$0.4 million respectively. This yields a change of approximately 0.7 cents in consolidated earnings per share. The following table presents a summary of the effect of changes in the foreign exchange rate on the unhedged portion of the Company's U.S. dollar denominated debt and the resulting change in its debt principal, interest expense and earnings per share.

Change in Cdn. \$ versus U.S. \$ <sup>1</sup>	Change in debt principal amounts (\$ millions)	Change in interest expense (\$ millions)	Earnings per share <sup>2</sup>
1 cent	\$ 4.0	\$ 0.4	0.8 cents
3 cents	12.1	1.1	2.4 cents
5 cents	20.2	1.8	3.9 cents
10 cents	40.4	3.6	7.8 cents

<sup>1</sup> Canadian equivalent of unhedged U.S. debt if U.S. dollar costs an additional Canadian cent.

<sup>2</sup> Assumes no income tax effect. Includes interest impact and the amortization of the change in principal amounts that would be amortized over the remaining life of the unhedged debt estimated at approximately 9.0 years.

#### Cautionary statement regarding forward-looking information

The preceding Management's Discussion and Analysis contains forward-looking statements that involve risk and uncertainties. The statements under, but not limited to, the following headings contain such information: "Customer satisfaction and retention", which describes programs aimed at customer satisfaction; "Sales and marketing", which describes programs aimed at improving distribution channels; "Operating costs", which describes cost reduction plans; "Capital expenditures", which describes projected capital spending for 2000; "Operating risks and uncertainties", which provides descriptions of certain operating risks and uncertainties facing the Company; and "Financing", which describes certain anticipated results and liquidity for 2000 and beyond. The Company cautions that the actual future performance will be affected by a number of factors, including without limitations, technological change which may impact the Company's capital expenditures and results of operations, regulatory change which may affect the Company's competitive strategy, and competitive factors which may alter the timing and amount of the Company's capital expenditures, all of which could adversely affect the Company's revenue expectations and results of operations. Many of these factors are beyond the Company's control; therefore, future events may vary substantially from what the Company currently foresees. The Company wishes to caution readers not to place undue reliance on such forward-looking statements that speak only as of the date made.

## common stock information

### Share price and trading volume – The Toronto Stock Exchange (RCM.B restricted voting shares) Cdn. \$

Years ended			First quarter		Second quarter		Third quarter		Fourth quarter		Total year
December 1995	High	\$	41.50	\$	35.88	\$	35.50	\$	36.13	\$	41.50
	Low	\$	35.13	\$	30.50	\$	31.13	\$	27.38	\$	27.38
	Close	\$	35.50	\$	33.00	\$	32.88	\$	36.00	\$	36.00
	Volume (000s)		2,710		3,882		1,481		3,696		11,769
December 1996	High	\$	37.75	\$	36.80	\$	32.50	\$	33.00	\$	37.75
	Low	\$	30.75	\$	31.35	\$	26.70	\$	26.05	\$	26.05
	Close	\$	32.50	\$	32.25	\$	26.70	\$	27.15	\$	27.15
	Volume (000s)		1,869		5,088		2,036		2,747		11,740
December 1997	High	\$	30.00	\$	27.80	\$	30.00	\$	25.25	\$	30.00
	Low	\$	22.50	\$	23.10	\$	24.15	\$	12.70	\$	12.70
	Close	\$	25.60	\$	26.00	\$	24.30	\$	13.10	\$	13.10
	Volume (000s)		2,477		3,931		1,961		3,300		11,669
December 1998	High	\$	17.25	\$	19.50	\$	21.65	\$	20.50	\$	21.65
	Low	\$	9.25	\$	14.60	\$	11.00	\$	11.50	\$	9.25
	Close	\$	16.00	\$	18.25	\$	11.50	\$	18.50	\$	18.50
	Volume (000s)		3,737		2,290		1,759		862		8,648
December 1999	High	\$	29.50	\$	30.00	\$	37.00	\$	55.70	\$	55.70
	Low	\$	19.00	\$	23.50	\$	24.00	\$	34.00	\$	19.00
	Close	\$	27.05	\$	24.25	\$	34.70	\$	52.65	\$	52.65
	Volume (000s)		3,141		2,644		6,799		4,168		16,752

### The New York Stock Exchange (RCN restricted voting shares) U.S. \$

Years ended			First quarter		Second quarter		Third quarter		Fourth quarter		Total year
December 1996 <sup>1</sup>	High	\$	27.75	\$	27.00	\$	23.25	\$	24.25	\$	27.75
	Low	\$	22.38	\$	23.00	\$	19.63	\$	19.00	\$	19.00
	Close	\$	24.00	\$	23.38	\$	19.75	\$	19.38	\$	19.38
	Volume (000s)		2,163		1,019		1,159		622		4,963
December 1997	High	\$	22.25	\$	20.00	\$	21.75	\$	18.25	\$	22.25
	Low	\$	16.50	\$	16.37	\$	17.31	\$	9.00	\$	9.00
	Close	\$	18.37	\$	18.93	\$	17.68	\$	9.31	\$	9.31
	Volume (000s)		3,401		915		208		1,174		5,698
December 1998	High	\$	12.38	\$	13.50	\$	14.00	\$	13.75	\$	14.00
	Low	\$	7.13	\$	10.69	\$	7.06	\$	7.19	\$	7.06
	Close	\$	11.88	\$	12.88	\$	7.69	\$	12.19	\$	12.19
	Volume (000s)		1,643		1,308		1,000		872		4,823
December 1999	High	\$	19.13	\$	19.63	\$	25.25	\$	37.00	\$	37.00
	Low	\$	12.50	\$	16.31	\$	16.50	\$	23.94	\$	12.50
	Close	\$	18.06	\$	16.44	\$	23.69	\$	36.38	\$	36.38
	Volume (000s)		2,084		980		3,388		5,488		11,938

<sup>1</sup> First day of trading on the New York Stock Exchange was January 11, 1996.

## key statistics

Years ended December 31	1999	1998	1997	1996	1995
<b>Cellular Statistics</b>					
<b>Subscribers</b>	<b>2,153,100</b>	<b>1,737,600</b>	<b>1,552,100</b>	<b>1,369,600</b>	<b>1,049,400</b>
<b>Subscribers to population served</b>	<b>7.6%</b>	<b>6.70%</b>	<b>5.55%</b>	<b>4.97%</b>	<b>4.00%</b>
<b>Average monthly revenue per subscriber<sup>1</sup></b>	<b>\$ 49</b>	<b>\$ 54</b>	<b>\$ 59</b>	<b>\$ 66</b>	<b>\$ 73</b>
<b>Sales and marketing expense per gross addition</b>	<b>\$ 459</b>	<b>\$ 610</b>	<b>\$ 752</b>	<b>\$ 649</b>	<b>\$ 587</b>
<b>Average monthly operating expense per subscriber<sup>1, 2</sup></b>	<b>\$ 15</b>	<b>\$ 17</b>	<b>\$ 19</b>	<b>\$ 21</b>	<b>\$ 22</b>
<b>Average monthly usage per subscriber<sup>3</sup> (in minutes)</b>	<b>216</b>	<b>202</b>	<b>213</b>	<b>208</b>	<b>168</b>
<b>% average monthly churn</b>	<b>1.86%</b>	<b>1.90%</b>	<b>1.63%</b>	<b>1.69%</b>	<b>2.12%</b>
<b>Switches</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>18</b>	<b>17</b>
<b>Cell sites</b>	<b>1,667</b>	<b>1,584</b>	<b>1,462</b>	<b>1,133</b>	<b>862</b>
<b>% of cell sites with digital capacity</b>	<b>84%</b>	<b>83%</b>	<b>81%</b>	<b>63%</b>	<b>64%</b>
<b>Radio channels</b>	<b>46,406</b>	<b>43,697</b>	<b>41,064</b>	<b>28,561</b>	<b>19,225</b>
<b>Messaging and Data Statistics</b>					
<b>Subscribers<sup>4</sup></b>	<b>452,000</b>	<b>256,400</b>	<b>253,600</b>	<b>242,800</b>	<b>201,800</b>
<b>Average monthly revenue per subscriber<sup>1</sup></b>	<b>\$ 12</b>	<b>\$ 14</b>	<b>\$ 15</b>	<b>\$ 18</b>	<b>\$ 21</b>
<b>Subscribers to population served</b>	<b>1.79%</b>	<b>1.06%</b>	<b>1.05%</b>	<b>0.98%</b>	<b>1.04%</b>

<sup>1</sup> Based upon a 13 point average. Cellular statistic includes core and prepaid.

