ROGERS COMMUNICATIONS INC.

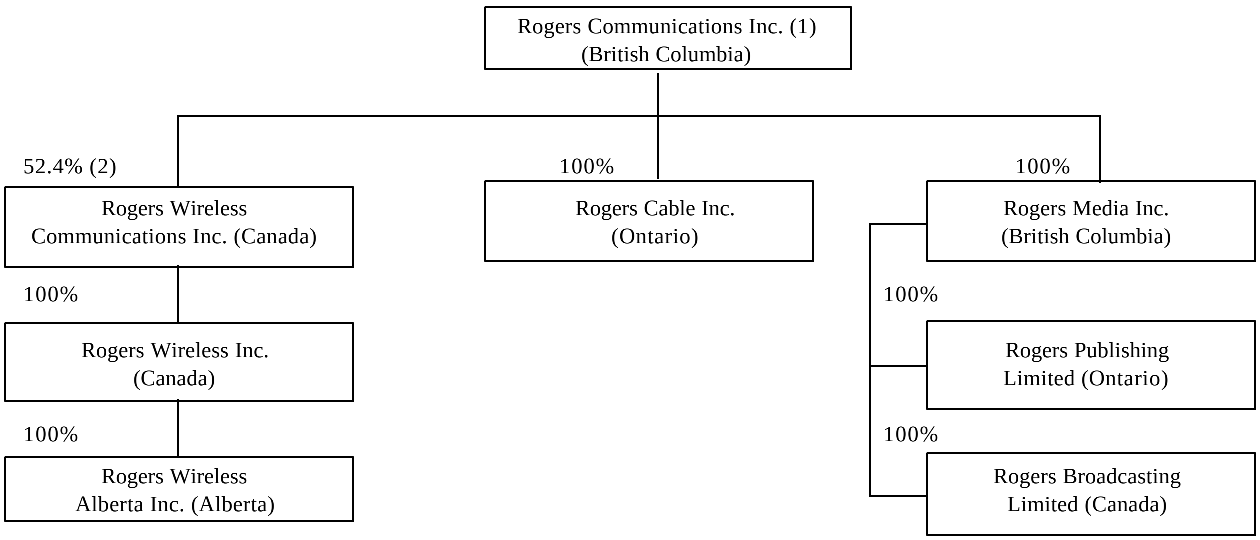
ANNUAL INFORMATION FORM
(for the fiscal year ended December 31, 2001)

May 17, 2002

ITEM 2 – CORPORATE STRUCTURE

2.1 Name and Incorporation Rogers Communications Inc. ("RCI" and, together with its subsidiaries, "Rogers" or "the Company") is a diversified public Canadian holding company. RCI has been continued under the *Company Act (British Columbia)*.

2.2 Intercorporate Relationships The following summary organization chart illustrates, as of December 31, 2001, the structure of the Company's principal subsidiaries, and indicates the jurisdiction of incorporation of each entity shown. Summary operating data has also been provided at December 31, 2001.



WIRELESS

- One of Canada's largest wireless communications companies, with approximately 3.0 million wireless voice subscribers at year-end, representing approximately 10.4% of the population residing in Wireless' coverage area.
- Seamless wireless voice network covers a geographic area representing approximately 93% of Canada's population in analog mode and approximately 85% in digital mode, including the digital overlay of Wireless' advanced GSM/GPRS network.
- One of Canada's largest wireless data and messaging service providers with over 400,000 subscribers.
- Wireless' products and services are marketed through a nationwide distribution network of over 7,000 dealer and retailer locations.

CABLE

- Through Rogers Cable Inc. and its operating subsidiaries, owns and operates cable systems in Ontario, New Brunswick and Newfoundland serving approximately 2.3 million basic cable subscribers.
- Advanced digital cable service serving 272,100 subscribers.
- High-speed Internet access service (Rogers Hi-Speed Internet) serving 478,800 customers.
- Owns and operates Canada's second largest chain of video stores (260 stores).
- Operating subsidiaries: Rogers Cablesystems Ontario Limited (Ontario); Rogers Ottawa Limited/Limitée (Ontario); Rogers Cablesystems Georgian Bay Limited (Ontario); Rogers Cable Atlantic Inc. (Ontario).

MEDIA

- Publishing group produces over 60 consumer magazines and trade and professional publications and directories.
- Broadcasting group comprises 30 radio stations across Canada (23 FM and 7 AM radio stations), a multicultural television station (CFMT-TV, Toronto), a regional sports television network (Rogers Sportsnet – 80% ownership interest), a television home shopping service (The Shopping Channel, tSc) and holds minority interests in several specialty cable programming services, including Viewer's Choice Canada, Outdoor Life Network (OLN), TechTV, The Biography Channel, MSNBC Canada, and Mystery Channel.
- In addition to more traditional delivery methods, the Media group also delivers content over the Internet for many of the individual broadcast and publishing properties.
- In August 2001, Broadcasting entered into an agreement to acquire the assets and operations of 13 Ontario radio stations (9 FM and 4 AM radio stations). This acquisition received CRTC approval and was completed in April 2002.

(1) In addition, RCI holds an interest in the Toronto Blue Jays Baseball Club, which is accounted for by the equity method.
(2) Comprises a 66.9% voting interest. On a fully diluted basis, Rogers Communications Inc.'s equity and voting interests in Rogers Wireless Communications Inc. were 51.1% and 66.7%, respectively, at December 31, 2001.

Rogers Communications Inc. is a diversified national Canadian communications company which is engaged in cable television, high-speed Internet access and video retailing through its wholly-owned subsidiary Rogers Cable Inc. ("Cable"); in wireless voice, data and messaging services through its 52.4%

owned subsidiary Rogers Wireless Communications Inc. (“Wireless”); and in radio and television broadcasting, home shopping, consumer magazines and trade and professional publications through its wholly-owned subsidiary Rogers Media Inc. (“Media”). In addition, Rogers holds other investment interests, including an interest in the Toronto Blue Jays Baseball Club and interests in a pay-per-view movie service, several digital specialty channels and other sports-related operations. For the year ended December 31, 2001, Cable, Wireless, Media and RCI represented 36.6%, 44.8%, 18.5% and 0.1%, respectively, of Rogers’ consolidated revenue and 54.3%, 43.2%, 7.2% and –4.7%, respectively, of Rogers’ consolidated operating profit, which is defined as income before management fees, interest, income taxes, depreciation, amortization and non-recurring items, those being cable system integration, workforce reduction, At Home termination costs and other non-operating items.

