ROGERS™ AT&T®

WIRELESS

2000 Annual Report

Rogers Wireless continued its industry leadership position in 2000 with a year of strong growth and investment.

With approximately three million wireless customers, Rogers Wireless is Canada's largest wireless service provider. We have comprehensive national networks of the finest technology available for wireless voice, messaging and data services. Our digital and analog networks reach 83% and 93% of the Canadian population respectively. We have equity partnerships with two of the most powerful brand names in telecommunications, AT&T and British Telecom. Our vast distribution now comprises more than 6,000 locations where Canadians can sign up for Rogers Wireless service.

In 2000, Rogers Wireless added more subscribers than during any other year in the Company's history. The results of this subscriber growth are reflected in our strong revenues, while investment and retention costs are reflected in increased expenditures. Total revenue was $1.532 billion, an increase of 13.3% or $180.0 million from $1.352 billion in 1999. Operating income before depreciation and amortization was $400.6 million, down $11.9 million or 2.9% from 1999.

Clearly the competition is intense in the Canadian wireless industry. In 2000, Rogers Wireless focused a significant amount of effort on customer retention and customer satisfaction. Improvements in customer loyalty and satisfaction, leading to reduced customer churn, is our top priority as we enter 2001.

To maintain growth and our leadership position, we continued to invest in our people in 2000. We strengthened our management team with the addition of Nadir Mohamed as our new President and Chief Operating Officer. A highly experienced wireless executive, hired in August 2000, Nadir has already demonstrated the value he adds to Rogers Wireless and to the future of this company.

Together, Nadir and the rest of the Rogers Wireless management team create an excellent foundation on which to build for the future.

Rogers Wireless achieved some significant milestones during 2000, and each one will help us to continue to provide the best, and most far-reaching service of any carrier in Canada:

> Our new customer care and billing system is an extraordinary advancement in customer service, and will be at the heart of our growth as we take on increasingly more customers with increasingly greater demands for voice and data services. Once fully implemented, the new customer care and

billing system will be able to accommodate the pricing, billing and servicing of multiple product lines for both voice and high-speed data. The new system also equips our customer care representatives with complete subscriber profiles through an easy-to-use graphical interface, improving response and problem solving ability. It is an essential tool in a complex and demanding market.

> In August, we introduced "Your Plan™" – flexible pricing that allows subscribers to customize their own service package. Customers achieve the best possible value by combining the type and quantity of calling minutes that suit their needs with any of 15 enhanced call management features. For corporate users, we introduced "Corporate Best Plan™", a similarly flexible pricing plan that ensures that the best possible rates are always in effect, providing high value to cost-conscious corporate customers.

> In 2000, we also re-enforced our vast distribution network with the launch of our e-business Internet site (www.rogers.com). As an on-line sales tool, it is attracting a growing number of new subscribers. Already, it's proving to be a convenient way for subscribers to renew their plans and buy accessories. In coming months, we intend to expand the site's administrative capabilities to include bill preview and payment and account information updates – increasing its value and convenience to customers.

> New distribution partnerships with large retailers like Sears Canada Inc. and Wal-Mart Canada Inc. increased our "points of customer contact" to more than 6,000. RadioShack continues to be one of our most valuable distribution partners.

The focus for 2001 will be to capitalize on the investments made in 2000, and improve financial results. Sales results will be enhanced by leading edge digital products possible only through our new network technology.

Our network overlay program, which is scheduled to cover 83% of the Canadian population by the end of 2001, will augment our existing Digital PCS network by overlaying a Global System for Mobile ("GSM") network with integrated General Packet Radio Service ("GPRS") for data. GPRS technology is expected to provide our subscribers with significantly improved transmission service particularly suited to Internet browsing and e-mail. By building this network today, we will lead the way in Canada with wireless data products while laying the groundwork for the deployment of third generation ("3G") technology across the country, the next evolutionary step.

Another strategy for increasing sales is the reorganization of our Sales and Marketing groups. Traditionally, they have been organized by product lines. In early 2001, we began focusing on three market segments: business, consumer and youth. Product and service offerings are being planned, priced and promoted specifically to meet the needs of each segment. The business group, selling alongside the corporate sales force of AT&T Canada, has developed more aggressive programs to improve our market share among corporations. Entirely different approaches are being used to appeal to consumers and the fast-growing youth market.

With more targeted and efficient marketing, we expect to add new subscribers at the same strong pace during 2001. The penetration rate for wireless in Canada is still among the lowest in the industrialized world.

Our success in the Canadian spectrum auction will ensure that we are positioned to meet the higher capacity requirements needed for new network technologies. By winning licences in every major region of the country, we have ensured that as the technology continues to evolve, we will continue to be able to offer our subscribers the best and broadest wireless network in Canada. The $394 million spectrum investment will be funded through a shareholder supported rights offering.

Finally, in a challenging year of growth, investment and change, our people deserve much credit. They were asked to adopt and adjust to many major changes – from the name of the Company to the way they deal with customers. Through their efforts, we have created a stronger platform for growth as wireless technology moves to the next generation. As always, Rogers Wireless will provide the best and most reliable service in Canada.

Charles E. Hoffman
Chief Executive Officer

financial review

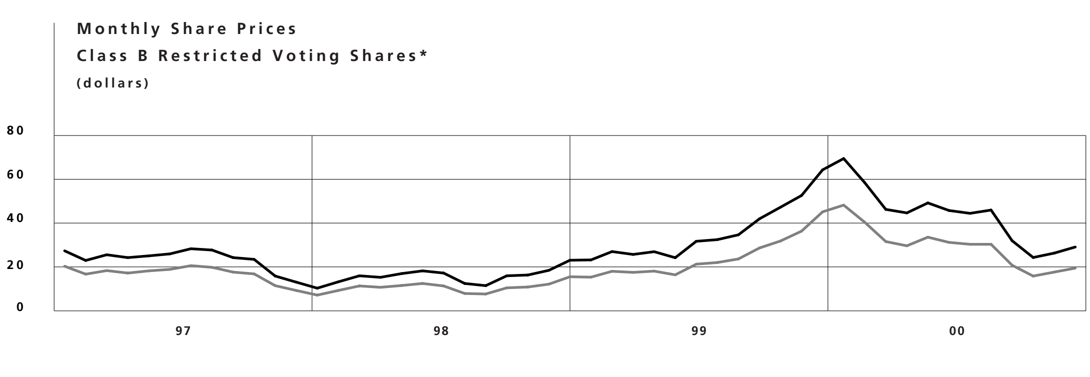
financial highlights

Rogers AT&T Wireless

(In thousands of dollars, except per share data) Years ended December 31	2000	1999
Income Statement		
Revenue	$ 1,532,063	$ 1,351,723
Operating profit[1]	400,550	412,477
Loss for year	(71,749)	(35,829)
— Under U.S. GAAP	(106,885)	(39,357)
Per Share Data		
Loss for year	$ (0.59)	$ (0.34)
— Under U.S. GAAP	(0.87)	(0.38)
Cash flow[2]	2.15	3.07
Changes in Financial Position		
Cash flow from operations[2]	$ 262,870	$ 318,960
Capital expenditures	525,993	400,959
Balance Sheet		
Total assets	$ 2,364,343	$ 2,116,617
Fixed assets (net)	1,972,110	1,778,545
Long-term debt	1,443,756	1,413,792
Shareholders' equity	244,123	307,381

1 Operating income before depreciation and amortization.

2 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.

For purposes of this discussion, revenue figures have been separated into the following categories: (1) wireless voice services; (2) equipment sales; and (3) messaging and data services. Revenue from wireless voice services, which encompasses both our digital and analog voice services, includes (a) monthly basic service fees; (b) airtime usage and long-distance charges; (c) optional service charges; (d) system access fees; and (e) roaming charges. Equipment sales revenue is generated from the sale of hardware and accessories to independent dealers and agents. Messaging and data services revenue is derived from monthly service fees and usage charges. This discussion should be read in conjunction with the detailed Consolidated Financial Statements provided on pages 24 to 45 of this report.

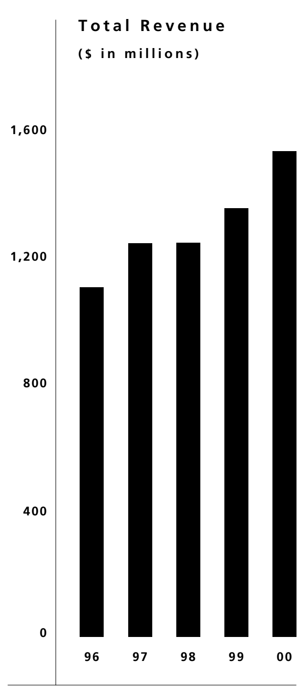
The financial information presented has been prepared on the basis of Canadian generally accepted accounting principles. Please refer to Note 16 of the Consolidated Financial Statements for a summary of differences between Canadian and United States generally accepted accounting principles.

The following discussion and analysis contains forward-looking statements regarding the Company's future performance. 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 statements. For a further discussion of the factors that may affect actual results, see page 18 entitled "Cautionary statement regarding forward-looking information".

A. Operations and financial review

(In thousands of dollars) Years ended December 31	2000	1999	% change
Revenue			
Wireless Voice Services	$ 1,269,778	$ 1,121,666	13.2%
Equipment Sales	201,594	178,267	13.1%
Messaging and Data Services	60,691	51,790	17.2%
Total	$ 1,532,063	$ 1,351,723	13.3%
Operating profit[1]	$ 400,550	$ 412,477	(2.9%)
Operating profit[1] as a % of revenue	26.1%	30.5%	
Loss for the year	$ 71,749	$ 35,829	
Capital expenditures, net	$ 525,993	$ 400,959	31.2%

1 Operating income before depreciation and amortization.



Overview

Rogers Wireless Communications Inc. ("Rogers Wireless" or "the Company") is Canada's largest wireless communications company, with over 2.9 million wireless voice and data subscribers at December 31, 2000. Rogers Wireless operates a seamless wireless voice network covering a geographic area representing approximately 93% of Canada's population, including digital service coverage of approximately 83% of Canada's population. The Company estimates that its 2.5 million wireless voice subscribers represent approximately 8.8% of the Canadian population residing in its coverage area. Subscribers to the Company's wireless service have access to these services throughout the United States, Europe and Asia through agreements with AT&T Wireless Services Inc. ("AT&T Wireless") and its affiliates as well as other U.S. operators.

In January 2000, the Company changed its brand name from "Cantel AT&T" to "Rogers AT&T Wireless" in order to develop a new logo and brand identity shared with the Rogers Group of Companies, and the Company now provides its wireless services under the co-brand Rogers AT&T Wireless®.

The Company provides wireless voice and data services across Canada over an integrated analog and digital network. The Company is licensed to provide wireless digital and analog voice services utilizing 25 megahertz ("MHz") of radio frequency spectrum in the 850 MHz frequency range, digital voice and data transmission services utilizing 10 MHz of spectrum in the 1.9 gigahertz ("GHz") frequency range, and paging, two-way messaging and data transmission services using the 900 MHz frequency range.