<sup>2</sup> Before sales and marketing expenses.

<sup>3</sup> Excluding prepaid minutes.

<sup>4</sup> Includes Shaw Paging subscribers acquired November 8, 1999.

## five-year financial summary

(In thousands of dollars, except per share amounts)  
Years ended December 31

	1999	1998	1997	1996	1995
<b>Income Statement</b>					
Total revenue	\$ 1,351,723	\$ 1,242,925	\$ 1,241,329	\$ 1,102,854	\$ 899,521
Cellular revenue	1,121,666	1,045,388	1,030,254	935,925	757,993
Operating income <sup>1</sup>	412,477	385,622	386,458	342,262	306,934
Loss	(35,829)	(78,555)	(378,434)	(67,611)	(42,913)
Loss under U.S. GAAP	(39,357)	(188,592)	(412,487)	(55,014)	(43,522)
<b>Cash Flow</b>					
Cash flow from operations <sup>2</sup>	\$ 318,960	\$ 195,709	\$ 244,568	\$ 224,333	\$ 191,870
— Under U.S. GAAP	318,960	195,709	244,568	224,333	190,940
Capital expenditures	400,959	301,287	604,675	553,826	185,550
<b>Per Share</b>					
Weighted average outstanding number of shares (000s)	103,902	92,957	93,404	93,897	93,894
Loss per share	\$ (0.34)	\$ (0.85)	\$ (4.05)	\$ (0.72)	\$ (0.46)
Loss per share under U.S. GAAP	(0.38)	(2.03)	(4.42)	(0.59)	(0.46)
Cash flow per share	3.07	2.11	2.62	2.39	2.04
Cash flow per share under U.S. GAAP — Basic	3.07	2.11	2.62	2.39	2.03

(In thousands of dollars)  
As at December 31

	1999	1998	1997	1996	1995
<b>Balance Sheet</b>					
Total assets	\$ 2,116,617	\$ 2,023,813	\$ 1,956,126	\$ 1,763,917	\$ 1,290,710
Fixed assets — net	1,778,545	1,643,881	1,601,461	1,320,588	963,171
Goodwill	12,040	—	—	22,451	23,842
Long-term debt	1,413,792	2,237,358	2,089,140	1,589,343	1,109,836
Shareholders' equity (deficiency)	307,381	(622,929)	(544,374)	(141,207)	(106,152)

<sup>1</sup> Before provision for restructuring and asset writedowns and depreciation and amortization.

<sup>2</sup> Cash flow from operations before changes in working capital amounts.

## quarterly comparison 1999–1998

1999

(In thousands of dollars, except per share amounts)

	Dec. 31	Sept. 30	June 30	Mar. 31
<b>Income Statement</b>				
<b>Revenue</b>				
Cellular Services	\$ 301,955	\$ 296,250	\$ 273,407	\$ 250,054
Equipment Sales	62,155	40,328	40,475	35,309
Messaging and Data Services	16,991	12,705	11,232	10,862
<b>Total</b>	<b>\$ 381,101</b>	<b>\$ 349,283</b>	<b>\$ 325,114</b>	<b>\$ 296,225</b>
<b>Operating income before depreciation and amortization and unusual items:</b>				
Cellular Services	\$ 91,606	\$ 115,099	\$ 103,789	\$ 90,125
Equipment Sales, Messaging Services and Other	5,422	2,784	2,090	1,562
<b>Total</b>	<b>97,028</b>	<b>117,883</b>	<b>105,879</b>	<b>91,687</b>
<b>Depreciation and amortization</b>	<b>73,519</b>	<b>72,136</b>	<b>71,304</b>	<b>68,499</b>
<b>Operating income</b>	<b>23,509</b>	<b>45,747</b>	<b>34,575</b>	<b>23,188</b>
Interest expense	30,613	39,511	46,764	46,428
Other expense (income)	(26)	263	(107)	12
Loss on early repayment of long-term debt	—	69,331	—	—
Income taxes	(73,477)	1,272	1,132	1,132
<b>Net income (loss)</b>	<b>\$ 66,399</b>	<b>\$ (64,630)</b>	<b>\$ (13,214)</b>	<b>\$ (24,384)</b>
<b>Loss per share</b>	<b>\$ 0.64</b>	<b>\$ (0.61)</b>	<b>\$ (0.14)</b>	<b>\$ (0.26)</b>
<b>Net income (loss) — U.S. GAAP</b>	<b>\$ 22,858</b>	<b>\$ (52,851)</b>	<b>\$ 5,044</b>	<b>\$ (14,408)</b>
<b>Loss per share — U.S. GAAP</b>	<b>\$ 0.22</b>	<b>\$ (0.50)</b>	<b>\$ 0.05</b>	<b>\$ (0.15)</b>
<b>Operating income before depreciation and amortization and unusual items, margin %:</b>				
Cellular Services	30.3%	38.9%	38.0%	36.0%
Equipment Sales, Messaging Services and Other	6.9%	5.2%	4.0%	3.4%
<b>Total</b>	<b>25.5%</b>	<b>33.7%</b>	<b>32.6%</b>	<b>31.0%</b>
<b>Cash flow from operations<sup>1</sup></b>	<b>\$ 139,918</b>	<b>\$ 76,837</b>	<b>\$ 58,090</b>	<b>\$ 44,115</b>
<b>Capital expenditures</b>	<b>142,152</b>	<b>89,313</b>	<b>80,656</b>	<b>88,839</b>
<b>Long-term debt</b>	<b>1,413,792</b>	<b>1,425,407</b>	<b>2,316,727</b>	<b>2,231,208</b>
<b>Cellular subscribers</b>	<b>2,153,100</b>	<b>2,008,700</b>	<b>1,909,700</b>	<b>1,800,300</b>
<b>Messaging and Data subscribers</b>	<b>452,000</b>	<b>288,200</b>	<b>270,500</b>	<b>259,700</b>

<sup>1</sup> Cash flow from operations before changes in working capital amounts.



1998

(In thousands of dollars, except per share amounts)

Dec. 31

Sept. 30

June 30

Mar. 31

**Income Statement**

**Revenue**

Cellular Services

\$ 264,591 \$ 266,648 \$ 264,688 \$ 249,461

Equipment Sales

47,814 37,285 29,676 35,864

Messaging and Data Services

11,703 11,654 11,803 11,738

**Total**

\$ 324,108 \$ 315,587 \$ 306,167 \$ 297,063

**Operating income before depreciation and amortization and unusual items:**

Cellular Services

\$ 87,575 \$ 106,205 \$ 101,208 \$ 84,283

Equipment Sales, Messaging Services and Other

1,346 1,288 1,838 1,879

**Total**

88,921 107,493 103,046 86,162

**Depreciation and amortization**

74,502 72,116 65,138 62,508

**Operating income**

14,419 35,377 37,908 23,654

**Interest expense**

48,188 48,495 46,540 42,203

**Other expense (income)**

(1,686) 1,099 527 18

**Loss on early repayment of long-term debt**

— — — —

**Income taxes**

1,133 1,132 1,132 1,132

**Net income (loss)**

\$ (33,216) \$ (15,349) \$ (10,291) \$ (19,699)

**Loss per share**

\$ (0.36) \$ (0.17) \$ (0.11) \$ (0.21)

**Net income (loss) — U.S. GAAP**

\$ (57,176) \$ (60,272) \$ (57,319) \$ (13,825)

**Loss per share — U.S. GAAP**

\$ (0.61) \$ (0.65) \$ (0.62) \$ (0.15)

**Operating income before depreciation and amortization and unusual items, margin %:**

Cellular Services

33.1% 39.8% 38.2% 33.8%

Equipment Sales, Messaging Services and Other

2.3% 2.6% 4.4% 3.9%

**Total**

27.4% 34.1% 33.7% 29.0%

**Cash flow from operations<sup>1</sup>**

\$ 41,286 \$ 56,767 \$ 54,847 \$ 42,809

**Capital expenditures**

86,975 67,775 81,457 65,080

**Long-term debt**

2,237,358 2,165,493 2,191,473 2,086,567

**Cellular subscribers**

1,737,600 1,634,300 1,590,300 1,565,500

**Messaging and Data subscribers**

256,400 249,900 248,800 249,800

<sup>1</sup> Cash flow from operations before changes in working capital amounts.