Rogers™ and Rogers Video™ are trademarks of Rogers Communications Inc. The Shopping Channel™ and tSc™ are trademarks of Rogers Broadcasting Limited. AT&T® is a trademark of AT&T Corp. which is used under license. This document also makes reference to other trademarks of the Company, including certain of Media’s radio and television stations, consumer magazines, business and professional publications and Internet properties, and to trademarks of other companies, some of which are used by the Company under license.

In this document, references to Canadian dollars, Cdn$ and $ are to the currency of Canada, unless otherwise noted.

ITEM 3 - GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

2002 - ***Cable Bank Financing and Debt Issuances*** Effective January 31, 2002, Cable entered into a new amended and restated bank credit facility providing up to Cdn$1.075 billion. Cable’s new bank credit facility provides for two separate facilities: (i) a $600 million senior secured revolving Tranche A credit facility which will mature on January 2, 2009 and (ii) a $475 million senior secured reducing revolving Tranche B credit facility which is subject to reduction on an annual basis commencing January 2, 2006 and which is scheduled to reduce to nil on January 2, 2009.

On February 5, 2002, Cable raised gross proceeds of Cdn$450 million through the issuance of 7.60% Senior (Secured) Second Priority Notes due 2007. The net proceeds from this offering were used by Cable to prepay its $300 million floating rate notes due 2002, to fund capital expenditures and for general corporate purposes.

On April 30, 2002, Cable raised gross proceeds of an aggregate US$550 million through the issuance of US$350 million of 7.875% Senior (Secured) Second Priority Notes due 2012 and US$200 million of 8.75% Senior (Secured) Second Priority Debentures due 2032. Cable intends to use the net proceeds from this offering to repay or retire debt and for general corporate purposes.

Toronto Multilingual Ethnic Broadcast Television License In April 2002, Rogers Broadcasting Limited (“Broadcasting”) received approval of its license application from the Canadian Radio-television and Telecommunications Commission (the CRTC) to commence operations of a new multilingual ethnic broadcast television station serving the greater Toronto area, subject to securing an available frequency. Broadcasting intends to launch the new station in the latter portion of 2002 in a format similar to that of its existing multilingual ethnic broadcast television station, CFMT-TV.

Increased ownership interest in Wireless In March 2002, RCI issued an aggregate 4,305,830 Class B Non-Voting shares with a value of $104.4 million as consideration for the acquisition of

4,925,300 Class B Restricted Voting shares of Wireless. As a result of this transaction, RCI increased its ownership interest in Wireless to hold a 55.9% equity interest and 67.4% voting interest in Wireless as at March 31, 2002 (undiluted).

Termination of Relationship with At Home Previously, Cable had offered its high-speed Internet service under the brand name Rogers@Home through an exclusive agreement with At Home Corporation, a U.S. based broadband access provider. On September 28, 2001, At Home filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. During 2001, Cable accelerated its plans to develop its own high-speed Internet network as an alternative to the network provided by At Home and to transition its high-speed Internet subscribers to that network. In order to ensure an orderly transition, Cable entered into a transitional agreement with At Home under which At Home agreed to continue providing service to Cable's high-speed Internet subscribers until February 28, 2002. In January 2002, Cable successfully completed the transition of all of its high-speed Internet subscribers to its new IP network, regional data centre and e-mail platform. In March 2002, Cable commenced marketing its high-speed Internet service under the Rogers Hi-Speed Internet brand.

Acquisition of 13 Ontario Radio Stations In April 2002, Broadcasting completed the acquisition of the assets and operations of 13 radio stations in Ontario from Standard Radio Inc. for total cash consideration of $100 million. The stations comprise an AM station in Toronto (CJCL-AM, The FAN 590), an FM station in Orillia, two FM stations in Timmins and two FM stations and one AM station in each of Sudbury, Sault Ste. Marie and North Bay.

2001 - ***Rogers Cable Atlantic Acquisition*** On February 7, 2001, Rogers acquired 100% of the issued and outstanding shares of Cable Atlantic Inc. (since renamed Rogers Cable Atlantic Inc.), which has cable television systems serving approximately 75,000 basic cable subscribers in Newfoundland. As consideration for the purchase, Rogers paid cash of $88.9 million, net of cash acquired, and issued 4,170,330 Class B Non-Voting shares of RCI with a value of $162.6 million. (See Note 3(A)(i) to the Company's audited financial statements for the fiscal year ended December 31, 2001, which are incorporated by reference herein.)

Wireless Spectrum Auction In a spectrum auction conducted by Industry Canada in February 2001, Wireless purchased 23 personal communications services (PCS) licenses of 10 megahertz (MHz) each, in the 1900 MHz band in various regions across Canada at a cost of $396.8 million, including costs of acquisition. These licenses have a 10-year term, subject to renewal in 2011.

Completion of Wireless Rights Issue In March 2001, Wireless commenced a Class B Restricted Voting share rights issue, which was completed in April 2001 for gross proceeds of $422.6 million. The Wireless rights issue was undertaken to fund the $396.8 million cost of acquiring licenses in the Industry Canada spectrum auction. RCI subscribed to approximately 60.4% of the rights issue and paid $255.3 million, with the non-controlling shareholders and, in particular, AT&T Wireless Services, Inc. ("AWE") funding the remaining portion of the rights issue for $167.3 million. As a result, RCI's ownership interest in Wireless increased to approximately 52.4% (undiluted).

Launch of New Digital Specialty Services In September 2001, more than 60 digital specialty television services were launched in Canada. Each of Cable's systems currently provides subscribers with access to all of those services. Since November 2000, the CRTC has approved license applications for approximately 300 digital specialty, pay television and pay-per-view services, the vast majority of which have not yet launched their service.