Highlights for 2000

The major financial trends and operational changes that affected operating and financial performance in 2000 included the following:

- The activation of over 900,000 new wireless voice subscribers during 2000, representing an increase of 13.6% in gross additions when compared to 1999. Wireless voice subscribers at year-end totalled 2,514,000, of which approximately 1,467,000 or 58.3% were using digital service, an increase from 41.1% at the end of 1999. The Company estimates that its wireless voice services penetration of the population served in Canada reached 8.8% at December 31, 2000, as compared to 7.6% at the end of 1999;
- Higher than expected levels of deactivations among postpaid subscribers, commonly referred to in the industry as "churn", at an average monthly rate of 2.36% in 2000 as compared to 1.86% in 1999;
- A decrease in the number of net wireless voice postpaid and prepaid subscriber additions to 360,800, down 54,600, or 13.1% from the prior year;
- Aggressive competition and promotions in the Canadian wireless telecommunications market, in which wireless communications companies made offers to customers through increased minute promotions and increased spending on customer acquisition and retention; and
- Difficulties in the Company's deployment of a new customer care and billing system resulting in increased operating expenses due to implementation and transition costs in the latter half of the year.

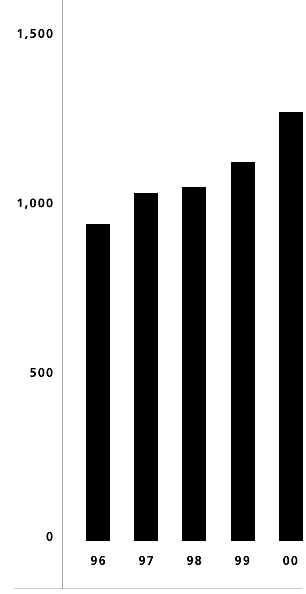
A number of steps were taken from mid-2000 to early 2001 to facilitate improved performance in 2001 and beyond, including the following:

- Refocused customer retention programs and the reintroduction of term contracts aimed at reducing overall churn;
- A reorganization of the Sales and Marketing departments to focus on three specific market segments — the business, consumer and youth markets; and
- Steps to address the implementation difficulties relating to its deployment of the new customer care and billing system, including processor upgrades and the use of additional third party customer service representatives and technical personnel.

In November 2000, responding to the expected increased demand for wireless data services, the Company, along with its partner AT&T Wireless, announced a three-phase approach to deploy a third generation wireless network that will be capable of offering high-speed integrated wireless voice and data transmission services.

In January 2001, Industry Canada began an auction for 62 digital PCS licences in the 1.9 GHz frequency band in 16 regions in Canada. Currently, Industry Canada regulations limit wireless service providers in Canada to holding a maximum of 55 MHz of spectrum. Given that the Company held 35 MHz of spectrum nationally at the beginning of the auction, it was eligible to bid for up to 20 MHz of spectrum in each region. At the close of the auction on February 1, 2001, the Company had successfully bid for

Total Wireless Voice Services Revenue
($ in millions)



additional spectrum in all major regions in Canada, obtaining 20 MHz of spectrum in southern Quebec, Alberta, British Columbia, the Midwest and the Atlantic Provinces, and 10 MHz of spectrum in southern Ontario. The total cost of the additional spectrum was $394 million, excluding related expenses, and is being funded entirely with contributions from existing shareholders.

Total consolidated revenue

Total consolidated revenue increased $180.4 million, or 13.3%, to $1,532.1 million in 2000, from $1,351.7 million in 1999.

Wireless voice services revenue

Wireless voice services revenue in 2000, which accounted for 83% of total revenue, totalled $1,269.8 million, a $148.1 million or 13.2% increase from 1999. This increase reflects a year-over-year increase in the average number of wireless voice subscribers of approximately 380,000 from 1999, offset by a $2.72 decline in monthly average revenue per user ("ARPU"). Although wireless voice services revenue increased during the year, the trend towards lower overall monthly ARPU continued. Monthly ARPU in 2000 was $46.13, down 5.6% from $48.85 in 1999. This trend in monthly ARPU is primarily attributable to a significant increase in the proportion of our subscribers that subscribe to our prepaid wireless service, from 13.5% of our total wireless voice subscriber base in 1999 to 18.6% at the end of 2000. In addition, prepaid wireless voice service accounted for 174,900 or 48.5% of the net additions in the year as compared to 41.2% in 1999. ARPU for prepaid service subscribers is typically lower than that for postpaid service subscribers, and prepaid monthly ARPU averaged $10.08 in 2000 versus the average postpaid monthly ARPU of $52.66 in 2000. Monthly ARPU for postpaid subscribers was $52.66, down only $0.31, or 0.6%, from $52.97 in 1999. Year-over-year postpaid ARPU remained stable, as the Company's pricing strategy was to provide additional minutes under its service plans rather than reduce price. As a result, average monthly airtime usage per postpaid subscriber increased to 263 minutes in 2000 from 216 minutes in 1999.

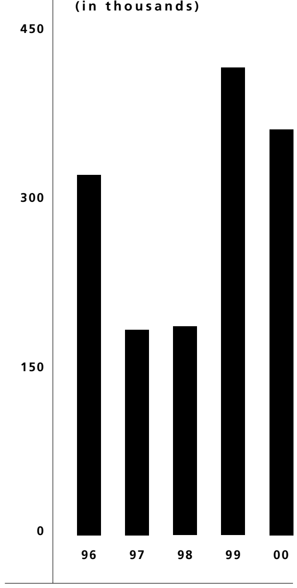
Equipment sales revenue

In 2000, revenue from equipment sales was $201.6 million, up $23.3 million, or 13.1%, from the prior year. Equipment is sold to the Company's independent dealers and agents, generally at cost. The increase in equipment revenue reflects higher gross additions of subscribers and a higher proportion of digital handsets versus lower priced analog phones.

Messaging and data services revenue

Messaging and data services revenue was $60.7 million in 2000, an increase of $8.9 million or 17.2% from 1999. The Company ended the year with 444,000 messaging and data subscribers, which is a decrease of 8,000, or 1.8%, from 1999. A decline in the number of subscribers to one-way paging services offset increased subscriptions to the higher value two-way BlackBerry Wireless Handheld™ messaging service. Average monthly churn for messaging and data services subscribers in 2000 was 2.99%, up from 2.59% in 1999. The Company believes that this increase in churn is due to more subscribers opting for wireless voice service as a result of the decline in pricing for wireless services relative to the pricing for messaging services. New activations on the two-way BlackBerry messaging service exceeded our expectations, particularly in the corporate segment, with nearly 15,000 BlackBerry handhelds in service at year-end, an increase of 77% from the end of 1999. Monthly messaging and data ARPU was $11.34, down $0.90 or 7.4% from 1999 due to declining demand and prices in the competitive one-way paging market.

Wireless Voice Subscriber Net Additions (in thousands)



Sales and marketing

In terms of sales performance, Rogers Wireless had a strong year with gross additions of 907,600 wireless voice subscribers up 108,700, or 13.6%, from the prior year. These results were offset by an increase in the average monthly churn rate for postpaid subscribers to 2.36% versus 1.86% in 1999. This resulted in net additions of wireless voice subscribers of 360,800, down 54,600, or 13.1%, from the prior year. Prepaid wireless voice subscribers accounted for 174,900, or 48.5%, of the net additions in the year as compared to 41.2% in 1999. Wireless voice subscribers at year-end totalled 2,514,000, of which approximately 1,467,000, or 58.3%, were using digital service, an increase from 41.1% at the end of 1999.

The Company launched a number of new service plans in 2000 focused on promoting value and mitigating competitive pricing activity. "Your Plan™", which enables customers to customize their minute buckets and optional services, was launched in August 2000. In 2001, Rogers Wireless expects to offer additional services and options to customers similar to "Your Plan" in order to take advantage of the pricing flexibility made possible by the customer care and billing system.

In early 2001, in order to better develop products and services that are attractive to its subscribers, the Company reorganized its sales and marketing groups to concentrate on three market segments: business, consumer and youth. This new organization structure will allow its sales and marketing groups to focus on attracting and retaining subscribers by providing product and service offerings that are priced and promoted specifically to meet the demands of each market segment.

In 2000, Rogers Wireless continued to expand its retail distribution network by adding Sears Canada Inc., Wal-Mart Canada Inc., National Money Mart Company and London Drugs Ltd. as retail partners. The Company markets its services through an extensive network of dealer and retail locations that includes over 6,000 distribution points nationally. The Company has a strategic distribution alliance with RadioShack Canada Inc. that provides it with an exclusive distribution outlet in over 500 locations across Canada. The exclusive arrangement with RadioShack to operate the Company's wireless mall stores continued to produce consistent results throughout 2000. In 2000, the Company launched its e-business Internet site, which acts as an on-line sales channel directly to consumers. The Internet site offers wireless, cable and video products and services from the Rogers Group of Companies, as well as certain magazine publications of Rogers Media. The Company also intends to expand the Web site in the future to offer administrative services to its subscribers, such as on-line bill presentment and payment, and account information updates. Finally the Company intends to launch a dealer extranet that will provide its dealers with on-line access to information regarding products, services and processes.

In January 2000, the Company changed its brand name from "Cantel AT&T" to "Rogers AT&T Wireless" in order to develop a new logo and brand identity shared with the Rogers Group of Companies. We now provide our wireless services under the co-brand of Rogers AT&T Wireless.

The Company estimates that its wireless voice services penetration of the population served in Canada reached 8.8% at December 31, 2000 as compared to 7.6% at the end of 1999.

Customer care and billing

In 1998, Rogers Wireless contracted with an affiliate of Amdocs Ltd. ("Amdocs"), a leader in telecommunications billing and customer care software development, to purchase and implement a new billing and customer care system. The Company chose the Amdocs platform because of its ability to allow for the pricing, billing and servicing of multiple product lines with an easy-to-use graphical interface allowing for efficient customer handling. Rogers Wireless began the process of converting a small group of wireless voice subscribers to the new customer care and billing system in March 2000. This was followed by regional conversions in April and June 2000. In August 2000, the Company converted the remaining wireless voice subscribers to the new system.

Challenges arising from the final conversion included slower than anticipated system response times and delayed invoice delivery and receivables collection. These difficulties adversely affected call handle times and volumes, customer service and credit and collection costs, and consequently the Company's ability to maintain customer service targets during the third and fourth quarters. A number of steps were taken to address the issues with the system including:

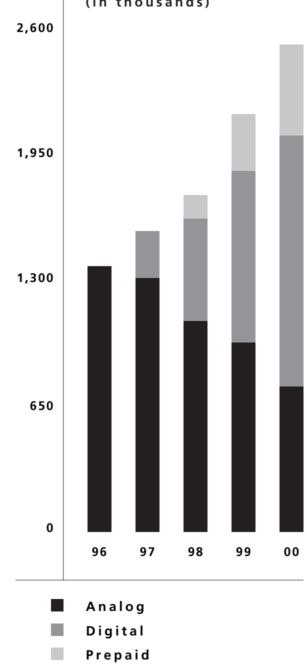
- A processor upgrade was installed in October 2000 along with the implementation of faster storage devices which addressed the system processing and on-line response times;
- Additional Amdocs technical personnel were added to address key problem areas; and
- Additional third party customer service representatives were added to address increased call volumes.