## consolidated statements of income

(In thousands of dollars, except per share amounts)  
Years ended December 31, 1999 and 1998

	1999	1998
Revenue (note 10)	\$ 1,351,723	\$ 1,242,925
Operating, general and administrative expenses	929,395	847,783
Management fees (note 13(b))	9,851	9,520
Operating income before depreciation and amortization	412,477	385,622
Depreciation and amortization	285,458	274,264
Operating income	127,019	111,358
Interest expense (income):		
Long-term debt	153,772	170,379
Notes payable to Rogers Communications Inc.	11,347	14,749
Other	(1,803)	298
Loss on early repayment of long-term debt (note 7(g))	69,331	—
Other expense (income)	142	(42)
	232,789	185,384
Loss before income taxes	(105,770)	(74,026)
Income taxes (recovery) (note 11)	(69,941)	4,529
Loss for the year	\$ (35,829)	\$ (78,555)
Loss per share	\$ (0.34)	\$ (0.85)
Weighted average number of Class A Multiple Voting, Class B Restricted Voting shares and Preferred Share Equivalents (in thousands)	103,902	92,957

See accompanying notes to the consolidated financial statements.

## consolidated statements of cash flows

(In thousands of dollars)  
Years ended December 31, 1999 and 1998

1999

1998

### Cash flows from (used by):

#### Operating activities:

Loss for the year	\$ (35,829)	\$ (78,555)
Adjustments to reconcile net income to cash flow:		
Depreciation and amortization	285,458	274,264
Loss on early repayment of long-term debt	69,331	—
	318,960	195,709

#### Changes in:

Accounts receivable	(23,400)	55,636
Other assets	(6,312)	(7,325)
Accounts payable and accrued liabilities and unearned revenue	(12,698)	(3,093)
Amounts due to/from parent and affiliated companies, net	(10,668)	9,919
	265,882	250,846

#### Financing activities:

Issue (repayment) of notes payable to Rogers Communications Inc., net (note 8)	(287,000)	62,500
Issue of long-term debt	237,000	1,000
Repayment of long-term debt	(764,244)	(4,172)
Financing costs incurred	—	(85)
Issue of capital stock	966,139	—
	151,895	59,243

#### Investing activities:

Additions to fixed assets	(400,959)	(301,287)
Acquisition of business (note 3)	(19,750)	—
	(420,709)	(301,287)

Increase (decrease) in cash and cash equivalents

(2,932) 8,802

Cash deficiency, beginning of year

(5,779) (14,581)

Cash deficiency, end of year

\$ (8,711) \$ (5,779)

#### Supplemental cash flow information:

Interest paid	\$ 170,597	\$ 184,503
Taxes paid	10,214	8,578

Cash deficiency is defined as cash less bank advances.

See accompanying notes to consolidated financial statements.

## consolidated balance sheets

(In thousands of dollars)

As at December 31, 1999 and 1998

1999

1998

### Assets

Fixed assets (note 4)	\$ 1,778,545	\$ 1,643,881
Goodwill	12,040	—
Accounts receivable, net of allowance for doubtful accounts of \$39,013 (1998 — \$45,314)	179,045	154,342
Due from parent and affiliated companies (note 13(a))	514	—
Deferred charges (note 5)	75,124	158,563
Other assets (note 6)	71,349	67,027
	<b>\$ 2,116,617</b>	<b>\$ 2,023,813</b>

### Liabilities and Shareholders' Equity (Deficiency)

#### Liabilities:

Bank advances, arising from outstanding cheques	\$ 8,711	\$ 5,779
Long-term debt (note 7)	1,413,792	1,950,358
Notes payable to Rogers Communications Inc. (note 8)	—	287,000
Accounts payable and accrued liabilities	325,474	346,567
Due to parent and affiliated companies (note 13(a))	—	10,154
Unearned revenue	61,259	46,884
	<b>1,809,236</b>	<b>2,646,742</b>

#### Shareholders' equity (deficiency):

Capital stock (note 9)	1,447,797	449,158
Warrants (note 9(c))	—	32,500
Deficit	(1,140,416)	(1,104,587)
	<b>307,381</b>	<b>(622,929)</b>
	<b>\$ 2,116,617</b>	<b>\$ 2,023,813</b>

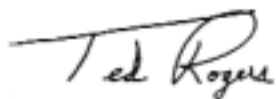
#### Commitments (note 15)

#### Contingent liabilities (note 16)

#### Canadian and United States accounting policy differences (note 17)

See accompanying notes to consolidated financial statements.

On behalf of the Board:



Ted Rogers  
Director



Charles E. Hoffman  
Director

## consolidated statements of deficit

(In thousands of dollars)  
Years ended December 31, 1999 and 1998

	1999	1998
Deficit, beginning of year	\$ 1,104,587	\$ 1,026,032
Loss for the year	35,829	78,555
Deficit, end of year	\$ 1,140,416	\$ 1,104,587

See accompanying notes to consolidated financial statements.

## auditors' report to the shareholders

We have audited the consolidated balance sheets of Rogers Cantel Mobile Communications Inc. as at December 31, 1999 and 1998 and the consolidated statements of income, deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Generally accepted accounting principles in Canada differ in some respects from those applicable in the United States (note 17).



KPMG LLP, Chartered Accountants  
Toronto, Canada

January 21, 2000

## notes to consolidated financial statements

Years ended December 31, 1999 and 1998

### 1. Nature of business

Rogers Cantel Mobile Communications Inc. (the "Company") is a public company, 51.4% (1998 – 81.0%) owned directly and indirectly by Rogers Communications Inc. ("RCI").

The Company offers digital Personal Communications Services ("PCS") and analog cellular, messaging and wireless data communications services nationwide and operates under a cellular licence and a PCS licence issued by Industry Canada. The cellular and PCS licences are renewable in 2001.

### 2. Significant accounting policies

#### a. Consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. Intercompany transactions and balances are eliminated on consolidation.

Effective January 13, 2000, Rogers Cantel Inc., a wholly owned subsidiary of the Company, changed its name to Rogers Wireless Inc.

#### b. Capitalization policy

Fixed assets are recorded at purchase cost. During construction of the network, direct costs plus a portion of overhead costs are capitalized. Repairs and maintenance expenditures are charged to expense as incurred.

#### c. Depreciation

Fixed assets are depreciated over their estimated useful lives at the following annual rates:

Asset	Basis	Rate
Buildings	Diminishing balance	5%
Network equipment	Straight line	6 $\frac{2}{3}$ % to 25%
Network radio base station equipment	Straight line	12 $\frac{1}{2}$ %
Computer equipment and software	Straight line	25% and 33 $\frac{1}{3}$ %
Furniture, fixtures and office equipment	Diminishing balance	20%
Leasehold improvements	Straight line over the term of the lease	
Other equipment	Mainly straight line	20% to 33 $\frac{1}{3}$ %

#### d. Goodwill

The Company amortizes goodwill related to paging operations on a straight-line basis over a period of five years. Amortization of goodwill for 1999 amounted to \$415,000 (1998 – nil).

The carrying value of goodwill is periodically reviewed to determine if an impairment in value has occurred. The Company measures the potential impairment in value by comparing the carrying value to the undiscounted value of expected future operating income before depreciation and amortization, interest and income taxes. Based on its review, the Company does not believe that an impairment of the carrying value of goodwill has occurred to date.

#### e. Subscriber acquisition costs

The Company expenses commissions, hardware and other associated costs related to new subscribers upon activation.

#### f. Foreign exchange

Long-term debt denominated in United States dollars is translated into Canadian dollars at the year-end rate of exchange, or at the hedge rate of exchange when cross-currency interest exchange agreements are in effect. Exchange gains or losses on translating this long-term debt are deferred and amortized on a straight-line basis over the remaining life of the debt. All other exchange gains or losses are included in income.