Acquisition of Controlling Interest in Rogers Sportsnet On November 1, 2001 Rogers acquired an additional 40% interest in CTV Sportsnet Inc. (since renamed Rogers Sportsnet Inc.), a Canadian regional sports television network, for $132.8 million, net of cash acquired. This acquisition, together with previously purchased interests, brings Rogers' interest to 80% of the shares of Sportsnet, strengthening Media's television holdings and complementing other assets held by Rogers. The remaining 20% interest in Sportsnet is held by Fox Sportsnet Canada Holding LLC.

Collateralized Equity Securities In October 2001, the Company entered into certain equity derivative contracts which served to monetize an additional portion of the accreted floor price of its AT&T Canada deposit receipts after taking into account the monetization through the Preferred securities issued in August 2000. The settlement terms of these contracts enable the Company to settle or net-settle in Class B Non-Voting shares, the number of which is based on the trading value of the Class B Non-Voting shares, or physically settle or net cash settle these contracts, in whole or in part, or in any combination thereof, at the Company's option. The Company received proceeds of $248,880,000 which, less fees and expenses, resulted in net proceeds of $245,632,000.

Security for this transaction consists of a pledge of the shares of the two wholly owned subsidiaries of RCI in which the deposit receipts of AT&T Canada are held, and cash held in escrow of approximately $25,800,000 as at December 31, 2001. RCI also postponed and assigned intercompany debt owing by these wholly owned subsidiaries. Recourse under the pledge of shares is limited to all amounts, other property and/or rights received by the two wholly owned subsidiaries from the deposit receipts of AT&T Canada after satisfaction in full of all the rights and interests of the holders of the Convertible Preferred Securities. In addition, there is recourse to RCI, limited as at December 31, 2001, to approximately $86,100,000, which includes the approximate $25,800,000 cash collateral. This recourse to the Company is scheduled to reduce to nil by December 31, 2002 and the cash collateral is scheduled to be released in quarterly instalments, with interest, by December 31, 2002. (See notes 6(B)(i), 10(B)(ii) and 10(B)(iii) to the Company's audited financial statements.)

CRTC Contribution Decision In November 2000, the CRTC released a decision which fundamentally alters the mechanism used by the CRTC to collect "contribution" funds to subsidize the provision of basic local telephone service. Previously, contribution was levied on a per minute basis on long distance services. Under the new contribution regime, which became effective January 1, 2001, all telecommunication service providers, including wireless service providers such as Wireless, are required to contribute a percentage of their Canadian telecommunications service revenues to a fund established to subsidize the provision of basic local service. The percentage contribution levy was 4.5% for 2001. The CRTC has determined that the interim rate for 2002 will be 1.4%, with the final rate to be established later in 2002.

2000 - ***Ownership Interest in Toronto Blue Jays*** Effective December 31, 2000, Rogers purchased an 80% interest in The Toronto Blue Jays Baseball Club ("Blue Jays") for cash of $163.9 million, net of cash acquired. Effective April 1, 2001, Rogers Telecommunications Ltd. ("RTL"), a company controlled by the controlling shareholder of Rogers, acquired the Class A Preferred shares of the subsidiary of RCI that owns the Blue Jays ("Blue Jays Holdco") for $30 million. These Class A Preferred shares are voting, redeemable for cash of $30.0 million plus any accrued, unpaid dividends, at the option of Blue Jays Holdco at any time after September 14, 2004. Any such redemption requires the consent of a committee of the board of directors of Blue Jays Holdco comprising directors that are not related to RTL, RTL's affiliates or its controlling shareholder and requires the prior written consent of the board of directors of the Company.

As a result of the issuance of the voting Class A Preferred Shares of Blue Jays Holdco to RTL, Rogers no longer has voting control of the Blue Jays. Accordingly, effective April 1, 2001, Rogers accounts for its investment in the Blue Jays using the equity method and the Blue Jays are no longer consolidated. The 20% minority interest owner of the Blue Jays is not required to fund operating losses of the Blue Jays and, as a result, as required under GAAP, Rogers has recorded 100% of the operating losses of the Blue Jays in 2001.

Rogers has the option to acquire the minority interest in the Blue Jays at any time, and the minority interest owner has the right to require Rogers to purchase its interest at any time after December 31, 2003, for approximately $45.0 million (US$28.0 million), plus interest at 9% per annum from December 15, 2000. This obligation has been recorded as a liability by Rogers.

During 2001, Rogers contributed $52.3 million to the Blue Jays to finance a portion of its operating losses. It is Rogers' intention to finance cash requirements of the Blue Jays in 2002, which are expected to be approximately $55 million. During the period April 1 to December 31, 2001, Rogers recorded equity losses of $82.6 million. The results for the three months ended March 31, 2001 are consolidated in Rogers' statement of income. (See note 6(A)(i) to the Company's audited financial statements.)

Build-out of Third Generation Wireless Network In November 2000, in response to the expected increased demand for wireless data services, Wireless, together with its partner AWE, announced a three-phase approach to deploy a third generation wireless network capable of offering high-speed integrated wireless voice and data transmission services. (See "Item 4 – Narrative Description of the Business – Network Overview – Wireless".)

Exchange of Cable Subscribers with Shaw During 2000, Cable entered into an agreement with Shaw Communications Inc. to exchange certain cable television and Internet assets effective November 1, 2000. Cable exchanged its cable television and Internet assets in Vancouver and the surrounding region of British Columbia, with approximately 623,000 basic cable subscribers, for Shaw's cable television and Internet assets in southern Ontario and New Brunswick, with approximately 601,000 basic cable subscribers. This exchange of cable systems was recorded at book value, with Shaw paying approximately $3,300 per incremental basic cable subscriber gained by them in the exchange, subject to certain adjustments. Cash proceeds received from Shaw totalled $75.99 million, which included amounts for the incremental basic cable subscribers transferred by Cable in the exchange, interest, net working capital exchanged and sales taxes. The impact of the exchange with Shaw on Rogers' consolidated operating profit was nominal.