Rogers Wireless estimates that in 2000, the direct incremental costs of implementing the customer care and billing system, including additional training and the indirect incremental costs, and increased call volumes and increased outsourcing costs, totalled approximately $25 million. While the Company believes that these conversion issues are largely resolved, it will maintain a number of additional customer service personnel for the first few months of 2001 to facilitate continued improvement of customer service levels.

Customer satisfaction and retention

In addition to actively pursuing new subscribers, the Company continues to focus on retaining its existing subscriber base. The Company is currently implementing a number of new initiatives to increase subscriber satisfaction with its service and therefore reduce churn. The Company believes that its wireless voice and data subscriber base, which is in excess of 2.9 million, is a key asset and that it is necessary to take steps to ensure continued subscriber satisfaction and loyalty. As the cost to acquire a new subscriber is much higher than the cost of maintaining an existing subscriber, the Company believes that maintaining its current subscriber base will drive its profitability.

Cumulative Wireless Voice Subscribers (in thousands)



The average monthly voice postpaid churn in 2000 was 2.36%, substantially higher than 1.86% in 1999, with significant increases in the latter part of the year. Churn levels were highest among subscribers whose average revenue per month was below $50, and lowest among subscribers on our "One Rate" plans whose average revenue per month was over $100. Churn levels were also higher for analog subscribers than for digital subscribers.

The Company believes that the primary reasons for the high level of churn in 2000 were a combination of the following:

- Difficulties in managing the contract renewal process with subscribers, including failing to contact subscribers prior to the end of their subscription contract;
- Challenges arising from the final conversion of our new customer care and billing system, which resulted in a temporary deterioration in customer service levels and customer satisfaction; and
- Strong competitive offerings, including attractive pricing and promotions as well as different handsets, attracted its subscribers to its competitors.

Rogers Wireless views the reduction of churn as a priority and has initiated and is developing a number of programs that aim to reduce customer deactivations.

The Company has implemented a subscriber retention program and subscriber save program. The retention program is a handset replacement program, whereby a subscriber, based upon eligibility criteria, is offered a new handset at a price which is as good as, or better than, our current offers for new subscribers. The subscriber save program offers a lower cost price plan, a handset upgrade or free service options in order to prevent subscribers from deactivating. Since churn for digital subscribers is significantly lower than that of analog subscribers, all upgraded handsets are digital. Rogers Wireless believes these programs are an effective way to migrate its subscriber base from analog to digital service.

In the fourth quarter of 2000, Rogers Wireless began its contract renewal program. The Company believes that term subscriber contracts are key to increasing revenue and reducing churn. Under the contract renewal program, the Company initiates contact with subscribers prior to contract expiration and offers a handset upgrade or two months of free service with a contract renewal. Previously, the Company had contacted subscribers after their contract had expired. The Company believes subscribers are attracted by competitive offers prior to expiration and may deactivate to upgrade their handset or price plan.

In 2001, Rogers Wireless is taking further steps to address churn and will continue to focus on subscriber retention and creating subscriber loyalty. The Company is designing programs and offers that are targeted specifically to each market segment in order to ensure that its offers deliver value to its different types of subscribers. Rogers Wireless has also reintroduced its Welcome Program™. Under this program, new subscribers receive an initial welcome call from a subscriber service representative to ensure that all key product information is understood. The Company believes that these welcome calls reduce future calls into customer service call centres and begin to build the subscriber relationship. The Company is also developing a subscriber loyalty program which will reward subscribers with high usage and long tenure.

The Company will continue to expand its coverage areas, where financially reasonable, to reduce churn caused by network performance issues. In 2000, its network expansion program specifically targeted matching competitors' network coverage area to ensure customer satisfaction. In 2001, the Company's network build plans include the rollout of its GSM-GPRS network in the 1.9 GHz frequency and further expansion of its existing 850 MHz digital network to continually improve voice quality and coverage scope.

Operating expenses

In 2000, the Company combined its wireless voice services operations with those of messaging and data services and accordingly, began reporting items such as operating expense, sales and marketing expense per wireless gross addition and average monthly operating expense per wireless subscriber on a combined basis only.

The Company's operating expenses consist of (1) sales and marketing expenses, (2) network operating expenses, (3) customer care expenses and (4) general and administrative expenses. Sales and marketing expenses consist of (a) subscriber acquistion costs, including dealer commissions and costs related to handset subsidies, (b) subscriber retention costs, including costs related to handset upgrades for qualified subscribers, (c) residual payments to our sales channels and (d) advertising costs. Customer care expenses consist of (1) general costs associated with customer care, billing, credit and collections and (2) additional costs associated with the implementation of our new custom care and billing system.

Total operating expenses (including cost of sales) totalled $1,131.5 million in 2000, an increase of $192.3 million or 20.5% from $939.2 million in 1999. This increase was largely due to increases in sales and marketing expenses and customer care expenses, including credit and collections costs. Sales and marketing expenses were $465.6 million, an increase of $89.3 million or 23.7% from $376.3 million in 1999. Sales and marketing expenses per wireless subscriber gross addition, including dealer commissions and costs associated with providing handsets, was $441, an increase of $50, or 12.8%, from $391 in 1999.

The increase in sales and marketing expenses was driven by: (1) higher subscriber acquisition costs; (2) increased subscriber retention costs; (3) increased residual payments; and (4) greater spending on advertising. Acquisition costs, which include dealer commissions and costs associated with providing handsets, increased $35.7 million, or 22.4%, from 1999, due to an additional 108,700, or 13.6%, gross voice subscriber additions in 2000 as compared to 1999. Retention costs, which include handset upgrades for customers through various retention programs, increased $13.8 million, or 31.9%, from 1999 in an effort to reduce increasing churn levels. Residual payments to the sales channels, representing commissions for subscribers who remain active for more than six consecutive months, increased by $10.5 million, or 34.5%, as a result of the growth in the subscriber base. Advertising expenses increased $22.9 million, or 27.4%, over 1999 due to increased spending in order to gain market share as well as expenses relating to the launch of "Your Plan" and advertising for the rebranding initiative. Sales and marketing overhead expenses increased $6.3 million, or 10.5%, from 1999.

Network operation costs, increased $16.9 million, or 13.5%, from 1999. This increase related to an 11.4% increase in the number of our radio channels to 51,674 channels in 2000, compared to 46,406 channels in 1999. In addition, we added 217 cell sites in 2000. The increase in radio channels and cell sites was necessary to provide increased coverage to our subscribers as well as extra capacity to support the increase in the number of our subscribers and the increase in average monthly usage per wireless subscriber.

General and administrative expenses were $117.3 million in 2000, an increase of $8.3 million, or 7.6%, from $109.0 million in 1999. This increase was primarily due to higher billing and postage costs related to a 16.8% increase in our subscriber base over 1999.

Total operating expenses before sales and marketing costs were $665.9 million in 2000, an increase of $103.0 million, or 18.3%, from $562.9 million in 1999. This increase reflects additional costs in customer service, credit and collections and information technology from the implementation of the customer care and billing system, as well as variable costs in support of the 23.9% increase in the average number of subscribers in 2000 compared to 1999. Average monthly operating expense per subscriber, excluding sales and marketing costs, decreased $0.26, or 1.8%, to $14.09 per month in 2000, compared to $14.35 in 1999. Excluding the estimated $25 million direct, incremental operating costs incurred from the implementation of our customer care and billing system, average monthly operating expense per subscriber, excluding sales and marketing expenses, would have been $13.33, a decline of 7.1% from 1999.

Operating profit

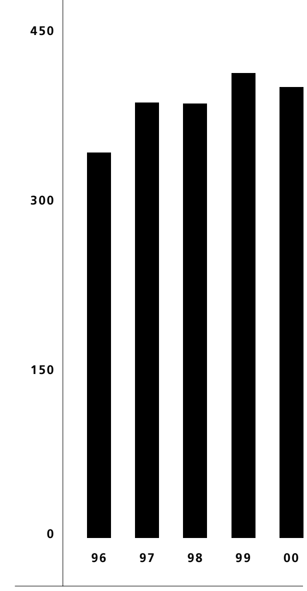
In 2000, the Company combined its wireless voice services operations and its messaging and data services operations. Accordingly, the Company began reporting items such as operating income before depreciation and amortization, referred to as "operating profit", on a combined basis only. The Company believes that operating profit is a standard measure that is commonly reported and widely used by analysts, investors and other interested parties in the wireless communications industry. Accordingly, this information has been disclosed in this discussion to permit a more complete comparative analysis of the Company's operating performance relative to other companies in the wireless industry. This measure should not be considered as a substitute or alternative for net income or cash flow, in each case as determined in accordance with Canadian GAAP and U.S. GAAP.

Operating profit was $400.6 million in 2000, a decrease of $11.9 million or 2.9% from $412.5 million achieved in 1999. Operating profit as a percentage of revenue, or operating profit margin, also declined in 2000, to 26.1% from 30.5% in 1999. Operating profit before sales and marketing costs was $866.1 million in 2000, an increase of $77.3 million, or 9.8%, from $788.8 million in 1999. Operating profit before sales and marketing costs as a percentage of revenue was 56.5% in 2000, as compared to 58.4% in 1999.

Fixed charges

Depreciation and amortization expense totalled $334.6 million in 2000, an increase of $49.1 million, or 17.2%, from $285.5 million in 1999 due to the increase in the fixed asset base. The increase in the fixed asset base was due to the increase in capital expenditures in 2000, which is more fully discussed in the subsection entitled "Capital Expenditures".

Total Operating Profit*
($ in millions)



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

As a result of the introduction of new network technology planned in 2001, the Company undertook a review of the remaining useful life of certain of its network equipment. Effective January 1, 2001, the Company changed the estimated useful lives of certain network equipment, which will result in an increase in depreciation expense in 2001 of approximately $25 million.

Net interest expense was $132.6 million in 2000, a decrease of $30.7 million or 18.8% from $163.3 million in 1999, due to lower average long-term debt balances. (See Sections C and D of this discussion for details on Liquidity and Financial Instruments.)

Loss

Rogers Wireless had a loss of $71.7 million for the year compared to a loss of $35.8 million in 1999. The loss of $35.8 million in 1999 included the recognition of $74.5 million received as consideration for the utilization of tax loss carry-forwards as a result of a transaction with RCI.

Staffing

At December 31, 2000, the staff level of 3,703 full-time equivalent employees represented an increase of 260 from 3,443 at December 31, 1999.