**g. Financial instruments**

The Company uses derivative financial instruments to manage risks from fluctuations in exchange rates and interest rates. These instruments include cross-currency interest rate exchange agreements, interest exchange agreements and, from time to time, foreign exchange option agreements and foreign exchange forward contracts. All such instruments are only used for risk management purposes and are designated as hedges of specific debt instruments. The Company accounts for these financial instruments as hedges and as a result the carrying values of the financial instruments are not adjusted to reflect their current market values. The net receipts or payments arising from financial instruments relating to interest are recognized in interest expense on an accrual basis. Upon redesignation or amendment of a derivative financial instrument, the carrying value of the instrument is adjusted to fair market value. If the related debt instrument which was hedged has been repaid, then any gain or loss is recorded as a component of the gain or loss on the repayment of the debt. Otherwise, any gain or loss is deferred and amortized over the remaining term of the original instrument.

**h. Deferred charges**

The costs of obtaining bank and other debt financing are deferred and amortized on a straight-line basis over the effective life of the debt to which they relate.

**i. Income taxes**

The Company records income tax expense using the deferral method. Tax deferred as a result of claiming, for income tax purposes, amounts different from those recorded in the accounts is charged against current operations and recorded in the consolidated balance sheet as deferred income taxes. Timing differences consist principally of tax depreciation in excess of book depreciation and the capitalization of certain costs for accounting purposes which are expensed for tax purposes. This method also requires the recognition of future tax benefits, such as operating losses, to the extent that deferred income tax liabilities are recorded.

**j. Unearned revenue**

Unearned revenue includes subscriber deposits and amounts received from subscribers related to services to be provided in future periods.

**k. Pensions**

Pension expense consists of the aggregate of (a) the actuarially computed costs of pension benefits provided in respect of the current year's service, (b) imputed interest on any funding excess and (c) the amortization over the expected average remaining service life of the employees of (i) the funding excess existing as at the beginning of the year, and (ii) any experience gain or loss during the year.

**l. Segmented information**

The Company considers its cellular services operations, which include Digital PCS and analog services, to be one operating segment. The messaging and other operations are not significant enough to be considered separately reportable operating segments. All of the Company's principal businesses are carried out in Canada.

**m. Stock based compensation**

The Company has a stock option plan for employees and directors. All stock options issued under this plan have an exercise price equal to the fair market value of the underlying Class B Restricted Voting Shares on the date of grant. As a result, no compensation expense is recorded on the grant of options under the plan. The Company also has an employee share purchase plan. Compensation expense is recognized in connection with the employee share purchase plan to the extent of the discount provided to employees from the market price on the date of issue. Consideration paid by employees on the exercise of stock options or the purchase of shares is recorded as capital stock. The stock option plan and share purchase plan are described in notes 9(a) and (b).

#### n. Statement of cash flows

Effective January 1, 1999, the Company adopted the new accounting requirements of the Canadian Institute of Chartered Accountants ("CICA") for Cash Flow Statements. Under these new requirements, the consolidated statement of cash flows provides information with respect to changes in cash and cash equivalents and classifies cash flows during the period arising from operating, financing and investing activities. Previously, the Company presented a consolidated statement of changes in financial position, which provided information classified in a similar manner to the new cash flows, except that non-cash transactions were included in the consolidated statement of changes in financial position.

#### o. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### 3. Acquisition

Effective November 8, 1999, the Company acquired the net assets of a paging business for cash consideration of \$19,750,000, including costs of acquisition of \$150,000. The acquisition has been accounted for using the purchase method and the results of operations of the acquired business have been included in the consolidated statement of income from the date of acquisition.

Net assets acquired, at fair values, were as follows:

(In thousands of dollars)

Goodwill	\$	12,455
Fixed assets		7,524
Other		1,792
		21,771
Liabilities		2,021
	\$	19,750

### 4. Fixed assets

(In thousands of dollars)

	1999	1998
Land and buildings	\$ 116,970	\$ 113,774
Network equipment	1,579,063	1,498,961
Network radio base station equipment	1,085,389	979,656
Computer equipment and software	393,486	238,089
Furniture, fixtures and office equipment	42,883	51,569
Leasehold improvements	16,725	26,623
Other equipment	10,597	8,030
	3,245,113	2,916,702
Less accumulated depreciation and amortization	1,466,568	1,272,821
	\$ 1,778,545	\$ 1,643,881

The Company has a significant ongoing capital expenditure program for the expansion and improvement of its networks. The Company estimates that its capital expenditure program for 2000 will amount to approximately \$450,000,000.



## 5. Deferred charges

(In thousands of dollars)	1999	1998
Foreign exchange loss, less accumulated amortization of \$11,436 (1998 — \$9,419)	\$ 48,369	\$ 120,850
Financing costs, less accumulated amortization of \$10,044 (1998 — \$8,095)	26,755	37,649
Other	—	64
	\$ 75,124	\$ 158,563

Amortization of deferred charges for 1999 amounted to \$8,692,000 (1998 — \$11,676,000).

In connection with the early repayment of certain long-term debt, the Company recorded losses of \$69,331,000, including the write-off of deferred foreign exchange of \$28,070,000 and deferred financing costs of \$6,845,000.

## 6. Other assets

(In thousands of dollars)	1999	1998
Brand licence costs, less accumulated amortization of \$7,770 (1998 — \$5,250)	\$ 30,030	\$ 32,550
Amounts receivable from employees under RCI share purchase plans including \$137 from officers of the Company (1998 — \$294)	509	827
Inventories	21,336	13,751
Prepaid expenses	14,690	14,268
Miscellaneous notes and loans receivable from employees	4,648	4,825
Other	136	806
	\$ 71,349	\$ 67,027

In 1996, the Company entered into a brand licence agreement with AT&T Canada Enterprises Inc. ("AT&T") providing the Company with, among other things, the right to use the AT&T brand names. As consideration for entering into this agreement, the Company issued warrants to AT&T at a value of \$32,500,000 (note 9(c)). The consideration given to AT&T together with the incremental costs of entering into the brand licence agreement amounted to \$37,800,000 and are being deferred and amortized on a straight-line basis to income over the fifteen-year term of the brand licence agreement. The amortization of the brand licence cost for 1999 was \$2,520,000 (1998 — \$2,520,000).

## 7. Long-term debt

(In thousands of dollars)	Interest rate	1999	1998
Bank loan	Floating	\$ —	\$ 76,000
Senior Secured Notes due 2006	10½%	160,000	160,000
Senior Secured Notes due 2007	8.30%	267,268	395,509
Senior Secured Debentures due 2008	9¾%	433,121	691,813
Senior Secured Debentures due 2016	9¾%	216,140	267,838
Senior Subordinated Notes due 2007	8.80%	310,310	329,058
Obligations under mortgages, capital leases and other	Various	26,953	30,140
		\$ 1,413,792	\$ 1,950,358

Further details of long-term debt are as follows:

a. Bank loan

At December 31, 1999, the Company had no loans (1998 — \$76,000,000) outstanding under its credit facility, which provides for up to \$800,000,000 of credit capacity from a consortium of Canadian financial institutions.

Under the credit facility, the Company may borrow at various rates, including the bank prime rate to the bank prime rate plus  $\frac{3}{4}\%$  per annum, the bankers' acceptance rate plus  $\frac{3}{4}\%$  to  $1\frac{1}{2}\%$  per annum and the London Inter Bank Offered Rate ("LIBOR") plus  $\frac{3}{4}\%$  to  $1\frac{1}{2}\%$  per annum. Access to the credit facility is based on certain maintenance tests.

This credit facility is available on a fully revolving basis until the first date specified below, at which time the facility becomes a revolving/reducing facility and the aggregate amount of credit available under the facility will be reduced as follows:

Date of reduction	Reduction at each date (in thousands of dollars)
On January 2:	
2001	\$ 120,000
2002	160,000
2003	160,000
2004	160,000
2005	200,000

The credit facility requires that any additional senior debt (other than the bank loan described above) that is denominated in a foreign currency be hedged against foreign exchange fluctuations on a minimum of 50% of such additional senior borrowings in excess of the Canadian equivalent of U.S. \$25,000,000.