Launch of New Logo and Brand Identity In January 2000, Rogers launched a new logo and brand identity for the Rogers group of companies. As a result, Rogers Cantel Inc. changed its name to Rogers Wireless Inc. and now operates under the co-brand Rogers AT&T Wireless. In addition, Rogers AT&T Wireless, Rogers Cable and Rogers Media share a common brand identity to reflect the Rogers group of companies' ability to offer a variety of communications, information and entertainment services.

Investment in shares of Cogeco During 2000 RCI acquired approximately 4.25 million Subordinate Voting shares of Cogeco Cable Inc. for $187.2 million and approximately 2.72 million Subordinate Voting shares of Cogeco Inc. for $120.8 million (see Note 6(B)(ii) to the Company's audited financial statements).

Issuance of Preferred Securities In August 2000, the Company issued $1,154,364,000 principal amount of Preferred securities due June 30, 2003, with an interest rate of 7.27% per annum, compounded quarterly. The Preferred securities may be settled in whole or in part, at the Company's option, with Class B Non-Voting shares, the number of which is based on the daily average trading prices of the Class B Non-Voting shares. Interest of approximately $216,864,000 to June 30, 2003 was prepaid, with the Company receiving net proceeds of $937,500,000 which, less fees and expenses of $12,235,000, resulted in $925,265,000 of net proceeds. Contemporaneously, the Company entered into an interest exchange agreement effectively converting the fixed interest rate to a floating interest rate at bankers' acceptance rate plus 1.25%. The Company's obligation under this interest exchange agreement may be settled, at the Company's option, in cash or Class B Non-Voting shares of the Company. Accreted interest on the Preferred securities is recorded as a charge to the deficit, similar to a dividend.

The obligations under these Preferred securities are secured solely by 25,000,000 AT&T Canada Class B deposit receipts. There is no recourse to any other assets of the Company. (See notes 6(B)(i), 10(B)(ii) and 10(B)(iii) to the Company's audited financial statements.)

1999 - ***Issuance of Convertible Preferred Securities of RCI to Microsoft Corporation*** In July 1999 RCI issued Convertible Preferred securities with a face value of $600 million to a subsidiary of Microsoft Corporation ("Microsoft"). As part of the transaction to issue Convertible Preferred securities, RCI issued to Microsoft 5,333,333 warrants, each exercisable on or before August 11, 2002 into one Class B Non-Voting share of RCI at an exercise price of $35.00 per share.

Strategic Alliance with AT&T Wireless and British Telecommunications In August 1999, Wireless renewed its long-term strategic alliance with AWE, AT&T Corp., AT&T Canada Enterprises Company and AT&T Canada Corp. and formed a strategic alliance with British Telecommunications plc ("BT"). In connection with the renewal of the AWE alliance, which began in 1996, and the establishment of a relationship with BT, AT&T Corp. and BT jointly invested approximately $1.4 billion to acquire an indirect 33% economic interest and 31% voting interest in Wireless. In 2001, in preparation for its spin-off of AWE, AT&T Corp. transferred its indirect interest in Wireless to AWE. In July 2001, AWE increased its ownership stake in Wireless to approximately one-third with its acquisition of BT's ownership interest.

Acquisition of Radio Stations During 1999, Rogers entered into several transactions to acquire ten radio stations in Ontario, Alberta and British Columbia. As consideration for these strategic acquisitions, which provide a multiple station presence in certain key markets, Rogers paid cash of $81.6 million and issued 2,312,073 RCI Class B Non-Voting shares having a market value at the transaction dates of $58.2 million.

Item 4 - NARRATIVE DESCRIPTION OF THE BUSINESS

Rogers Cable Inc. is Canada's largest cable television company serving approximately 2.3 million basic cable subscribers, representing approximately 28% of basic cable subscribers in Canada. Cable also provides advanced digital cable services to 272,100 subscribers and high-speed Internet service to 478,800 subscribers at December 31, 2001. Cable has highly clustered and technologically advanced broadband networks in Ontario, New Brunswick and Newfoundland. Cable's Ontario cable systems, which comprise approximately 90% of its basic cable subscribers, are concentrated in three principal clusters: (i) in and around the greater Toronto area, Canada's largest metropolitan centre; (ii) Ottawa, the national capital; and, (iii) the Guelph to London corridor in southern Ontario. Cable's New Brunswick and Newfoundland cable systems in eastern Canada comprise the balance of its subscribers. Through its technologically advanced broadband networks, Cable offers a diverse range of services, including analog and digital cable services and residential and commercial high-speed Internet services. Cable also offers videocassette, DVD and video game sales and rentals through Rogers Video, Canada's second largest chain of video stores. There were 260 Rogers Video stores at December 31, 2001, 62 of which are integrated stores which provide subscribers with the ability to pay their cable television, high-speed Internet or Rogers AT&T Wireless bills, pick up and return cable television and high-speed Internet equipment and purchase wireless telephone equipment and services.

Rogers Wireless Communications Inc. is a leading Canadian wireless communications company serving over 3.4 million wireless customers at December 31, 2001, including approximately 3.0 million wireless voice subscribers and over 0.4 million wireless data and messaging subscribers. As at December 31, 2001, Wireless' seamless integrated wireless voice network covers a geographic area reaching approximately 93% of the Canadian population in analog mode and approximately 85% of the Canadian population in digital mode, including the digital overlay of Wireless' GSM/GPRS network which provides advanced voice, data and messaging services. Wireless estimates that its 3.0 million wireless voice subscribers represent approximately 10.4% of the Canadian population residing in its coverage area. Wireless' analog and Time Division Multiple Access ("TDMA") digital service coverage also extends throughout the United States through roaming agreements with AWE and other U.S. wireless communications companies. Wireless offers an international roaming footprint extending to approximately 85 countries worldwide. Wireless' advanced GSM/GPRS service is available to approximately 45% of AWE's coverage area in the United States and is expected to reach 100% of AWE's U.S. coverage by year-end 2002.