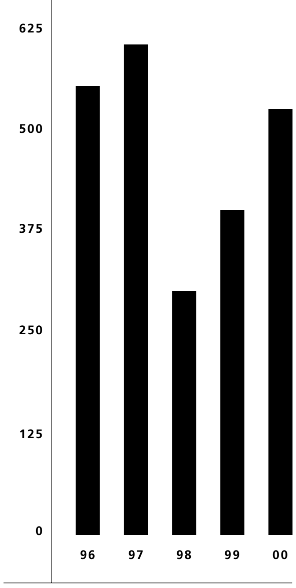
Capital expenditures

Capital expenditures totalled $526.0 million in 2000, an increase of $125.0 million or 31.2% from $401.0 million in 1999. Network related capital expenditures in 2000 totalled $358.0 million, of which approximately 32% related to capacity expansion of the cellular network. The remaining 68% of network spending pertained mostly to (1) the construction of new sites, substantially all as "in-fill" sites for improved coverage in existing coverage areas and sites for new coverage and (2) various network optimization and upgrade projects. The remaining capital expenditures of $168.0 million represent expenditures of (1) $76.2 million on The Company's new customer care and billing system, (2) $48.4 million on information technology initiatives and (3) $43.4 million relating to the building of new call centres, retail stores and the upgrading of existing office facilities.

The Company added 217 new cell sites to the network in 2000. With these additional sites, the Company has continued to construct the infrastructure necessary for higher quality digital coverage and rapid and lower cost incremental capacity, in most cases by only adding channels on existing sites.

The Company currently expects capital spending for 2001 to range between $650 and $690 million, excluding the $394 million cost of the Company's recent acquisition of additional spectrum. Of this amount, approximately $550 million is expected to be applied to continued network development as the Company builds its third generation network. In 2001, this build out will consist mostly of its rollout of the GSM-GPRS platform and the construction of additional "in-fill" sites. The remainder of capital expenditures budgeted for 2001 comprises mostly continued investments in information technology projects, expansion of the Company's headquarters complex in Toronto and additional call centre expansion.

Capital Expenditures
($ in millions)



B. Operating risks and uncertainties

New competitive entrants and aggressive pricing have reduced Canadian wireless communications pricing to among the lowest in the industrialized world. The Company believes that competitive pricing is a fator in causing churn. The Company cannot predict the extent of further price reductions and customer churn into 2001, but anticipates some re-pricing of its existing subscriber 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 communications 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 extensive networks and broad digital services coverage, strong brands and broad distribution.

Until recently, only long-distance service providers (including wireless voice service providers) were required to make contribution payments to subsidize the cost of providing local exchange service. However, in 2000 the Canadian Radio-television and Telecommunications Commission ("CRTC") dramatically changed the contribution regime. All telecommunications carriers including Rogers Wireless are required to remit contribution payments based on a percentage of revenue. Paging and retail Internet related revenues are not contribution-eligible. Effective January 1, 2001, the payments are set at 4.5% of annual revenue. The rate is expected to decline in 2002. A Review and Vary application has been filed with the CRTC by Bell Canada, requesting that the rate for 2001 be set at 2.7% for carriers, except wireless, and at 1.5% for wireless carriers. The CRTC has determined that carriers cannot show the amount of the tax as a separate line item on customer invoices. In any event, the amount of the tax can be added to other line items on the customer's bill. The Company intends to pass this cost through to the customer with increased monthly fees that may result in increased churn.

C. Financial position — liquidity and capital resources

Rogers Wireless reported a loss of $71.7 million in 2000 compared to a loss of $35.8 million in 1999. During 2000, the Company's free cash flow deficiency (defined as cash flow from operations after changes in working capital, less capital expenditures and investments) increased to $301.1 million, from $154.8 million in 1999. Rogers Wireless funded this shortfall during the year primarily through the net issuance of $284.5 million of intercompany debt owing to Rogers Communications Inc. ("RCI").

In 2001, the Company anticipates growth in operating income before depreciation and amortization over 2000, and an increase in capital expenditures.

The Company believes that it will have, taking into account cash from operations and the amount available to be borrowed under its existing bank credit facility, sufficient capital resources to satisfy its cash funding requirements through the fourth quarter of 2001. In addition, the Company anticipates that it will need to arrange additional financing to fund its capital expenditures subsequent to 2001. The Company anticipates satisfying these additional funding requirements by issuing additional debt financing which may include the restructuring of its existing bank credit facility and/or the issuance of public or private debt, depending on market conditions.

In order to fund the $394 million amount required to be paid by the Company as a result of its successful bids in the recently completed spectrum auction, RCI and AT&T Wireless committed to loan Rogers Wireless the total amount of the purchase price of the spectrum. RCI committed to fund 60.43% of the aggregate loan amount and AT&T Wireless committed to fund 39.57% of the aggregate loan amount. In order to repay these loans, the Company expects to commence a rights offering to all holders of its Class B Restricted Voting shares and Class A Multiple Voting shares rights to purchase its Class B Restricted Voting shares. RCI and the JVII partnership have agreed to exercise all of the rights issued to them under the rights offering, and to exercise their respective pro rata portions of the rights not exercised by the Company's remaining public shareholders. The loans from RCI and AT&T Wireless will be repaid from the net proceeds of the rights offering and not from working capital or any other debt financing. (See Note 7 to the Consolidated Financial Statements for details on Rogers Wireless' long-term debt, including the bank credit facility.)

Rogers Wireless' cash flow from operations before changes in working capital, which is calculated by adding back all special provisions and other non-cash items such as depreciation and amortization to net losses, decreased to $262.9 million in 2000 from $319.0 million in the prior year. This decrease is primarily a result of the $74.5 million the Company received in 1999 as consideration for the utilization of its tax loss carry-forwards as a result of a transaction with RCI. With a net increase of $38.0 million in working capital during the year, funds from operations after working capital totalled $224.9 million. This cash flow, combined with the net issuance of $284.5 million of intercompany debt payable to RCI, the net issuance of $7.0 million of mortgage and other debt, and proceeds of $8.5 million on the issuance of capital stock (arising on the exercise of employee stock options), resulted in aggregate available funds of $524.8 million. These funds provided substantially all the funding requirements for the net additions of $526.0 million in fixed assets.

The Company's total long-term debt, including amounts owing to RCI, increased by $314.4 million during 2000 to $1,728.2 million. The $314.4 million change reflects an increase of $284.5 million in intercompany debt, a $7.0 million net increase in mortgage and other debt and a $23.0 million increase in the Canadian dollar equivalent value of unhedged U.S. dollar denominated debt. For details regarding the long-term debt at December 31, 2000, see Notes 7 and 8 of the Consolidated Financial Statements.

Rogers Wireless' required repayment of third party long-term debt in the five-year period 2001—2005 is minimal, totalling $10.2 million.

Financing

Rogers Wireless' long-term debt owing to non-affiliate third parties totalled $1,443.8 million at December 31, 2000, an increase of $30.0 million during 2000. The $30.0 million change reflects a net $7.0 million increase in mortgage and other debt and a $23.0 million increase in the Canadian dollar equivalent value of unhedged U.S. dollar denominated debt. The Company has a long-term secured reducing bank credit facility of $680.0 million 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. There were no advances outstanding under the bank credit facility at December 31, 2000. The bank credit facility originally provided for $800 million and was reduced to $680 million effective January 2, 2001, pursuant to the reduction schedule in the bank loan agreement. 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. Access to Rogers Wireless' bank credit facility, is based on certain debt to operating cash flow ratios. Based on Rogers Wireless' most restrictive covenants under its bank credit facility and public indentures, at December 31, 2000 Rogers Wireless could have borrowed $91.1 million of additional long-term debt, all of which could have been borrowed under the bank credit facility. (See Note 7 of the Consolidated Financial Statements for additional details.)

D. Interest rate and foreign exchange management

Interest rate and foreign exchange management

At December 31, 2000, 65.3% of Rogers Wireless' consolidated long-term debt was fixed with respect to interest rates, increased from 64.6% at December 31, 1999. The weighted-average interest rate for total long-term debt was 8.70% per annum at December 31, 2000, including 8.95% per annum on the fixed-rate portion and 8.17% per annum on the floating-rate portion. The weighted-average term was approximately 8.16 years.

Rogers Wireless 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 creditworthiness of its swap counterparties. Currently, all of the swap portfolio is held by financial institutions with a Standard & Poor's rating (or the equivalent) ranging from A+ to AA-.

The incurrence of U.S. dollar denominated debt has caused substantial foreign exchange exposure as the Company's operating cash flow is almost exclusively denominated in Canadian dollars. The Company has an established target of hedging approximately 50% of its foreign exchange exposure through the use of cross-currency swaps and, from time to time, periodic use of short-term foreign exchange options. As at December 31, 2000, the Company's U.S. dollar denominated long-term debt amounted to US$899.2 million. The effect of the existing cross-currency swap agreements at December 31, 2000 is to convert the obligation to service U.S dollar denominated debt in the aggregate amount of US$495.1 million, representing 55.1% of total U.S. dollar denominated debt, into Canadian dollar denominated debt at an average exchange rate of 1.3000 Canadian dollars to US$1.00, to Canadian $643.6 million. The total U.S. dollar denominated debt balance and hedge position as at December 31, 2000 has not changed from the prior year-end.

The Company will continue to monitor its hedged position with respect to interest rate and foreign exchange fluctuations and, depending upon market conditions and other factors, will supplement its hedged position with respect to foreign exchange fluctuations in the future by entering into cross-currency interest rate exchange agreements or by using other hedging agreements. For more information, see Note 7H to the Consolidated Financial Statements.

Based on the unhedged U.S. dollar denominated debt of $404.1 million at December 31, 2000, each one cent change in the value of the Canadian dollar versus the U.S. dollar results in a change in the principal carrying amount of debt of Canadian $4.0 million, and change in annual interest expense of Canadian $0.4 million under Canadian generally accepted accounting principles ("GAAP"), and a change of approximately 0.7 cents in consolidated earnings per share under United States GAAP. Under United States GAAP, gains and losses on the reduction of long-term debt denominated in a foreign currency are charged to income and expense when incurred. The following table summarizes the effect of changes in the foreign exchange rate on the principal carrying amount of debt and interest expense and earnings per share, under Canadian GAAP, arising from the Company's unhedged U.S. dollar denominated debt, based on a full year impact.

Change in CDN$ versus US$[1]		Change in debt principal amounts ($ millions)		Change in interest expense[3] ($ millions)	Earnings per share[2,3]
1 cent	$	4.0	$	0.4	0.7 cents
3 cents		12.1		1.1	2.0 cents
5 cents		20.2		1.8	3.3 cents
10 cents		40.4		3.6	6.6 cents

1 Canadian equivalent of unhedged U.S. dollar denominated debt if U.S. dollar costs an additional Canadian cent.

2 Based on Canadian GAAP; assumes no income tax effect. Includes interest expense impact and the amortization of the change in principal amounts, recorded as a deferred exchange gain or loss, that would be amortized over the remaining life of the unhedged debt, estimated at approximately 9.0 years.