Borrowings under the credit facility are secured by the pledge of a senior bond issued under a deed of trust which is secured by substantially all the assets of the Company and certain of its subsidiaries, subject to certain exceptions and prior liens.

b. Senior Secured Notes due 2006

The Company's \$160,000,000 Senior Secured Notes mature on June 1, 2006. These notes are redeemable in whole or in part, at the option of the Company, at any time subject to a prepayment premium.

c. Senior Secured Notes due 2007

The Company's U.S. \$196,110,000 (1998 — U.S. \$275,000,000) Senior Secured Notes mature on October 1, 2007. These notes are redeemable in whole or in part, at the option of the Company, on or after October 1, 2002 at 104.15% of the principal amount, declining ratably to 100% of the principal amount on or after October 1, 2005 plus, in each case, interest accrued to the redemption date (note 7(g)).

d. Senior Secured Debentures due 2008

The Company's U.S. \$333,170,000 (1998 — U.S. \$510,000,000) Senior Secured Debentures mature on June 1, 2008. These debentures are redeemable at the option of the Company, in whole or in part, at any time on or after June 1, 2003, at 104.688% of the principal amount, declining ratably to 100% of the principal amount on or after June 1, 2006 plus, in each case, interest accrued to the redemption date (note 7(g)).

e. Senior Secured Debentures due 2016

The Company's U.S. \$154,900,000 (1998 — U.S. \$175,000,000) Senior Secured Debentures mature on June 1, 2016. These debentures are redeemable in whole or in part, at the option of the Company, at any time, subject to a prepayment premium (note 7(g)).

Each of the Company's senior secured notes and debentures described above is secured by the pledge of a senior bond which is secured by the same security as the security for the bank credit facility described in 7(a) above and ranks equally with the bank credit facility.

f. Senior Subordinated Notes due 2007

The Company's U.S. \$215,000,000 Senior Subordinated Notes mature on October 1, 2007. These notes are redeemable in whole or in part, at the option of the Company, on or after October 1, 2002 at 104.40% of the principal amount declining ratably to 100% of the principal amount on or after October 1, 2005 plus, in each case, interest accrued to the redemption date. The subordinated notes are subordinated to all existing and future senior secured obligations of the Company (including the bank loan, the senior notes and senior debentures). The subordinated notes are not secured by the pledge of a senior bond.

Interest is payable semi-annually on all of the senior secured notes and debentures and senior subordinated notes.

g. Repayment of long-term debt

During 1999, the Company repurchased in total U.S. \$275,820,000 of Senior Notes and Debentures as reflected in the reduction of outstanding debt in notes 7(c) through (e) inclusive. As a result, the Company paid a prepayment premium of \$36,400,000, recorded a gain from redesignating certain cross-currency interest rate exchange agreements of \$1,984,000 and wrote-off deferred foreign exchange of \$28,070,000 and deferred financing costs of \$6,845,000, resulting in a net loss on repayment of \$69,331,000 (note 5).

h. Interest exchange agreements

i. The Company has entered into a number of cross-currency interest rate exchange agreements in order to reduce the Company's exposure to changes in the exchange rate of the U.S. dollar as compared to the Canadian dollar. Total U.S. dollar denominated long-term debt at December 31, 1999 amounted to U.S. \$899,180,000 (1998 — \$1,175,000,000) of which U.S. \$495,100,000 (1998 — \$495,100,000) or 55.1% (1998 — 42.1%) is hedged through cross-currency interest rate exchange agreements. The effect of these agreements is to convert the obligation of the Company to service U.S. dollar denominated debt in the amount of U.S. \$495,100,000 into Canadian dollar denominated debt at an average exchange rate of Canadian \$1.3000 (1998 — \$1.3000) to U.S. \$1.00.

The obligation of the Company to the counterparties under these cross-currency interest rate exchange agreements is secured by senior bonds ranking equally with other senior bonds issued.

ii. The cross-currency interest rate exchange agreements have the effect of converting the interest rate on an aggregate U.S. \$495,100,000 of which the U.S. dollar fixed interest rate of 8.30% per annum on U.S. \$110,100,000 of this long-term debt has been converted to a weighted average Canadian dollar fixed interest rate of 7.263% per annum on \$143,130,000 (i.e., with an exchange rate of Canadian \$1.3000 to U.S. \$1.00). The interest rate on the remaining U.S. \$385,000,000 of long-term debt has been converted from a U.S. dollar fixed interest rate of 9.375% per annum to a weighted average floating interest rate equal to the Canadian bankers' acceptances rate plus 2.353% per annum, which totalled 7.393% at December 31, 1999 (1998 — 7.417%) on \$500,500,000 (i.e., with an exchange rate of Canadian \$1.3000 to U.S. \$1.00). While this has the effect of converting \$500,500,000 of fixed rate debt to floating rate debt, the Company has entered into an agreement with RCI, under which the Company will obtain the benefit of certain of RCI's interest exchange agreements. These interest exchange agreements have the effect of limiting the interest rates on up to \$135,000,000 (1998 — \$285,000,000) of floating rate debt of the Company based upon reference interest rates varying from 11.54% to 12.39% and maturity dates ranging to May 2000. These interest exchange agreements will be transferred to the Company at such time as fixed interest rates available to the Company equal or exceed the fixed interest rates under RCI's interest exchange agreements. The Company guarantees RCI's obligations under the interest exchange agreements. The obligations of the Company under the guarantee are secured by the pledge of senior bonds ranking equally with other senior bonds issued under a deed of trust.

Total long-term debt at fixed interest rates as at December 31, 1999 was \$913,292,000 (1998 — \$1,373,900,000) or 65% (1998 — 70%) of long-term debt. The effective weighted average interest rate on all long-term debt at December 31, 1999, including the effect of the cross-currency interest rate exchange agreements was 8.40% (1998 — 8.49%).

As at December 31, 1999, principal repayments due within each of the next five years on all long-term debt are as follows:

(In thousands of dollars)

Year ending December 31:		
2000	\$	1,525
2001		1,071
2002		708
2003		458
2004		464
Thereafter		1,409,566
	\$	1,413,792

The long-term debt agreements entered into by the Company contain certain provisions which restrict the operations and activities of the Company, the most restrictive of which pertain to debt incurrence and maintenance tests, additional investments, sale of assets, payment of dividends and the payment of principal or interest on certain subordinated debt. In addition, the repayment dates of certain debt agreements accelerate if there is a change in control of the Company.

## 8. Notes payable to Rogers Communications Inc.

(In thousands of dollars)

1999

1998

Subordinated, unsecured promissory notes, payable on demand, bearing interest at the bank prime rate		
	\$	— \$ 287,000

During 1999, RCI advanced an aggregate of \$318,700,000 (1998 — \$593,000,000) of subordinated, unsecured demand promissory notes bearing interest at the bank prime rate and the Company repaid \$605,700,000 (1998 — \$530,500,000) of subordinated, unsecured demand promissory notes owing to RCI.

## 9. Capital stock

### Rights and conditions

#### Preference shares

There are an unlimited number of authorized preference shares without par value, issuable in series, with rights and terms of each series to be fixed by the Board of Directors prior to the issue of the series.

The Series A Preference Shares are non-voting and convertible at any time on or after August 16, 2000, into fully paid and non-assessable Class A Multiple Voting Shares of the Company on a one-for-one basis.

The Series B Preference Shares are non-voting and convertible at any time on or after August 16, 2000, into fully paid and non-assessable Class B Restricted Voting Shares of the Company on a one-for-one basis.

#### Common shares

There are two classes of fully participating common shares, each of which have an unlimited number of authorized shares and are without par value.

The Class A Multiple Voting Shares are entitled to ten votes per share and are convertible at any time on a one-for-one basis into Class B Restricted Voting Shares.

The Class B Restricted Voting Shares are entitled to one vote per share on all matters other than the appointment of auditors and generally on the election of directors. The Class B Restricted Voting Shares are entitled to elect three directors, voting separately as a class.