Rogers Media Inc. holds Rogers' radio and television broadcasting operations, consumer and trade publishing operations and television home shopping service. The broadcasting group ("Broadcasting") comprises 30 radio stations across Canada (23 FM and 7 AM radio stations), a multicultural television station (CFMT-TV, Toronto), a regional sports television network (Rogers Sportsnet) and a television home shopping service (The Shopping Channel, tSc). In April 2002, Broadcasting completed the acquisition of the assets and operations of 13 radio stations in Ontario from Standard Radio Inc. for total cash consideration of $100 million. In addition, the broadcasting group holds minority interests in several Canadian specialty cable/satellite services, including Viewer's Choice Canada, Outdoor Life Network, TechTV, The Biography Channel, MSNBC and Mystery Channel. The publishing group ("Publishing") produces over 60 consumer magazines and trade and professional publications and directories. In addition to the more traditional broadcast and print media platforms, the Media group also delivers content over the Internet for many of the individual broadcasting and publishing properties.

Recent Industry Trends

The following provides a brief summary of the significant trends facing each of the cable television, wireless communications and media industries in which Rogers operates.

Cable Television Industry

Investment in improved cable television networks and expanded service offerings. In recent years, North American cable television companies have made substantial investments in the installation of fibre optic cable and electronics in their respective networks and in the development of high-speed Internet and digital cable services. This investment has enabled cable television companies to offer expanded packages of analog and digital cable television services, including near video-on-demand and video-on-demand pay-per-view services, expanded tier and pay television packages, interactive television services, high definition television (HDTV) services and high-speed Internet services.

Increased competition from alternative broadcasting distribution undertakings. Canadian cable television systems generally face increasing competition from several alternative multi-channel broadcasting distribution systems, including two Canadian direct-to-home (DTH) satellite providers, U.S. direct broadcast satellite (DBS) service, satellite master antenna television (SMATV), and multi-channel, multi-point distribution system (MMDS). Since their launch in 1997, the two DTH providers have become aggressive competitors to cable television systems in Canada. (See "Item 4 – Narrative Description of the Business – Competition – Cable".)

Wireless Communications Industry

Demand For Sophisticated Data Applications and Migration to Third Generation Wireless Technology. The ongoing development of data transmission technologies has led manufacturers to create wireless devices with more advanced, sophisticated capabilities, including access to e-mail, news, financial information and services, shopping services and more. Increased demand for sophisticated wireless services, especially data transmission services, has led wireless providers to begin migrating to the next generation of digital networks, commonly referred to as third generation networks. Third generation networks will support a variety of data applications such as high-speed Internet access, multimedia services and access to corporate information systems, such as e-mail and purchase systems. As a result, during 2001 Wireless commenced the first stage of its migration to a third generation network to meet these market demands. In January 2002, Wireless announced it had completed the installation of its GSM/GPRS network across 85% of the Canadian population, with plans to extend this coverage to match its analog coverage of 93% by mid-2002.

Wireless Spectrum Auction. In early 2001, Industry Canada, the Canadian government ministry responsible for telecommunications policy in Canada, conducted an auction for wireless spectrum licenses in the 1900 MHz frequency band (digital PCS) in 16 regions in Canada. Of the 62 regional PCS licenses available in the auction, 23 licenses of 10 MHz each were acquired by Wireless in various regions across Canada at a cost of $396.8 million.

Media Industry

Consolidation of radio broadcasting industry. In April 1998, the CRTC announced certain changes to its commercial radio policy, including the easing of ownership restrictions on the number of stations that could be owned within a particular market. These ownership changes allow a single owner to own up to two AM stations and two FM stations within a particular market, subject to certain restrictions. As a result, a number of transactions have occurred to take advantage of these eased ownership restrictions, leading to increased ownership of multi-station clusters by large Canadian radio broadcasters, including Broadcasting's acquisition of 10 radio stations in 1999 and its acquisition of 13 Ontario radio stations completed in April 2002.

Integration and consolidation of businesses across media industries. In recent years, a number of communications and media companies have developed or acquired businesses and completed transactions with the intention of creating integrated multi-media companies engaged in a number of different media sectors, including cable television, telecommunications, radio and television broadcasting, newspaper and periodical publishing, entertainment and sports properties, and Internet content and access services. Rogers is engaged in several of these industry sectors as are other large Canadian communications companies, including BCE Inc., Quebecor Inc. and Canwest Global Communications Corp.

Operating Strategy Overview

Rogers seeks to maximize revenue and operating profit by maintaining its position as one of Canada's leading national diversified media and communications companies. Rogers' objective is to be Canadians' preferred provider of communications, entertainment and information services over whichever medium they choose to access. Convergence, with respect both to technologies and to combined marketing opportunities, continues to help shape and define the way in which Rogers operates. The Rogers group of companies seeks to take advantage of these convergence opportunities by combining one of Canada's most widely diversified groups of information and content based businesses, including radio and television broadcasting, specialty channels, magazine and periodical publishing and sports properties, with each of its technologically advanced broadband cable and national wireless networks. The Rogers group of companies works to identify areas of opportunity for bundled product and service offerings as well as the cross-marketing and cross-promotion of its products and services to enhance subscriber loyalty, improve operating efficiencies and maximize revenues and operating profits.

Cable seeks to maximize its revenue and operating profit by leveraging its technologically advanced cable network to meet the information, entertainment and communications needs of its subscribers, from basic cable to advanced cable services including digital cable, high-speed Internet service, near video-on-demand, video-on-demand and HDTV. The key elements of Cable's strategy to achieve this objective are as follows: (i) the geographic concentration and clustering of cable systems in major metropolitan areas, (ii) offering a wide selection of products and services, (iii) maintaining technologically advanced cable networks, (iv) continuing to focus on increased quality and reliability of service, (v) leveraging its relationship within the Rogers group of companies to identify opportunities for bundled product and service offerings, and, (vi) continuing to develop brand awareness and to promote the "Rogers" brand as a symbol of a diversified communications company.

Wireless seeks to maximize its revenues and operating profit by remaining a leading national provider of high-quality wireless voice and data communications products and services in Canada. The key elements of Wireless' strategy to achieve this objective are as follows: (i) maintaining a technologically advanced network, (ii) continuing to focus on developing products and services based on customer segmentation that meet the needs of its existing and future subscribers, (iii) delivering quality customer care to subscribers, (iv) maintaining and expanding existing distribution channels, and (v) leveraging strategic relationships such as those developed within the Rogers group of companies, with AWE and with RadioShack Canada Inc., a retailer with which Rogers has an exclusive agreement, among others.