3 Based on a full year impact.

E. Recent accounting pronouncements

United States GAAP pronouncements

The FASB has issued FAS 133, which the Company is required to adopt in the year ending December 31, 2001. FAS 133 requires the recognition of all derivative instruments as either assets or liabilities measured at fair value. Under FAS 133, the designation of derivative financial instruments as hedges requires the Company to meet certain requirements relating to the effectiveness of the instruments as hedges and the documentation of the hedging relationship. The Company has determined that its financial instruments used for risk management purposes would not be accounted for as hedges under this pronouncement. As a result, the unrealized gain of $40,729,000 at December 31, 2000 on the cross-currency interest rate exchange agreements would be recorded as a cumulative effect adjustment to income under United States GAAP effective January 1, 2001 and any subsequent changes in the fair value of these financial instruments would be recorded as income under United States GAAP.

During 1999, the Securities Exchange Commission ("SEC") issued Staff Accounting Bulletin 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 reflects the SEC staff's interpretation of basic principles of revenue recognition in existing United States generally accepted accounting principles. There was no effect on the consolidated financial statements of adopting SAB 101 during 2000.

Canadian GAAP pronouncements

In December 2000, the CICA released Section 3500, "Earnings per Share", which will be effective in the Company's first quarter ending March 31, 2001. The standard will require the use of the treasury stock method for calculating fully diluted earnings per share, consistent with United States GAAP. The adoption of this standard will have no impact on the Company's historically reported earnings per share as it has reported a loss for the year ended December 31, 2000.

F. 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: "Sales and marketing", which describes programs aimed at improving sales; "Customer satisfaction and retention", which describes programs aimed at customer satisfaction; "Capital expenditures", which describes projected capital spending for 2001; "Operating risks and uncertainties", which provides descriptions of certain operating risks and uncertainties facing the Company; and "Financial position — liquidity and capital resources", which describes certain anticipated results and liquidity for 2001 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.

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 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
December 2000	**High**	$ 79.60	$ 59.75	$ 52.50	$ 45.50	$ 79.60
	Low	$ 50.35	$ 38.65	$ 43.00	$ 18.90	$ 18.90
	Close	$ 58.50	$ 49.25	$ 46.00	$ 26.35	$ 26.35
	Volume (000s)	3,559	5,990	3,768	3,108	16,425

The New York Stock Exchange (RCN restricted voting shares) US$

Years ended		First quarter	Second quarter	Third quarter	Fourth quarter	Total year
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
December 2000	**High**	$ 55.25	$ 40.38	$ 35.5	$ 30.38	$ 55.25
	Low	$ 34.81	$ 26.50	$ 29.00	$ 12.50	$ 12.50
	Close	$ 40.44	$ 33.63	$ 30.38	$ 17.69	$ 17.69
	Volume (000s)	3,748	5,282	646	1,617	11,293

key statistics

Years ended December 31	2000	1999	1998	1997	1996
Wireless Voice Statistics					
Subscribers	2,514,000	2,153,100	1,737,600	1,552,100	1,369,600
Subscribers to population served	8.8%	7.6%	6.2%	5.6%	5.0%
Average monthly revenue per subscriber[1, 2]	$ 46	$ 49	$ 54	$ 59	$ 66
Average monthly usage per subscriber[4] (in minutes)	263	216	202	213	208
% average monthly churn[4]	2.36%	1.86%	1.90%	1.63%	1.69%
Switches	20	20	20	19	18
Cell sites	1,884	1,667	1,584	1,462	1,133
% of cell sites with digital capacity	87%	84%	83%	81%	63%
Radio channels	51,674	46,406	43,697	41,064	28,561
Messaging and Data Statistics					
Subscribers[5]	444,000	452,000	256,400	253,600	242,800
Average monthly revenue per subscriber[1]	$ 11	$ 12	$ 14	$ 15	$ 18
Subscribers to population served	1.76%	1.79%	1.06%	1.05%	0.98%
Total Wireless Statistics[6]					
Sales and marketing costs per wireless gross addition	$ 441	$ 391	$ 525	$ 623	$ 546
Average monthly operating expense per wireless subscriber[1, 3]	$ 14	$ 14	$ 16	$ 21	$ 20

1 Based upon a 13 point average.

2 Wireless Voice statistics include postpaid and prepaid subscribers.

3 Before sales and marketing costs.

4 Excluding prepaid minutes.

5 Includes Shaw subscribers acquired November 8, 1999.

6 Total Wireless statistics include Wireless Voice, Messaging and Data subscribers.

five-year financial summary

(In thousands of dollars, except per share amounts) Years ended December 31	2000	1999	1998	1997	1996
Income Statement					
Total revenue	$ 1,532,063	$ 1,351,723	$ 1,242,925	$ 1,241,329	$ 1,102,854
Wireless Voice revenue	1,269,778	1,121,666	1,045,388	1,030,254	935,925
Operating income[1]	400,550	412,477	385,622	386,458	342,262
Loss	(71,749)	(35,829)	(78,555)	(378,434)	(67,611)
Loss under U.S. GAAP	(106,885)	(39,357)	(188,592)	(412,487)	(55,014)
Cash Flow					
Cash flow from operations[2]	$ 262,870	$ 318,960	$ 195,709	$ 244,568	$ 224,333
Capital expenditures (net)	525,993	400,959	301,287	604,675	553,826
Per Share					
Weighted-average number of outstanding shares (000s)	122,366	103,902	92,957	93,404	93,897
Loss per share	$ (0.59)	$ (0.34)	$ (0.85)	$ (4.05)	$ (0.72)
Loss per share under U.S. GAAP	(0.87)	(0.38)	(2.03)	(4.42)	(0.59)
Cash flow per share	2.15	3.07	2.11	2.62	2.39
Cash flow per share under U.S. GAAP — Basic	2.12	3.07	2.11	2.62	2.39

(In thousands of dollars) As at December 31	2000	1999	1998	1997	1996
Balance Sheet					
Total assets	$ 2,364,343	$ 2,116,617	$ 2,023,813	$ 1,956,126	$ 1,763,917
Fixed assets — net	1,972,110	1,778,545	1,643,881	1,601,461	1,320,588
Goodwill	9,549	12,040	—	—	22,451
Long-term debt	1,443,756	1,413,792	2,237,358	2,089,140	1,589,343
Shareholders' equity (deficiency)	244,123	307,381	(622,929)	(544,374)	(141,207)

1 Before depreciation and amortization, interest expense, non-operating items and income taxes. Excludes provision for restructuring and asset write-downs in 1997 and 1996.

2 Cash flow from operations before changes in working capital amounts.

2000

(In thousands of dollars, except per share amounts)	Dec. 31	Sept. 30	June 30	Mar. 31
Income Statement				
Revenue				
Wireless Voice Services	$ 335,128	$ 330,479	$ 310,814	$ 293,357
Equipment Sales	59,845	48,702	52,767	40,280
Messaging and Data Services	15,285	15,449	14,864	15,093
Total	$ 410,258	$ 394,630	$ 378,445	$ 348,730
Operating income before depreciation and amortization and non-operating items	$ 69,801	$ 119,669	$ 112,279	$ 98,801
Depreciation and amortization	90,430	86,384	79,806	77,999
Operating Income (loss)	(20,629)	33,285	32,473	20,802
Interest expense	36,341	33,601	32,294	30,343
Other expense (income)	292	55	269	(39)
Loss on early repayment of long-term debt	—	—	—	—
Income taxes	1,134	1,131	1,132	1,127
Net income (loss)	$ (58,396)	$ (1,502)	$ (1,222)	$ (10,629)
Net income (loss) per share	$ (0.48)	$ (0.01)	$ (0.01)	$ (0.09)
Net income (loss) — U.S. GAAP	$ (58,909)	$ (15,583)	$ (14,443)	$ (17,950)
Net income (loss) per share — U.S. GAAP	$ (0.48)	$ (0.13)	$ (0.11)	$ (0.15)
Operating income before depreciation and amortization and non-operating items, margin %	17.0%	30.3%	29.7%	28.3%
Cash flow from operations[1]	$ 32,034	$ 84,882	$ 78,584	$ 67,370
Capital expenditures	163,742	152,363	119,759	90,129
Long-term debt	1,443,756	1,439,150	1,511,728	1,417,569
Wireless voice subscribers	2,514,000	2,367,200	2,301,200	2,203,100
Messaging and Data subscribers	444,000	443,700	446,800	447,100

1 Cash flow from operations before changes in working capital amounts.

1999

(In thousands of dollars, except per share amounts)	Dec. 31	Sept. 30	June 30	Mar. 31
Income Statement				
Revenue				
Wireless Voice 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
Total	381,101	349,283	325,114	296,225
Operating income before depreciation and amortization and non-operating items	$ 97,028	$ 117,883	$ 105,879	$ 91,687
Depreciation and amortization	73,519	72,136	71,304	68,499
Operating income (loss)	23,509	45,747	34,575	23,188
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
Net Income (loss)	$ 66,399	$ (64,630)	$ (13,214)	$ (24,384)
Net income (loss) per share	$ 0.64	$ (0.61)	$ (0.14)	$ (0.26)
Net income (loss) — U.S. GAAP	$ 22,858	$ (52,851)	$ 5,044	$ (14,408)
Net income (loss) per share — U.S. GAAP	$ 0.22	$ (0.50)	$ 0.05	$ (0.15)
Operating income before depreciation and amortization and non-operating items, margin %	25.5%	33.7%	32.6%	31.0%
Cash flow from operations[1]	$ 139,918	$ 76,837	$ 58,090	$ 44,115
Capital expenditures	142,152	89,313	80,656	88,839
Long-term debt	1,413,792	1,425,407	2,316,727	2,231,208
Wireless voice subscribers	2,153,100	2,008,700	1,909,700	1,800,300
Messaging and Data subscribers	452,000	288,200	270,500	259,700

1 Cash flow from operations before changes in working capital amounts.

consolidated statements of income

(In thousands of dollars and number of shares, except per share amounts)

Years ended December 31	2000	1999
Revenue (note 10)	$ 1,532,063	$ 1,351,723
Operating, general and administrative expenses	1,121,139	929,395
Management fees (note 12B)	10,374	9,851
Operating income before depreciation and amortization	400,550	412,477
Depreciation and amortization	334,619	285,458
Operating income	65,931	127,019
Interest expense (income):		
Long-term debt	128,472	153,772
Notes payable to Rogers Communications Inc.	4,107	11,347
Other	—	(1,803)
Loss on early repayment of long-term debt (note 7G)	—	69,331
Other expense	577	142
	133,156	232,789
Loss before income taxes	(67,225)	(105,770)
Income taxes (recovery) (note 11)	4,524	(69,941)
Loss for the year	$ (71,749)	$ (35,829)
Loss per share	$ (0.59)	$ (0.34)
Weighted-average number of Class A Multiple Voting shares, Class B Restricted Voting shares and common share equivalents (in thousands)	122,366	103,902

See accompanying Notes to Consolidated Financial Statements.