## Issued and outstanding

(In thousands of dollars)	1999	1998
15,334,453 Series A Preference Shares (1998 – nil)	\$ 528,664	\$ —
12,443,324 Series B Preference Shares (1998 – nil)	428,990	—
75,133,806 Class A Multiple Voting Shares	433,997	433,997
19,225,118 Class B Restricted Voting Shares (1998 – 17,823,665)	58,183	15,745
	1,449,834	449,742
Deduct amounts receivable from employees under certain share purchase plans	(2,037)	(584)
	\$ 1,447,797	\$ 449,158

a. The Company provides a stock option plan to key employees and officers to encourage executives to acquire a meaningful equity ownership interest in the Company over a period of time, and as a result, reinforce executives' attention on the long-term interest of the Company and its shareholders. Under the plan, options to purchase Class B Restricted Voting Shares of the Company may be granted to key employees, directors and officers of the Company by the Board of Directors or by the Company's Management Compensation Committee. There are 5,500,000 options authorized under the plan. The term of each option is ten years; the vesting period is generally four years but may be extended by the Management Compensation Committee. The exercise price for options is the weighted average trading price of the Class B Restricted Voting shares of the Company on the Toronto Stock Exchange for the five business days prior to the grant. Options granted to key employees and officers expire on cessation of employment, but in limited circumstances, may be exercised within a 30 day period following cessation of employment, and exercise rights will accelerate in the event of death or retirement at mandatory retirement age. Directors' options will continue to be exercisable in ordinary course notwithstanding retirement from the Board and the exercise rights will accelerate in the event of death.

Details of stock options are as follows:

	1999		1998	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding, beginning of year	1,632,730	\$ 21.16	1,139,790	\$ 25.27
Granted	463,500	52.46	659,940	16.31
Exercised	(312,505)	25.28	—	—
Cancelled	(40,000)	21.35	(167,000)	30.45
Outstanding, end of year	1,743,725	\$ 28.22	1,632,730	\$ 21.16
Exercisable, end of year	651,440	\$ 23.30	530,910	\$ 27.53

At December 31, 1999, the range of exercise prices, the weighted average exercise price and the weighted average remaining contractual life are as follows:

Range of exercise prices	Options outstanding		Options exercisable		
	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$11.82 – 16.42	887,600	8.6	\$ 16.09	295,521	\$ 15.97
26.27 – 32.75	408,625	6.1	29.18	351,919	29.26
40.22 – 53.51	447,500	10.0	51.43	4,000	40.22
	1,743,725			651,440	

Compensation expense related to stock options for 1999 was nil (1998 – nil).

Certain of the Company's key executives are also eligible to participate in RCI's stock option plan.

b. The Employee Share Purchase Plan is provided to enable eligible employees of the Company and its subsidiaries an opportunity to obtain an equity interest in the Company by permitting them to acquire Class B Restricted Voting Shares.

The price paid by the employees for the Class B Restricted Shares is the lesser of 85% of the closing price at which the shares traded on the Toronto Stock Exchange on the trading day immediately prior to the purchase date or the closing price on a date which is approximately one year subsequent to the original issue date.

During 1999, 45,777 (1998 – 31,745) Class B Restricted Voting Shares were issued under the Company's employee share purchase plan for consideration of \$2,037,000 (1998 – \$584,000).

c. During 1996, the Company issued 1,043,171 warrants at a value of \$32,500,000 as consideration for entering into a brand licence agreement (note 6). During 1999, these warrants were converted into 1,043,171 Class B Restricted Voting Shares of the Company for no additional cash consideration.

d. During 1999, Series A and Series B Preference Shares of the Company were issued to JVII, a general partnership ultimately owned by AT&T Corp. of the United States and British Telecommunications plc of the United Kingdom, for net cash consideration of \$957,654,000.

e. During 1999, the Company issued 312,505 (1998 – nil) Class B Restricted Voting Shares upon the exercise of options for cash of \$7,901,000 (1998 – nil).

f. RCI and one of its subsidiary companies own 83.6% (1998 – 100%) of the Class A Multiple Voting Shares; the Class B Restricted Voting Shares are publicly held.

Contemporaneously to the transaction described in note 9(d), RCI and one of its subsidiary companies sold 12,313,435 Class A Multiple Voting Shares to JVII.

g. The articles of incorporation of the Company impose restrictions on the issuance or transfer of any shares of the Company where such issuance or transfer would, in the opinion of the Board of Directors of the Company, jeopardize the ability of the Company to obtain, renew or maintain licences relating to its business.

## 10. Divisional revenue

The Company provides cellular and messaging services to subscribers in Canada. Revenue is also derived from the sale of cellular and paging equipment.

(In thousands of dollars)	1999	1998
Revenue derived from:		
Cellular services	\$ 1,121,666	\$ 1,045,388
Equipment sales	178,267	150,639
Messaging and data services	51,790	46,898
	<b>\$ 1,351,723</b>	<b>\$ 1,242,925</b>

## 11. Income taxes

Total income tax expense varies from the amounts that would be computed by applying the effective income tax rate to the loss before income taxes for the following reasons:

(In thousands of dollars)	1999	1998
Effective income tax rate	44%	44%
Income tax on the loss before income taxes	\$ (46,539)	\$ (32,571)
Increase (decrease) results from:		
Losses, the tax effect of which has not been recorded	36,309	28,519
Utilization of capital losses	(10,939)	—
Utilization of losses carried forward not previously recorded for accounting purposes	(74,464)	—
Non-deductible amortization and write-off of deferred foreign exchange	14,357	3,758
Non-deductible portion of capital loss	6,376	—
Other	436	294
Large Corporations Tax	4,523	4,529
Actual income tax expense (recovery)	<b>\$ (69,941)</b>	<b>\$ 4,529</b>

As at December 31, 1999, the Company has the following amounts available to reduce future years' income for income tax purposes, the tax effect of which has not been recorded in the accounts:

(In thousands of dollars)	
Income tax losses expiring in the year ending December 31:	
2000	\$ 15,000
2001	72,500
2002	70,900
2003	2,800
2004	250,000
2005	79,800
	<b>491,000</b>
Depreciation and other expenditures recorded for accounting purposes in excess of those claimed for income tax purposes	11,500
	<b>\$ 502,500</b>

During the fourth quarter of 1999, the Company completed a transaction with RCI, the result of which was the realization by the Company of a gain for income tax purposes and the utilization of certain of its tax loss carryforwards to offset this gain. As consideration for the utilization of its tax loss carryforwards, RCI paid the Company \$74,464,000, which was recorded as a reduction of income tax expense, as the tax effect of the loss carryforwards utilized had not previously been recorded for accounting purposes. This transaction was reviewed and approved by an independent committee of the Board of Directors.

## 12. Pensions

The Company participates in contributory defined benefit pension plans which cover substantially all of its employees. These plans provide pensions based on years of service, years of contribution and earnings.

Actuarial estimates prepared as at December 31, 1999 and 1998 were based on projections of employees' compensation levels to the time of retirement and indicate that the present value of the accrued pension benefits and the net assets available to provide for these benefits, at market, are as follows:

(In thousands of dollars)	1999	1998
Pension fund assets	\$ 23,622	\$ 21,340
Accrued pension benefits	21,729	18,428

Pension expense for 1999 was \$363,000 (1998 – \$33,000).

## 13. Related party transactions

a. The amount due from (to) RCI and RCI's subsidiaries is comprised of the following:

(In thousands of dollars)	1999	1998
RCI	\$ 327	\$ (8,996)
Rogers Cable Inc. ("Cable")	187	(1,158)
	\$ 514	\$ (10,154)

The above amounts reflect short-term intercompany charges for capital and operating expenditures.

b. The Company has entered into certain transactions and agreements with RCI and RCI's subsidiaries as follows:

### i. Management fees

The Company has entered into a management agreement under which RCI provides executive, administrative, financial and various additional services to the Company. Interest is charged by RCI on unpaid management fees. The management agreement is subject to termination by either party at the end of any calendar year on 12 months' notice.

### ii. Cost sharing arrangements

The Company has entered into agreements with Cable to share, on a pro rata basis, the cost of certain microwave and fibre-optic transmission facilities. In addition, long-term service arrangements exist with Cable for transmission services on fibre-optic facilities owned by Cable.

In addition, the Company leases certain office space it owns to RCI and RCI's subsidiaries.

### iii. Interest exchange agreements

The Company has entered into an agreement with RCI in respect of certain interest exchange agreements as described in note 7(h).



A summary of all significant charges from (to) related parties that have been accounted for at exchange amounts, is as follows:

(In thousands of dollars)	1999	1998
<b>RCI:</b>		
Management fees	\$ 9,851	\$ 9,520
Interest on notes payable	11,347	14,749
Rent	(2,607)	(1,150)
Other charges, net	9	235
	<b>18,600</b>	<b>23,354</b>
<b>Cable:</b>		
Transmission facilities purchased	440	290
Rent	(3,651)	(879)
Other charges	—	1,734
	<b>(3,211)</b>	<b>1,145</b>
	<b>\$ 15,389</b>	<b>\$ 24,499</b>

#### 14. Financial instruments

##### a. Fair values

The Company has determined the fair values of its financial instruments as follows:

i. Accounts receivable, amounts receivable from employees under RCI share purchase plans, miscellaneous notes and loans receivable from employees, due to/from parent and affiliated companies, bank advances, accounts payable and accrued liabilities, foreign exchange option agreements and foreign exchange forward contracts:

The carrying amount in the consolidated balance sheets approximates fair value because of the short-term nature of these instruments.