Media seeks to maximize revenues and operating profit across each of its businesses. The key elements to achieving this objective are as follows: (i) continuing to pursue strategic acquisitions and its radio clustering strategy, (ii) continuing to cross-sell advertising and share content across properties and over multiple media platforms (radio, television, publishing and Internet), (iii) focusing on specialized content and audiences through continued development of its portfolio of specialty channel investments, radio properties and publications, (iv) continuing to leverage its strong brand names, both within the Media group by cross-promoting its properties across each of its media formats and with the promotion of the "Rogers" brand.

Network Overview

Cable

Cable's cable systems in Ontario and New Brunswick, with a few exceptions, are interconnected to regional head-ends by inter-city fibre-optic rings. The fibre interconnections allow Cable's multiple Ontario and New Brunswick cable systems to function as two large cable systems. Cable's remaining subscribers in Newfoundland and rural New Brunswick are served by local head-ends. Cable's regional head-ends in Toronto, Ontario and Moncton, New Brunswick provide the source for most television signals used in the cable systems.

Cable's dominant architecture is based on a three-tiered structure of primary hubs, optical nodes and co-axial distribution. The primary hubs, located in each community Cable serves, are connected together by inter-city fibre-optic systems carrying television, Internet, network control and monitoring and administrative traffic. The fibre-optic systems are constructed as rings that allow signals to flow in and out of each primary hub through two paths, providing protection from a fibre cut. The high-capacity optical fibre networks deliver high performance and reliability, and have substantial reserves for future growth in the form of dark fibres and unused optical wavelengths. Each primary hub typically serves about 100,000 subscribers.

Optical fibres join the primary hub to the optical nodes in the cable distribution plant. Final distribution to subscriber homes from optical nodes uses co-axial cable with two-way amplifiers to support interactive television and high-speed Internet service. Co-axial cable capacity has been increased repeatedly by introducing better amplifier technologies. Co-axial cable remains the most cost-effective means of carrying television and high-speed Internet services to residential subscribers.

Groups of approximately 600 homes or less are served from each optical node in a cable architecture commonly referred to as fibre to the feeder, or FTTF. The FTTF plant carries signals up to 750 MHz or 860 MHz "downstream" to the subscribers' premises, and delivers 37 MHz of bandwidth "upstream" from the subscribers' premises to the primary hub. The upstream bandwidth is projected to be sufficient to support multiple cable modem systems and data traffic from interactive digital set-top terminals for at least the next five years. When necessary, additional upstream capacity will be provided by reducing the number of homes served by each optical node. Fibre cable has been placed to permit a reduction of the node size from 600 to 300 homes by installing additional optical transceiver modules.

Approximately one-half of Cable's cable plant has been upgraded to 750/860 MHz FTTF architecture. Through Cable's scheduled network upgrade program, most of the balance will be rebuilt to FTTF by the end of 2003. Some smaller communities and rural areas continue to use more traditional two-way cable architectures with 2,000 subscribers per node and 550 MHz downstream bandwidth. Overall, 85% of Cable's total cable plant was two-way addressable at December 31, 2001, with at least 91% of its plant 550 MHz downstream bandwidth or greater.

Cable believes that the 750/860 MHz FTTF architecture provides it with significant advantages including more bandwidth for television and data services, improved picture quality, enhanced two-way capability, increased reliability and reduced maintenance. In addition, Cable's clustered network of cable systems served by regional head-ends facilitates more rapid introduction of new services to all subscribers with a lower capital cost.

Wireless

Wireless' seamless integrated wireless voice network covers a geographic area reaching approximately 93% of the Canadian population in analog mode and approximately 85% of the Canadian population in digital mode, including the overlay of Wireless' digital GSM/GPRS network, which provides advanced voice, data and messaging services. Wireless uses its own microwave radio and fibre-optic transmission facilities, which has enabled it to construct a national cellular network based on a single integrated technology, limited its reliance on third parties for leased transmission facilities and generated significant profit margins from the carriage of its own long distance traffic. The seamless, integrated nature of the network also enables subscribers to make calls, receive calls and activate network features anywhere in the network as easily as if they were in their home areas.

Wireless' network has been constructed to be completely compatible between digital TDMA radio transmission at 850 MHz and 1900 MHz, and between digital TDMA and analog radio transmission at 850 MHz.

The GSM/GPRS network provides high-speed integrated voice and "always on" packet data transmission service capabilities. Wireless completed the GSM/GPRS overlay to the 85% of the Canadian population served by its digital TDMA network in January 2002. By mid-2002, Wireless intends to expand its GSM/GPRS coverage to approximately 93% of Canada's population, matching its existing analog network coverage.

In 2003, Wireless intends to upgrade its national GSM/GPRS network by adding enhanced data for GSM evolution ("EDGE") capability to its GSM/GPRS network, primarily through software upgrades of the deployed GSM network equipment. EDGE capability is expected to significantly increase the data speed of its GSM network.

Products and Services Overview

Cable

Cable offers a broad range of products and services, which it customarily classifies into three operating revenue sources: (1) core cable service; (2) high-speed Internet service; and (3) video stores. Core cable service consists of analog and digital cable services. High-speed Internet service consists of providing e-mail and Internet access to residential and commercial subscribers through its cable network. Cable's video stores operating segment consists of the operation of Cable's Rogers Video stores, which offer videocassette, DVD and video game sales and rentals.

Core cable service, high-speed Internet service and video stores accounted for 72.8%, 11.6% and 15.6%, respectively, of Cable's consolidated revenues for the year ended December 31, 2001 and for 75.9%, 8.6% and 15.5%, respectively, of Cable's consolidated revenues for the year ended December 31, 2000.

Core Cable Service

Analog cable service: Cable's analog cable service provides subscribers with basic analog cable programming and the option to expand their basic cable service with tiers of additional programming in analog format.