(In thousands of dollars) Years ended December 31	2000	1999
Cash provided by (used in):		
Operating activities:		
Loss for the year	$ (71,749)	$ (35,829)
Adjustments to reconcile net income to cash flow:		
Depreciation and amortization	334,619	285,458
Loss on early repayment of long-term debt	–	69,331
	262,870	318,960
Changes in:		
Accounts receivable	(36,651)	(23,400)
Other assets	(7,742)	(6,312)
Accounts payable and accrued liabilities and unearned revenue	4,201	(12,698)
Amounts due to/from parent and affiliated companies, net	2,239	(10,668)
	224,917	265,882
Financing activities:		
Issue of notes payable to Rogers Communications Inc.	396,900	318,700
Repayment of notes payable to Rogers Communications Inc.	(112,450)	(605,700)
Issue of long-term debt	121,255	237,000
Repayment of long-term debt	(114,283)	(764,244)
Proceeds from issuance of capital stock	8,491	966,139
	299,913	151,895
Investing activities:		
Additions to fixed assets	(525,993)	(400,959)
Acquisition of business (note 3)	–	(19,750)
	(525,993)	(420,709)
Decrease in cash	(1,163)	(2,932)
Cash deficiency, beginning of year	(8,711)	(5,779)
Cash deficiency, end of year	$ (9,874)	$ (8,711)
Supplemental cash flow information:		
Interest paid	$ 131,680	$ 170,597
Income taxes paid	3,944	4,124

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	2000	1999
Assets		
Fixed assets (note 4)	$ 1,972,110	$ 1,778,545
Goodwill	9,549	12,040
Accounts receivable, net of allowance for doubtful accounts of $52,453 (1999 — $39,013)	215,696	179,045
Due from parent and affiliated companies (note 12A)	—	514
Deferred charges (note 5)	90,417	75,124
Other assets (note 6)	76,571	71,349
	$ 2,364,343	$ 2,116,617
Liabilities and Shareholders' Equity		
Liabilities:		
Bank advances, arising from outstanding cheques	$ 9,874	$ 8,711
Long-term debt (note 7)	1,443,756	1,413,792
Notes payable to Rogers Communications Inc. (note 8)	284,450	—
Accounts payable and accrued liabilities	350,682	325,474
Due to parent and affiliated companies (note 12A)	1,725	—
Unearned revenue	29,733	61,259
	2,120,220	1,809,236
Shareholders' equity:		
Capital stock (note 9)	1,456,288	1,447,797
Deficit	(1,212,165)	(1,140,416)
	244,123	307,381
	$ 2,364,343	$ 2,116,617

Commitments (note 14)
Contingent liabilities (note 15)
Canadian and United States accounting policy differences (note 16)
Subsequent events (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	2000	1999
Deficit, beginning of year	$ 1,140,416	$ 1,104,587
Loss for the year	71,749	35,829
Deficit, end of year	$ 1,212,165	$ 1,140,416

See accompanying Notes to Consolidated Financial Statements.

auditors' report to the shareholders

We have audited the consolidated balance sheets of Rogers Wireless Communications Inc. (formerly Rogers Cantel Mobile Communications Inc.) as at December 31, 2000 and 1999 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, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Canadian generally accepted accounting principles vary in certain significant respects from accounting principles generally accepted in the United States. Application of accounting principles generally accepted in the United States would have affected results from operations for each of the years in the two-year period ended December 31, 2000 and shareholders' equity as at December 31, 2000 and 1999, to the extent summarized in Note 16 to the Consolidated Financial Statements.

KPMG LLP

Chartered Accountants
Toronto, Canada

January 26, 2001, except as to note 17, which is as of February 8, 2001

1. Nature of business

Rogers Wireless Communications Inc. is a public company, 51.3% (1999 — 51.4%) owned directly and indirectly by Rogers Communications Inc. ("RCI").

Effective June 27, 2000, Rogers Cantel Mobile Communications Inc. changed its name to Rogers Wireless Communications Inc. Rogers Wireless Communications Inc. and its subsidiary companies are collectively defined herein as the "Company".

The Company provides wireless digital and analog voice, messaging and data communications services nationwide in Canada. The Company operates under licences issued by Industry Canada that are renewable in 2001.

In February 2001, the Company purchased, in a spectrum auction conducted by Industry Canada, 23 Personal Communications Services ("PCS") licences of 10 MHz each, in the 1.9 GHz band in certain regions across Canada. These licences have a 10-year term, renewable in 2011 (note 17).

2. Significant accounting policies

A. Consolidation

The consolidated financial statements include the accounts of Rogers Wireless Communications Inc. and its subsidiary companies. Intercompany transactions and balances are eliminated on consolidation.

B. Capitalization policy

Fixed assets are recorded at purchase cost. During construction of the wireless communications network, direct costs plus a portion of overhead costs are capitalized. Repairs and maintenance expenditures are charged to operating 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	6⅔% to 25%
Network radio base station equipment	Straight line	12½%
Computer software and hardware	Straight line	14⅓% to 33⅓%
Furniture, fixtures and office equipment	Diminishing balance	20%
Leasehold improvements	Straight line	Over term of lease
Other equipment	Mainly diminishing balance	30% to 33⅓%

As a result of the introduction of new network technology planned for 2001, the Company undertook a review of the remaining useful life of certain of its network equipment. Effective January 1, 2001, the Company changed the estimated useful lives of certain network equipment, which will result in an increase in depreciation expense in 2001 of approximately $25,000,000.

D. Goodwill

The Company amortizes goodwill related to acquired messaging operations on a straight-line basis over a period of five years. Amortization of goodwill for 2000 amounted to $2,491,000 (1999 — $415,000). Accumulated amortization of goodwill at December 31, 2000 amounted to $2,906,000 (1999 — $415,000).

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. Revenue

The Company earns revenue from subscribers for monthly service fees, the use of wireless airtime in excess of airtime included with the monthly service fee, long-distance calls, calls initiated outside of Canada by the Company's subscribers, calls initiated on the Company's network by other carriers' subscribers, and fees for optional services, such as voicemail.

Monthly service fees are recorded as revenue on a pro rata basis over the month. Wireless airtime, long-distance, roaming and optional services are recorded as revenue as the services are provided.

Revenue from the sale of equipment is recorded when the equipment is received and accepted by the independent dealer.

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

F. Subscriber acquisition costs

The Company expenses commissions and other associated costs related to new subscribers when the subscribers are activated on the Company's network.

G. Foreign exchange

Long-term debt denominated in U.S. dollars is translated into Canadian dollars at the year-end rate of exchange, or at the hedge rate of exchange when cross-currency interest rate 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.

H. Financial instruments

The Company uses derivative financial instruments to manage risks from fluctuations in foreign 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 that 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 life of the original debt instrument.

I. 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 the costs relate.

J. Income taxes

Effective January 1, 2000, the Company adopted the new accounting recommendations of The Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3465, "Income Taxes", on a retroactive basis without restating the financial statements of any prior periods. The deficit and future income taxes, formerly deferred income taxes, as at January 1, 2000, were unaffected by the change.

Under this new accounting standard, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the Company's provision for current income taxes and the difference between opening and ending balances of future income tax assets and liabilities.

Prior to adoption of this new accounting standard, income tax expense was determined using the deferred method. Under this method, deferred income tax expense was based on differences between the accounting and tax incomes and was measured at tax rates in effect in the year the differences originated. The benefits of tax losses were not recognized unless there was virtual certainty of realization.

At the present time, the Company has determined that the realization of its net future income tax asset of $232,757,000 (note 11) does not meet the criteria of realization being "more likely than not". Therefore, a full valuation allowance has been recorded against this future income tax asset.

K. Pension and other post-retirement benefits

The CICA's new accounting standard Section 3461, "Employee Future Benefits" ("Section 3461"), relating to accounting for employee future benefits, including pension benefits and post-retirement benefits other than pensions, changes the accounting for non-pension post-retirement benefits to an accrual basis from the cash accounting basis previously used by most companies and, with respect to pensions, requires the use of a current settlement discount rate to measure the accrued pension benefit obligation. The Company does not provide non-pension post-retirement benefits. Prior to adoption of this new accounting standard, pension expense was determined using a long-term discount rate to measure accrued pension benefits.

The Company has adopted Section 3461 and has applied the provisions of the standard prospectively from January 1, 2000.

As a result of the adoption of Section 3461, the Company records its participation in the RCI pension plan as if the Company has a defined contribution plan. Previously, the Company recorded this participation as if the Company had a defined benefit plan. No contributions were required in the year ended December 31, 2000 and, therefore, no pension expense has been recorded. Further, the transition adjustment, being the pension liability previously recorded, will be amortized into income over the average remaining service period of active employees expected to receive benefits under the benefit plan, as determined by actuarial calculation, which is 10.2 years.

L. Segmented information

The Company considers all of its wireless voice, messaging, and data communications services to be one operating segment. All of the Company's principal businesses are carried out in Canada.

M. Stock-based compensation

The Company has a stock option plan for key employees and officers. 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 of the Class B Restricted Voting shares 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 9A and B.

N. 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 revenue 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 messaging business for cash consideration of $19,750,000, including costs of acquisition of $150,000. The acquisition was accounted for using the purchase method and the operating results of the acquired business have been included in the consolidated statements 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 assets	1,792
	21,771
Liabilities	2,021
	$ 19,750

4. Fixed assets

(In thousands of dollars)	2000	1999
Land and buildings	$ 116,920	$ 116,970
Network equipment	1,800,994	1,579,063
Network radio base station equipment	1,091,739	1,085,389
Computer software and hardware	467,852	393,486
Furniture, fixtures and office equipment	51,950	42,883
Leasehold improvements	34,120	16,725
Other equipment	12,939	10,597
	3,576,514	3,245,113
Less accumulated depreciation	1,604,404	1,466,568
	$ 1,972,110	$ 1,778,545

The Company has a significant ongoing capital expenditure program for the expansion and improvement of its network. The Company estimates that its capital expenditures for 2001 will range between $650,000,000 and $690,000,000.

5. Deferred charges

(In thousands of dollars)	2000	1999
Foreign exchange loss, less accumulated amortization of $15,509 (1999 — $11,436)	$ 67,288	$ 48,369
Financing costs, less accumulated amortization of $13,670 (1999 — $10,044)	23,129	26,755
	$ 90,417	$ 75,124

Amortization of deferred charges for 2000 amounted to $7,699,000 (1999 — $8,692,000).

In connection with the early repayment of certain long-term debt during 1999, the Company recorded a loss in 1999 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)	2000	1999
Brand licence costs, less accumulated amortization of $10,290 (1999 — $7,770)	$ 27,510	$ 30,030
Prepaid expenses	27,691	14,690
Inventories	14,064	21,336
Miscellaneous notes and loans receivable from employees	6,333	4,648
Amounts receivable from employees under RCI share purchase plans	442	509
Other	531	136
	$ 76,571	$ 71,349

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. The costs of entering into the brand licence agreement amounted to $37,800,000. These costs are being deferred and amortized on a straight-line basis to expense over the 15-year term of the brand licence agreement. Amortization of the brand licence cost for 2000 was $2,520,000 (1999 — $2,520,000).