##### ii. Long-term debt

The fair values of each of the Company's long-term debt instruments are based on the current trading values, where available.

##### iii. Notes payable to RCI

The fair value of the subordinated, unsecured promissory notes approximates their carrying value due to the demand repayment terms of the notes.

##### iv. Interest exchange agreements

The fair values of the Company's cross-currency interest rate exchange agreements are based on values quoted by the counterparties to the agreements.

The estimated fair values of the Company's long-term debt and related derivatives as at December 31, 1999 and 1998 are as follows:

(In thousands of dollars)	1999		1998	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Long-term debt	\$ 1,484,740	\$ 1,538,166	\$ 2,064,478	\$ 2,147,036
Cross-currency interest rate exchange agreements	(70,948)	(99,816)	(114,120)	(195,711)
	\$ 1,413,792	\$ 1,438,350	\$ 1,950,358	\$ 1,951,325

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

**b. Other disclosures**

i. The credit risk of the cross-currency interest rate exchange agreements arises from the possibility that the counterparties to the agreements may default under their obligations in instances where those agreements have a positive fair value to the Company. The Company assesses the credit worthiness of the counterparties in order to minimize the risk of counterparty default under the agreements. Currently, all of the portfolio is held by financial institutions with a Standard & Poors rating (or the equivalent) of "AA" range.

ii. The Company does not require collateral or other security to support the credit risk associated with the cross-currency interest rate exchange agreements due to the Company's assessment of the credit worthiness of the counterparties.

iii. The Company does not have any significant concentrations of credit risk related to any financial asset.

**15. Commitments**

a. The Company is committed, under the term of its cellular and PCS licenses, to spend 2% of certain revenues earned in each year on research and development activities as defined by Industry Canada.

b. The future minimum lease payments under operating leases for the rental of premises, distribution facilities, equipment and microwave towers as at December 31, 1999 are as follows:

(In thousands of dollars)	
Year ending December 31:	
2000	\$ 19,391
2001	15,275
2002	10,442
2003	8,228
2004	6,540
2005 and subsequent years	17,710
	\$ 77,586

Rent expense for 1999 amounted to \$32,227,000 (1998 — \$34,417,000).

**16. Contingent liabilities****a. Litigation**

There exist certain legal actions against the Company, none of which is expected to have a material adverse effect on the consolidated financial position of the Company.

**b. Uncertainty due to Year 2000 Issue**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Company, including those related to customers, suppliers, or other third parties, have been fully resolved.

**17. Canadian and United States accounting policy differences**

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied in Canada. In certain respects, GAAP as applied in the United States differs from that applied in Canada.

If United States GAAP were employed, the loss for the year would be adjusted as follows:

(In thousands of dollars, except per share amounts)		1999	1998
Loss for the year based on Canadian GAAP	\$	(35,829)	\$ (78,555)
Amortization of goodwill (b)		(19,269)	(19,269)
Foreign exchange (e)		58,768	(80,349)
Loss on early repayment of long-term debt (f)		28,070	—
Depreciation expense (g)		(818)	(818)
Year 2000 costs capitalized, net (h)		4,185	(9,601)
Utilization of losses carried forward (i)		(74,464)	—
Loss for the year based on United States GAAP	\$	(39,357)	\$ (188,592)
Comprised of the following:			
Income (loss) before extraordinary item	\$	1,904	\$ (188,592)
Extraordinary item		(41,261)	—
	\$	(39,357)	\$ (188,592)
Earnings (loss) per share under United States GAAP:			
Basic:			
Before extraordinary item	\$	0.02	\$ (2.03)
After extraordinary item		(0.38)	(2.03)
Diluted:			
Before extraordinary item		0.02	(2.03)
After extraordinary item		(0.38)	(2.03)

The cumulative effect of these adjustments on the consolidated shareholders' equity of the Company is as follows:

(In thousands of dollars)	1999	1998
Shareholders' equity (deficiency) based on Canadian GAAP	\$ 307,381	\$ (622,929)
"Pushed down" goodwill (a)	770,757	770,757
Amortization of goodwill (b)	(210,352)	(191,083)
Interest capitalized (c)	6,137	6,137
Development costs (d)	(1,168)	(1,168)
Foreign exchange (e)	(34,012)	(120,850)
Depreciation expense (g)	(4,779)	(3,961)
Year 2000 costs capitalized, net (h)	(5,416)	(9,601)
Shareholders' equity (deficiency) based on United States GAAP	\$ 828,548	\$ (172,698)

The areas of material difference between Canadian and United States GAAP and their impact on the consolidated financial statements are described below:

a. "Push-down" accounting

Under United States GAAP, purchase transactions that result in an entity becoming a wholly owned subsidiary establish a new basis of accounting for the entity purchased and its assets and liabilities. As a result of RCI's acquisition of 100% of the Company in 1989, the Company must record as an asset in its consolidated financial statements the amount of goodwill that was recorded on the consolidated financial statements of RCI. As this acquisition was financed principally by the parent company with proceeds from other asset sales, the corresponding adjustment for the assets recorded was an increase in shareholders' equity.

At the time of the acquisition by RCI, Canadian GAAP did not permit a subsidiary company to alter the historical costs of its assets or liabilities upon it being acquired.

b. Amortization of goodwill

As a result of the "push-down" accounting described in (a) above, the Company is required under United States GAAP to amortize the amount recorded as goodwill. The Company is amortizing this amount under United States GAAP over 40 years on a straight-line basis.

c. Interest capitalization

Prior to 1991, the Company did not capitalize interest as a cost of assets under construction. United States GAAP requires capitalization of interest costs as a part of the historical cost of acquiring certain qualifying assets which require a period of time to prepare for their intended use. Interest is capitalized only during the period the assets are under construction.

d. Development costs

Canadian GAAP permits the capitalization of certain internal costs related to the development of new businesses. Under United States GAAP, such development costs would be charged to expense as incurred.

e. Foreign exchange

United States GAAP requires that gains and losses on foreign exchange resulting from the translation of long-term debt denominated in United States dollars be charged to income and expense when incurred. Canadian GAAP requires the amortization of foreign exchange gains or losses over the remaining life of the long-term debt.

f. Loss on early repayment of long-term debt

Under United States GAAP, the loss on early repayment of long-term debt would be reduced by the write-off of deferred foreign exchange in the amount of \$28,070,000. In addition, the loss would be reclassified as an extraordinary item for United States GAAP purposes.

g. Depreciation expense

As a result of the capitalization of interest to fixed assets required under United States GAAP described in (c), under United States GAAP, additional depreciation on the interest capitalized will be recorded in later periods.

h. Year 2000 costs capitalized

Under Canadian GAAP, the Company is capitalizing the costs incurred to modify its computer systems to ensure these systems continue to operate beyond the year 2000. Under United States GAAP, certain of these costs are expensed as incurred.

In addition, under United States GAAP, depreciation expense is reduced due to the Company expensing the Year 2000 costs under United States GAAP. This reduction has been charged to this reconciling item.

i. Utilization of losses

Under Canadian GAAP, the Company has recorded consideration received from RCI for the utilization of its tax loss carryforwards as a reduction of income tax expense. Under United States GAAP, this consideration is recorded as a capital contribution.

j. Operating income before depreciation and amortization

United States GAAP requires that depreciation and amortization be included in the determination of operating income and does not permit the disclosure of a subtotal of the amount of operating income before depreciation and amortization. Canadian GAAP permits the disclosure of a subtotal of the amount of operating income before depreciation and amortization.

k. Income taxes

United States GAAP requires that deferred income taxes be accounted for under the liability method, whereas Canadian GAAP requires the use of the deferral method. The difference between these two methods does not have a material effect on the amount of deferred income taxes recorded in the consolidated financial statements.