- *Basic cable service* typically consists of approximately 15 Canadian services, including affiliates of the major Canadian networks, five United States networks (ABC, NBC, CBS, PBS and Fox), a community access channel, a television home shopping channel (The Shopping Channel, operated by Rogers Media), several Canadian specialty programming services (such as CBC Newsworld, CTV NewsNet and YTV) and a non-programming service channel. Monthly service fees for basic cable television service are generally regulated by the CRTC. At December 31, 2001, Cable had approximately 2,286,400 basic cable subscribers.

- *Tier service* provides subscribers with a choice of three tiers of additional specialty channels which, in most areas, are comprised from ten United States specialty services (including CNN, TBS, A&E, CNN Headline News and The Golf Channel) and 20 Canadian specialty services (including Showcase, Bravo!, Life Network and The Comedy Network). Tier subscribers pay a monthly fee that reflects the rate for basic cable service, plus a fee for additional services offered with the selected tier. While the rate for basic cable service is generally regulated by the CRTC, the tier increment over the basic rate is not regulated by the CRTC. At December 31, 2001, Cable had approximately 1,925,700 tier subscribers.

Digital cable service: Digital compression technology converts up to 12 analog signals into a digital format and compresses these signals into the bandwidth normally occupied by one analog signal. All digital cable subscribers rent or, in some cases, purchase a digital set-top terminal that allows them to access Cable's various digital cable offerings. The digital set-top terminal features a detailed interactive program guide and also allows subscribers to access 40 channels of digital CD quality music in a number of different musical genres. At December 31, 2001, Cable had deployed 314,100 digital set-top terminals to 272,100 digital cable service subscribers.

Digital cable service provides subscribers with greater programming diversity, better picture quality of digital channels, improved reliability and enhanced service features. The expanded capacity afforded by digital cable allows subscribers to augment their analog services with a greater number of channels and programming choices through Cable's specialty, multicultural, premium and pay-per-view service selections. In addition, digital cable service provides subscribers with a platform to select Cable's advanced cable services, such as interactive television, enhanced television, timeshifting and HDTV, all of which are currently available, as well as video-on-demand, which Cable has initially deployed on a test basis in central Toronto to up to 1,000 selected customers.

High-Speed Internet Service

The use of computers, on-line services and the Internet has increased significantly over the last few years. Cable believes that the market for high-speed Internet service and the revenue opportunities of Internet-related services will continue to grow. Cable is taking advantage of these opportunities by providing high-speed Internet access and work-at-home services to residential and commercial subscribers through its high-speed Internet access service. At December 31, 2001, Cable had approximately 478,800 high-speed Internet subscribers.

Residential High-Speed Internet Service. Cable provides high-speed Internet service to residential subscribers via cable modems attached to personal computers. By utilizing its fibre optic cable network, Cable is able to deliver access to the Internet at speeds significantly faster than traditional dial-up modems.

Previously, Cable had offered its high-speed Internet service under the brand name Rogers@Home through an exclusive agreement with At Home Corporation, a U.S. based broadband access provider. On September 28, 2001, At Home filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. During 2001, Cable accelerated its plans to develop its own high-speed Internet network as an alternative to the network provided by At Home and to transition its high-speed Internet subscribers to that network. In order to ensure an orderly transition, Cable entered into a transitional agreement with At Home under which At Home agreed to continue providing service to Cable's high-speed Internet subscribers until February 28, 2002. In January 2002, Cable successfully completed the transition of all of its high-speed Internet subscribers to its new IP network, regional data centre and e-mail platform. In March 2002, Cable commenced marketing its high-speed Internet service under the Rogers Hi-Speed Internet brand.

In March 2002, Cable introduced a new Internet service option which is targeted at Internet users currently using a dial-up connection. Although not as fast as Cable's Rogers Hi-Speed Internet service, this new service option is priced competitively with dial-up Internet access services and offers the advantages of a cable modem connection (including higher download and upload speeds and elimination of the need to tie up the telephone line or the expense for a second telephone line or Internet call display services). Cable intends to fully roll out this service in the second quarter of 2002.

Commercial High-Speed Internet Service. Cable offers telecommunications products and services to small and medium sized business enterprises, primarily businesses with under 50 employees, under the "Rogers Business Solutions" brand. Cable provides these businesses with Internet service, domain name hosting, web hosting and e-mail service. In addition, Cable offers a "telecommuter" product that allows single users to access corporate databases through its cable network.

Cable currently offers commercial high-speed Internet service in one of four standard packages, including basic, intermediate, advanced and premium. Shortly, Cable plans to begin offering customers the flexibility of customized packages of services, including the choice of one of two Internet access speeds, one of two installation methods and one of four web-hosting services, together with Cable's domain name registration service. Cable is also examining the development of comprehensive small and medium sized business services based on particular industries. For example, a medical business service package would include cable TV and digital music for patient comfort, as well as an Internet site for patient billing and insurance information.

Video Stores

Cable owns and operates Rogers Video, Canada's second largest chain of video stores, providing videocassette, DVD and video game sales and rentals. There were 260 Rogers Video stores at December 31, 2001, many of which are located in Cable's licensed cable television system areas in order to take advantage of the brand awareness generated by its Rogers cable service.

Rogers Video enables Cable to provide customer and promotional support for Rogers' Cable and Wireless products and services, providing subscribers with an alternative location to pay bills and, in some cases, to subscribe for additional products and services. Many Rogers Video stores are able to provide customers with demonstrations of Cable's services, such as interactive television and high-speed Internet services. In addition, at December 31, 2001, there were 62 integrated Rogers Video stores providing subscribers with the ability to pay their cable television, high-speed Internet or Rogers AT&T Wireless bills, pick up and return cable television and high-speed Internet equipment and purchase wireless telephone equipment and services.

Seasonality

Cable's operating results are not generally subject to material seasonal fluctuations.

Wireless

Wireless generally classifies its revenues into wireless voice services, messaging and data services and equipment sales. Wireless voice services, messaging and data services and equipment sales accounted for 86.4%, 3.2% and 10.4%, respectively, of Wireless' consolidated revenues for the year ended December 31, 2001 and for 84.0%, 3.7% and 12.3%, respectively, of Wireless' consolidated revenues for the year ended December 31, 2000.