7. Long-term debt

(In thousands of dollars)	Interest rate	2000	1999
Bank loan	Floating	$ —	$ —
Senior Secured Notes due 2006	10½%	160,000	160,000
Senior Secured Notes due 2007	8.30%	272,162	267,268
Senior Secured Debentures due 2008	9⅜%	433,121	433,121
Senior Secured Debentures due 2016	9¾%	222,005	216,140
Senior Subordinated Notes due 2007	8.80%	322,543	310,310
Obligations under mortgage and capital leases	Various	33,925	26,953
		$ 1,443,756	$ 1,413,792

Further details of long-term debt are as follows:

A. Bank loan

No amounts were outstanding at December 31, 2000 and 1999 under the credit facility, which provides for up to $800,000,000 of credit capacity from a consortium of Canadian financial institutions. This credit facility reduces by $120,000,000 to $680,000,000 on January 2, 2001, as indicated in the table below.

Under the credit facility, the Company may borrow at various rates, including the bank prime rate to the bank prime rate plus ¾% per annum, the bankers' acceptance rate plus ¾% to 1½% per annum and the London Inter-Bank Offered Rate ("LIBOR") plus ¾% to 1½% 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 US$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 US$196,110,000 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.

D. Senior Secured Debentures due 2008

The Company's US$333,170,000 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.

E. Senior Secured Debentures due 2016

The Company's US$154,900,000 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.

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 (A) above and ranks equally with the bank credit facility.

F. Senior Subordinated Notes due 2007

The Company's US$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 US$275,820,000 of Senior Notes and Debentures. 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 losses 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, 2000 amounted to US$899,180,000 (1999 — US$899,180,000), of which US$495,100,000 (1999 — US$495,100,000) or 55.1% (1999 — 55.1%) 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 US$495,100,000 (1999 — US$495,100,000) into Canadian dollar-denominated debt at an average exchange rate of Canadian $1.30 (1999 — $1.30) to US$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 US$110,100,000 from a U.S. dollar fixed interest rate of 8.30% per annum 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 $1.30 to US$1.00). The interest rate on the remaining US$385,000,000 of cross-currency interest rate exchange agreements 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 8.170% at December 31, 2000 (1999 — 7.393%) on $500,500,000 (i.e., with an exchange rate of Canadian $1.30 to US$1.00).

Total long-term debt at fixed interest rates at December 31, 2000 was $943,256,000 (1999 — $913,292,000) or 65% (1999 — 65%) of total long-term debt. The effective weighted average interest rate on all long-term debt at December 31, 2000, including the effect of the cross-currency interest rate exchange agreements was 8.70% (1999 — 8.40%).

At December 31, 2000, 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:	
2001	$ 2,862
2002	3,100
2003	3,133
2004	574
2005	545
Thereafter	1,433,542
	$ 1,443,756

The long-term debt agreements entered into by the Company contain certain provisions that 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)	2000	1999
Subordinated, unsecured promissory notes, payable on demand, bearing interest at 6.60% per annum, payable monthly in arrears	$ 284,450	$ –

These notes were fully repaid on February 7, 2001, including accrued interest. This repayment was funded by advances under the Company's bank loan.

9. Capital stock

Issued and outstanding

(In thousands of dollars)	2000	1999
15,334,453 Series A Preference Shares	$ 528,664	$ 528,664
12,443,324 Series B Preference Shares	428,990	428,990
75,133,806 Class A Multiple Voting shares	433,997	433,997
19,495,967 Class B Restricted Voting shares (1999 — 19,225,118)	64,637	58,183
	1,456,288	1,449,834
Deduct amounts receivable from employees under the share purchase plan	–	(2,037)
	$ 1,456,288	$ 1,447,797

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 each holder's option at any time 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 each holder's option at any time 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 common shares, both 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.

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 4,126,701 options authorized under the plan (1999 — 5,500,000). The term of each option is ten years; the vesting period is generally four years but may be extended by the Management Compensation Committee on the date of grant. 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:

	2000		1999	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding, beginning of year	1,743,725	$ 28.22	1,632,730	$ 21.16
Granted	1,636,800	25.68	463,500	52.46
Exercised	(270,849)	23.83	(312,505)	25.28
Cancelled	(96,175)	44.38	(40,000)	21.35
Outstanding, end of year	3,013,501	26.72	1,743,725	28.22
Exercisable, end of year	771,484	$ 24.36	651,440	$ 23.30

At December 31, 2000, the range of exercise prices, the weighted average exercise price and the weighted average remaining contractual life are as follows:

	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$11.82 — 16.42	757,901	7.6	$ 16.09	437,834	$ 16.03
20.74	1,286,800	9.9	20.74	—	—
26.27 — 32.75	244,600	5.2	28.86	237,100	28.86
40.22 — 51.53	724,200	9.3	47.74	96,550	51.06
	3,013,501			771,484	

Compensation expense related to stock options for 2000 was nil (1999 — nil).

Certain of the Company's 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 Voting shares is the lesser of 85% of the closing price at which the shares were traded on The Toronto Stock Exchange on the trading day immediately prior to the purchase date or the closing price on a date that is approximately one year subsequent to the original issue date.

During 1999, 45,777 Class B Restricted Voting shares were issued under the Company's employee share purchase plan for consideration of $2,037,000.

C. Warrants issued in 1996 with a value of $32,500,000 were converted in 1999 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 2000, the Company issued 270,849 (1999 — 312,505) Class B Restricted Voting shares upon the exercise of stock options for cash of $6,454,000 (1999 — $7,901,000).

F. RCI and one of its subsidiary companies own 83.6% (1999 — 83.6%) of the Class A Multiple Voting shares; the Class B Restricted Voting shares are publicly held.

Contemporaneously to the transaction described in (D) above, RCI and one of its subsidiary companies sold 12,313,435 Class A Multiple Voting shares of the Company 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. Product revenue

The Company provides wireless voice, messaging and data services to subscribers in Canada. Revenue is also derived from the sale of related equipment.

(In thousands of dollars)	2000	1999
Revenue derived from:		
Wireless Voice Services	$ 1,269,778	$ 1,121,666
Equipment Sales	201,594	178,267
Messaging and Data Services	60,691	51,790
	$ 1,532,063	$ 1,351,723

11. Income taxes

The Company uses the asset and liability method of accounting for income taxes. The income tax effects of temporary differences that give rise to significant portions of future income tax assets and liabilities are as follows. The 1999 comparative figures in the table below have been restated to give effect to the asset and liability method.

(In thousands of dollars)	2000	1999
Future income tax assets:		
Non-capital income tax losses carried forward and income tax credits	$ 258,851	$ 225,326
Future income tax deductions relating to long-term debt and other transactions denominated in United States dollars	70,432	105,836
Future income tax deductions relating to accounting accruals and goodwill	13,669	22,558
Other	3,548	6,865
Total future income tax assets	346,500	360,585
Less valuation allowance	232,757	255,989
	113,743	104,596
Future income tax liabilities:		
Fixed assets	(90,255)	(72,990)
Deferred foreign exchange losses and financing costs	(23,449)	(31,559)
Other	(39)	(47)
Total future income tax liabilities	(113,743)	(104,596)
Net future income tax assets	$ –	$ –

The valuation allowance in 2000 primarily represents income tax benefits of non-capital income tax losses that management has assessed as unlikely to be realized at this time. Consequently, the benefit of the future income tax assets has not been recognized in these consolidated financial statements.

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)	2000	1999
Effective income tax rate	43.4%	44.0%
Income tax recovery on the loss before income taxes	$ (29,176)	$ (46,539)
Decrease (increase) in income tax recovery resulting from:		
Changes in the valuation allowance for future income tax assets	(18,324)	–
Adjustments to future income tax assets and liabilities for changes in substantively enacted tax rates	45,807	–
Losses, the tax effect of which have not been recorded	–	36,309
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	884	14,357
Non-deductible portion of capital loss	–	6,376
Other	809	436
Large Corporations Tax	4,524	4,523
Actual income tax expense (recovery)	$ 4,524	$ (69,941)

As at December 31, 2000, the Company has the following non-capital losses available to reduce future years' income for income tax purposes:

(In thousands of dollars)

Income tax losses expiring in the year ending December 31:	
2001	$ 58,900
2002	70,900
2003	2,800
2004	251,800
2005	76,300
2007	184,900
	$ 645,600

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 for accounting purposes in 1999 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. Related party transactions

A. The amount due to (from) RCI and its subsidiaries is comprised of the following:

(In thousands of dollars)	2000	1999
RCI	$ 83	$ (327)
Rogers Cable Inc. ("Cable")	1,642	(187)
	$ 1,725	$ (514)

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

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.

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

(In thousands of dollars)	2000	1999
RCI:		
Management fees	$ 10,374	$ 9,851
Interest on notes payable	4,107	11,347
Rent	(5,458)	(2,607)
Other charges, net	—	9
	9,023	18,600
Cable:		
Transmission facilities purchased	266	440
Rent	(3,487)	(3,651)
	(3,221)	(3,211)
Rogers Media Inc.:		
Advertising and other charges, net	1,409	1,133
	$ 7,211	$ 16,522

13. Financial instruments

A. Fair values

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

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

The carrying amounts in the consolidated balance sheets approximate fair values 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.

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, 2000 and 1999 are as follows:

(In thousands of dollars)	2000		1999	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Liability (asset):				
Long-term debt	$ 1,542,875	$ 1,591,217	$ 1,484,740	$ 1,538,166
Cross-currency interest rate exchange agreements	(99,119)	(139,848)	(70,948)	(99,816)
	$ 1,443,756	$ 1,451,369	$ 1,413,792	$ 1,438,350

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 on their obligations under the agreements, in instances where those agreements have a positive fair value to the Company. The Company assesses the creditworthiness of the counterparties in order to minimize the risk of counterparty default under the agreements. Currently, all of the portfolio is held with financial institutions with a Standard & Poor's 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 creditworthiness of the counterparties.

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

14. Commitments

A. The Company is committed, under the terms of licences issued by Industry Canada, to spend 2% of certain revenues earned in each year on research and development activities.

B. The future minimum lease payments under operating leases, primarily for the rental of premises for the placement of radio base stations, as well as for administrative and distribution facilities, are as follows:

(In thousands of dollars)

Year ending December 31:	
2001	$ 23,389
2002	16,655
2003	14,035
2004	11,892
2005	9,171
2006 and thereafter	20,776
	$ 95,918

Rent expense for 2000 amounted to $29,948,000 (1999 — $32,227,000).

15. Contingent liabilities

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.