The Company has incurred losses for income tax purposes in the amount of approximately \$502,500,000 at December 31, 1999 which, if they had been accounted for, would give rise to a deferred income tax asset of approximately \$224,000,000. United States GAAP requires that in order to record this deferred income tax asset, the realization of these timing differences must be more likely than not. The Company is not certain whether realization is more likely than not and therefore has recorded a valuation allowance against this deferred income tax asset. Under Canadian GAAP, the Company must be virtually certain of the realization of these timing differences in order to record the deferred income tax asset. This condition of virtual certainty does not exist and therefore the deferred income tax asset has not been recorded under Canadian GAAP.

l. Statement of cash flows

United States GAAP requires additional disclosures with respect to the consolidated statement of cash flows as follows:

i. Canadian GAAP permits the disclosure of a subtotal of the amount of funds provided by operations before changes in non-cash working capital items in the consolidated statements of cash flows. United States GAAP does not permit this subtotal to be included.

ii. Canadian GAAP permits bank advances to be included in the determination of cash or cash equivalents in the consolidated statements of cash flows. United States GAAP requires that bank advances be reported as financing cash flows. As a result, under United States GAAP the decrease in bank advances in the amount of \$2,932,000 (1998 – increase of \$8,802,000) reflected in the consolidated statements of cash flows would be reported as cash flows under the heading “financing activities” in the statement.

m. Statement of comprehensive income

United States GAAP requires the disclosure of a Statement of Comprehensive Income. Comprehensive income generally encompasses all changes in shareholders’ equity except for capital transactions with shareholders. The loss for the year under United States GAAP as reported is the same as the comprehensive loss for the year under United States GAAP.

n. Capital stock

United States GAAP requires the disclosure of the liquidation preference of capital stock. All series of preference shares of the Company share equally in the distribution of assets upon liquidation with the Class A Multiple Voting and Class B Restricted Voting Shares.

o. Recent accounting pronouncements

The Financial Accounting Standards Board (“FASB”) has issued a pronouncement entitled “Accounting for Derivative Instruments and Hedging Activities” which the Company is required to adopt in the year ending December 31, 2001. The Company has not determined the impact of this pronouncement on its consolidated financial statements.

The American Institute of Certified Public Accountants has issued Statements of Position entitled “Accounting for the Costs of Computer Software Developed or Obtained for Internal Use” and “Reporting the Costs of Start-up Activities,” which the Company adopted in the year ended December 31, 1999. The adoption of these pronouncements did not have a material impact on the Company’s consolidated financial statements.

The CICA issued a new pronouncement entitled “Cash Flow Statements”, which the Company adopted in the year ended December 31, 1999. The adoption of this pronouncement did not have a material impact on the Company’s consolidated financial statements.

The CICA has also issued a pronouncement entitled “Income Taxes” which the Company is required to adopt in the first quarter of its fiscal year ending December 31, 2000. In addition, the CICA has issued a pronouncement entitled “Employee Future Benefits” which the Company is required to adopt in its fiscal year ending December 31, 2000. The Company is in the process of determining the impact of these pronouncements on its consolidated financial statements.

## directors and officers

### Directors

H. Garfield Emerson, Q.C.<sup>1,2,3,4</sup>  
President and  
Chief Executive Officer  
N M Rothschild and Sons  
Canada Limited

George A. Fierheller  
Four Halls Inc.

Albert Gnat, Q.C.  
Senior Partner  
Lang Michener

James C. Grant  
President  
C.G. James & Associates

Charles E. Hoffman<sup>2</sup>  
President and  
Chief Executive Officer  
Rogers Cantel Mobile  
Communications Inc.

Thomas I. Hull<sup>2,3</sup>  
Chairman and  
Chief Executive Officer  
The Hull Group Inc.

James J. Meenan<sup>1,4</sup>  
Vice Chairman and  
Chief Executive Officer  
AT&T Canada Inc.

Alfred T. Mockett<sup>1,2,4</sup>  
President and  
Chief Executive Officer  
Worldwide and  
British Telecom Solutions  
British Telecommunications plc

Pierre L. Morrisette<sup>1</sup>  
President and  
Chief Executive Officer  
Pelmorex Inc.

The Hon. David R. Peterson,  
P.C., Q.C.<sup>1</sup>  
Senior Partner  
Cassels Brock & Blackwell

Sohail Qadri  
Director, BT Group Mobility  
British Telecommunications plc

John F. Ricketts, C.A.<sup>1,4</sup>  
Company Director

Richard D. Roberts<sup>3</sup>  
President  
The Barnacle Group

Jordan M. Roderick<sup>2,3</sup>  
Executive Vice President  
International  
AT&T Wireless Services Inc.

Edward Rogers<sup>2</sup>  
Vice President  
General Manager  
Greater Toronto Area  
Rogers Cable Inc.

Edward S. Rogers, O.C.<sup>2,4</sup>  
President and Chief Executive Officer  
Rogers Communications Inc.

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Executive Committee

<sup>3</sup> Member of the Management  
Compensation Committee

<sup>4</sup> Member of the Nominating and  
Corporate Governance Committee

### Officers

Edward S. Rogers, O.C.  
Chairman

Charles E. Hoffman  
President and  
Chief Executive Officer

H. Garfield Emerson, Q.C.  
Vice Chairman

George A. Fierheller  
Honorary Chairman

Patrick J. Bennett  
Executive Vice President and  
Chief Operating Officer

Michel J. H. J. Beland, C.A.  
Senior Vice President and  
Chief Financial Officer

Robert F. Berner  
Senior Vice President and  
Chief Technology Officer

William G. Gibson  
President, Western Canada

The Hon. Francis Fox,  
P.C., Q.C.  
President, Eastern Canada

M. Gilles Lacoursière  
President, Quebec

Graeme H. McPhail  
Vice President  
Associate General Counsel

Paul W. Nelson  
Vice President, Information  
Technology and  
Chief Information Officer

## corporate information

### Offices

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**Winnipeg**  
1600-330 Portage Avenue  
Winnipeg, MB R3C 0C4  
(204) 942-1400

### Annual and Special Meeting

The Annual and Special Meeting of Rogers Cantel Mobile Communications Inc. will be held at 2:00 P.M. (Toronto time) Wednesday, June 21, 2000  
Glenn Gould Studio  
Canadian Broadcasting Centre  
250 Front Street West  
Toronto, ON M5Z 3G5

### Agent Bank

The Bank of Nova Scotia

### Auditors

KPMG LLP

### Annual Information Form

A copy of the Rogers AIF is available on request by writing to the corporate office.

### Common Shares

The Class B Restricted Voting Shares are traded on the Toronto Stock Exchange and the New York Stock Exchange. In Canada, RCM.B; NYSE, RCN: CUSIP # 775102205.

### Transfer Agent

Montreal Trust Company of Canada (416) 981-9633 or 1-800-663-9097 and The Bank of Nova Scotia Trust Company of New York (212) 225-5427

### Rogers Wireless Inc. Bonds

Senior Secured Notes due 2006  
CUSIP # 775101 AA6  
Trustees & Transfer Agents:  
The Chase Manhattan Bank  
1-800-648-8380  
CIBC Mellon Trust Company  
1-800-387-0825

Senior Secured Notes due 2007  
CUSIP # 775101 AG3  
Trustees & Transfer Agents:  
The Chase Manhattan Bank  
1-800-648-8380  
CIBC Mellon Trust Company  
1-800-387-0825

Senior Secured Debentures due 2008  
CUSIP # 775101 AB4  
Trustees & Transfer Agents:  
The Chase Manhattan Bank  
1-800-648-8380  
CIBC Mellon Trust Company  
1-800-387-0825

Senior Secured Debentures due 2016  
CUSIP # 775101 AC2  
Trustees & Transfer Agents:  
The Chase Manhattan Bank  
1-800-648-8380  
CIBC Mellon Trust Company  
1-800-387-0825

Senior Subordinated Notes due 2007  
CUSIP # 775101 AH1  
Trustees & Transfer Agents:  
The Chase Manhattan Bank  
1-800-648-8380  
CIBC Mellon Trust Company  
1-800-387-0825

### For Further Information

Institutional investors, security analysts and others who want financial information about the Company should contact:

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On pourra se procurer le texte français de ce rapport annuel en communiquant avec :

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en téléphonant au  
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For all media inquiries, please contact:

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