16. 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)	2000	1999
Loss for the year based on Canadian GAAP	$ (71,749)	$ (35,829)
Amortization of goodwill (B)	(19,269)	(19,269)
Interest capitalized (C)	3,255	–
Development costs capitalized (D)	1,168	–
Foreign exchange (E)	(21,156)	58,768
Loss on early repayment of long-term debt (F)	–	28,070
Depreciation expense (G)	(639)	(818)
Year 2000 costs capitalized, net (H)	5,416	4,185
Utilization of losses carried forward (I)	–	(74,464)
Conversion costs (J)	(3,911)	–
Loss for the year based on United States GAAP	$ (106,885)	$ (39,357)
Comprised of the following:		
Income (loss) before extraordinary item	$ (106,885)	$ 1,904
Extraordinary item	–	(41,261)
	$ (106,885)	$ (39,357)
Earnings (loss) per share under United States GAAP:		
Basic:		
Before extraordinary item	$ (0.87)	$ 0.02
After extraordinary item	(0.87)	(0.38)
Diluted:		
Before extraordinary item	(0.87)	0.02
After extraordinary item	(0.87)	(0.38)

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

(In thousands of dollars)	2000	1999
Shareholders' equity based on Canadian GAAP	$ 244,123	$ 307,381
"Pushed down" goodwill (A)	770,757	770,757
Amortization of goodwill (B)	(229,621)	(210,352)
Interest capitalized (C)	9,392	6,137
Development costs (D)	–	(1,168)
Foreign exchange (E)	(55,168)	(34,012)
Accumulated depreciation (G)	(5,418)	(4,779)
Year 2000 costs capitalized, net (H)	–	(5,416)
Conversion costs (J)	(3,911)	–
Shareholders' equity based on United States GAAP	$ 730,154	$ 828,548

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

The Company does not capitalize interest as a cost of assets under construction under Canadian GAAP. United States GAAP requires capitalization of interest costs as a part of the historical cost of acquiring certain qualifying assets that 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

Under Canadian GAAP, the Company capitalized certain internal costs related to the development of new business, whereas United States GAAP requires such costs to be expensed as incurred. As a result, amortization expense under United States GAAP is reduced in subsequent periods.

E. Foreign exchange

United States GAAP requires that gains and losses on foreign exchange resulting from the translation of long-term debt denominated in a foreign currency be charged to income and expense when incurred. Canadian GAAP requires the amortization of foreign exchange gains or losses over the remaining term 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 in 1999 would be reduced by the write-off of deferred foreign exchange in the amount of $28,070,000. In addition, the loss would be classified as an extraordinary item for United States GAAP purposes.

G. Accumulated depreciation

As a result of the capitalization of interest to fixed assets required under United States GAAP described in (C) above, under United States GAAP, additional depreciation on the interest capitalized is recorded in subsequent periods.

As a result of conversion costs being expensed under United States GAAP as described in (J) below, depreciation expense is reduced under United States GAAP.

H. Year 2000 costs capitalized

Under Canadian GAAP, the Company capitalized certain costs incurred to modify its computer systems to ensure these systems continued to operate beyond the year 1999. Under United States GAAP, certain of these costs are expensed as incurred. As a result, under United States GAAP, depreciation expense in subsequent periods is reduced due to the Company expensing the Year 2000 costs under United States GAAP.

I. Utilization of income tax losses

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

J. Conversion costs

Under Canadian GAAP, the Company capitalized certain costs incurred to convert its data to its new customer care and billing system. United States GAAP requires that certain of these conversion costs be expensed as incurred.

K. 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 these items. Canadian GAAP permits the disclosure of a subtotal of the amount of operating income before the items referred to above.

L. Statements of cash flows

United States GAAP requires additional disclosures with respect to the consolidated statements 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 increase in bank advances in the amount of $1,163,000 (1999 — increase of $2,932,000) reflected in the consolidated statements of cash flows would be reported as cash flows under the heading "financing activities" in the statements.

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. Other disclosure

United States GAAP requires the Company to disclose accrued liabilities, which is not required under Canadian GAAP. Accrued liabilities included in accounts payable and accrued liabilities as at December 31, 2000 were $310,473,000 (1999 — $299,367,000). At December 31, 2000 and 1999, there were no accrued liabilities that exceeded 5% of current liabilities.

O. 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.

P. Stock-based compensation disclosures

The Company measures compensation expense relating to employee stock option plans for United States GAAP purposes using the intrinsic value method specified by APB Opinion No. 25, which in the Company's circumstances would not be materially different from compensation expense as determined under Canadian GAAP.

Had the Company determined compensation expense based on the fair value at the grant date of its stock options granted by the Company and by RCI to the Company's employees consistent with the method prescribed under Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards No. 123 ("SFAS 123"), the Company's loss for the year and loss per share would have been reported as the pro forma amounts indicated below:

(In thousands of dollars)	2000	1999
Loss for the year in accordance with U.S. GAAP as reported	$ (106,885)	$ (39,357)
Pro forma loss for the year	(112,887)	(42,817)
Pro forma basic loss per share	(0.92)	(0.41)

The weighted average estimated fair value at the date of the grant, as defined by SFAS 123, for options granted by the Company in fiscal 2000 was $11.58 per share (1999 — $21.93). The weighted average estimated fair value at the date of the grant, as defined by SFAS 123, for options granted by RCI to the Company's employees was $17.91 (1999 — $15.65).

The fair value of each option granted was estimated on the date of the grant using the Black-Scholes fair value option pricing model with the following assumptions:

(In thousands of dollars)	2000	1999
Risk-free interest rate	5.67%	6.24%
Dividend yield	–	–
Volatility factor of the future expected market price of the Company's Class B Restricted Voting Shares	42.14%	37.98%
Volatility factor of the future expected market price of RCI's Class B Non-Voting Shares	47.05%	44.82%
Weighted average expected life of the options	5 years	5 years

For the purpose of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period on a straight-line basis.

Q. Recent accounting pronouncements

i. United States GAAP pronouncements

The FASB has issued FAS 133, which the Company is required to adopt in the year ending December 31, 2001. FAS 133 requires the recognition of all derivative instruments as either assets or liabilities measured at fair value. Under FAS 133, the designation of derivative financial instruments as hedges requires the Company to meet certain requirements relating to the effectiveness of the instruments as hedges and the documentation of the hedging relationship. The Company has determined that its financial instruments used for risk management purposes would not be accounted for as hedges under this pronouncement. As a result, the unrealized gain of $40,729,000 at December 31, 2000 on the cross-currency interest rate exchange agreements would be recorded as a cumulative effect adjustment to income under United States GAAP effective January 1, 2001 and any subsequent changes in the fair value of these financial instruments would be recorded as income under United States GAAP.

During 1999, the Securities Exchange Commission ("SEC") issued Staff Accounting Bulletin 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 reflects the SEC staff's interpretation of basic principles of revenue recognition in existing United States generally accepted accounting principles. There was no effect on the consolidated financial statements of adopting SAB 101 during 2000.

ii. Canadian GAAP pronouncements

In December 2000, the CICA released Section 3500, "Earnings per Share", which will be effective in the Company's first quarter ending March 31, 2001. The standard will require the use of the treasury stock method for calculating fully diluted earnings per share, consistent with United States GAAP. The adoption of this standard will have no impact on the Company's historically reported earnings per share as it has reported a loss for the year ended December 31, 2000.

17. Subsequent events

A. Subsequent to December 31, 2000, the Company participated in the Industry Canada PCS Spectrum Auction which was completed on February 1, 2001. This auction offered four additional PCS licences of 10 MHz each, in the 1.9 GHz band in each of 14 regions across Canada, and an additional two licences in each of British Columbia, Alberta and eastern Quebec.

The Company purchased a total of 23 licences in the auction in 12 of 14 regions at an aggregate cost of approximately $394,000,000. These additional PCS licences will facilitate the expansion and enhancement of existing PCS services and provide additional capacity for the introduction of new wireless services. These licences have a 10-year term, renewable in 2011.

The Company's intention is to complete a pro rata rights offering of securities to the shareholders of the Company, in order to finance the purchase of these licences.

B. On February 8, 2001, the Company delivered notice of its intention to convert all of the outstanding Series A and Series B Preference Shares owned by JVII into 15,334,453 Class A Multiple Voting shares and 12,443,324 Class B Restricted Voting shares.

directors and officers

Directors

H. Garfield Emerson, Q.C. [1, 2, 3, 4, 5]
President and
Chief Executive Officer
N M Rothschild and
Sons Canada Limited

George A. Fierheller [1, 3]
Four Halls Inc.

Albert Gnat, Q.C.
Senior Partner
Lang Michener

James C. Grant [5]
President
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Charles E. Hoffman [2]
Chief Executive Officer
Rogers Wireless
Communications Inc.

Thomas I. Hull [2, 3]
Chairman and
Chief Executive Officer
The Hull Group Inc.

James J. Meenan [1, 4]
Vice Chairman
AT&T Canada Inc.

Alfred T. Mockett [1, 4]
Chief Executive Officer
BT Ignite
British Telecommunications plc

Pierre L. Morrissette [1]
President and
Chief Executive Officer
Pelmorex Inc.

The Hon. David R. Peterson, P.C., Q.C. [1]
Senior Partner
Cassels Brock & Blackwell

Sohail Qadri [2, 5]
President of the Americas
Business Development and Strategy
British Telecommunications plc

John F. Ricketts, C.A. [1, 4]
Company Director

Richard D. Roberts [3]
President
The Barnacle Group

Jordan M. Roderick [2, 3, 5]
President, International
AT&T Wireless Services Inc.

Edward S. Rogers [2, 5]
Senior Vice President, Planning
Rogers Communications Inc.

Edward S. Rogers, O.C. [2, 4, 5]
President and
Chief Executive Officer
Rogers Communications Inc.

1 Member of the Audit Committee
2 Member of the Executive Committee
3 Member of the Management Compensation Committee
4 Member of the Nominating and Corporate Governance Committee
5 Member of the Technology Committee

Officers

Edward S. Rogers, O.C.
Chairman

Charles E. Hoffman
Chief Executive Officer

Nadir H. Mohamed, C.A.
President and
Chief Operating Officer

H. Garfield Emerson, Q.C.
Vice Chairman

George A. Fierheller
Honorary Chairman

John T. Noelker
Senior Vice President
Sales and Marketing

John R. Gossling, C.A.
Senior Vice President and
Chief Financial Officer

Robert F. Berner
Senior Vice President and
Chief Technology Officer

Douglas C. Cotton
President, Ontario Region

Arnold J. Stephens
President, Western Region

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

M. Gilles Lacoursière
President, Quebec Region

Darryl E. Levy
President, Midwest Region

Graeme H. McPhail
Vice President
Associate General Counsel

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

corporate information

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Winnipeg, MB R3C 0C4
(204) 942-1400

Annual and Special Meeting

The Annual and Special Meeting of Rogers Wireless Communications Inc. will be held at 2:00 p.m. (Toronto Time) Wednesday, April 11, 2001, at the Rogers Campus Theatre Rogers Communications Inc. 333 Bloor Street East Toronto, ON M4W 1G9

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 # 775315104.

Transfer Agent

Canadian Agent:
Computershare Trust
Company of Canada
(416) 981-9633 or 1-800-663-9097
e-mail:
caregistryinfo@computershare.com

U.S. Agent:
Computershare Trust
Company, Inc.
(303) 986-5400 or 1-800-663-9097

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:
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CIBC Mellon Trust Company
1-800-387-0825

For Further Information

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