Voice Services

Wireless has constructed a national wireless voice network and is able to offer wireless services nationwide in Canada using its own facilities as opposed to relying on roaming agreements with other service providers. As a result, Wireless' subscribers are able to make calls, receive calls or activate network features anywhere in its national network without accessing networks of other wireless companies. At December 31, 2001, Wireless had approximately 2,991,800 wireless voice subscribers.

Wireless offers a variety of digital and analog wireless voice services. Basic wireless voice service consists of a monthly service fee and includes a fixed number of minutes, commonly referred to as a bucket. Basic service is commonly referred to as postpaid service. Basic service usually includes additional fees for usage above the limit established by the bucket, as well as additional fees for long distance calls. Wireless' digital voice services can also include custom calling features, such as voicemail, call waiting, call forwarding, caller-ID, three-way calling and directory assistance. To provide subscribers with a complete service and pricing package that best suits their specific demands, Wireless has developed a variety of specialized product and service plans to choose from.

Wireless was the first Canadian wireless service provider to launch a prepaid wireless plan. Wireless' prepaid plan has no monthly fees, no long-term contracts and no monthly bills. The subscriber purchases a block of minutes in advance, which can be used over a set period of time. Wireless' subscribers can purchase minutes through prepaid cards, which are available at retail locations throughout Canada and through the

Rogers group of companies' Internet website. In the third quarter of 2000, Wireless began offering a digital phone for its prepaid wireless subscribers that provides them with benefits associated with a digital phone, such as extended battery life and improved call quality, along with the convenience of a prepaid product.

Messaging and Data Services

Wireless' messaging and wireless data services operations are one of Canada's largest, with approximately 427,000 subscribers at December 31, 2001. Wireless operates a Mobitex mobile packet-switched data network in all major urban centres across Canada which provides subscribers with digital wireless data connectivity for many applications, including e-mail, point-of-sale terminals, remote data collection and two-way messaging. In addition, the roll-out of Wireless' GSM/GPRS network provides customers with advanced high-speed data services, including mobile access to the Internet, e-mail and two-way Short Messaging Service (SMS).

Distribution Network

Wireless markets its services through an extensive national network of over 7,000 dealer and retail locations across Canada, including Rogers AT&T Wireless stores and kiosks, major retail chains such as RadioShack Canada Inc. and Future Shop Ltd. (owned by Best Buy Co., Inc.), convenience stores and an independent dealer network. Wireless also offers several of its products and services through a retail agreement with Rogers Video, which had 260 locations across Canada at December 31, 2001.

Seasonality

Wireless' operating results are subject to seasonal fluctuations which generally result in relatively lower fourth quarter operating profit. This seasonality is due primarily to the incurrence of increased marketing and promotional expenditures combined with relatively larger subscriber additions in the fourth quarter, resulting in relatively higher subscriber activation related expenses. These seasonal trends materially affect Wireless' quarter-to-quarter operating results. Thus, one quarter's operating results are not necessarily indicative of what the following quarter's operating results will be.

Media

Media generally classifies its operations into Radio, Television, Home Shopping, Publishing and Other. Radio, Television, Home Shopping, Publishing and Other accounted for 20.5%, 9.6%, 26.6%, 41.6% and 1.7%, respectively, of Media's consolidated revenues for the year ended December 31, 2001 and for 20.7%, 8.0%, 26.0%, 44.4% and 0.9%, respectively, of Media's consolidated revenues for the year ended December 31, 2000.

Radio Broadcasting is one of the largest radio broadcasters in Canada as measured by revenues. Broadcasting owns 30 radio stations in multi-station clusters across Canada, including Toronto and Greater Vancouver, Canada's first and third largest cities, Calgary and Ottawa. In Toronto, Broadcasting owns CHFI-FM (adult contemporary format), 680News (CFTR-AM, all-news format) and KISS92 (CISS-FM, top 40 hits format). CHFI-FM is one of the largest radio stations in Canada on the basis of annual advertising revenues. In addition, in April 2002 Broadcasting completed the acquisition of an additional 13 radio stations in Ontario, including CJCL-AM (The FAN 590) in Toronto, from Standard Radio Inc. for total cash consideration of $100 million.

Television Broadcasting's television holdings comprise CFMT-TV, Canada's first over-the-air multilingual / multicultural television station, and Rogers Sportsnet, a regional sports television network. In addition, Broadcasting holds minority interests in several Canadian specialty television services, including

Viewers Choice Canada, Outdoor Life Network, TechTV, The Biography Channel, MSNBC Canada and Mystery Channel. CFMT is a leading provider of multicultural television programming in Canada, broadcasting 60% of its programming in no less than 15 languages other than French and English to communities encompassing more than 18 cultures in accordance with its license. CFMT also offers 40% of its weekly programming in English. In April 2002, Media received approval from the CRTC for its license application to commence operations of a new multilingual ethnic broadcast television station serving the greater Toronto area, subject to securing an available frequency. Media intends to launch the new station in the latter portion of 2002 in a format similar to that of CFMT-TV.

Home Shopping Broadcasting owns and operates The Shopping Channel ("tSc"), Canada's only national television home shopping network. tSc is a 24 hour, seven day per week broadcast retailer available to over six million homes on cable channels and satellite services across Canada (except Quebec). Viewers are able to purchase goods shown on tSc by calling a toll-free number and placing an order. tSc sells its products using multiple channels including television, Internet, catalogue, a retail outlet and through other retailers. On-air shopping remains tSc's primary source of revenue, comprising approximately 79% of tSc's sales revenue in 2001.

Publishing The Publishing group produces over sixty consumer magazines and trade and professional publications and directories and is the largest publisher of consumer, trade and professional publications in Canada as measured by revenue. Revenue from consumer magazines is derived from both advertising and circulation while revenue from most business publications is derived primarily from advertising. Publishing has long-established national brands in all of its targeted markets, including the two highest ranked consumer magazines in Canada as measured by advertising revenue in 2001 – Maclean's (a weekly newsmagazine) and Chatelaine (a monthly women's issues magazine with English and French editions).

Seasonality

Media's broadcasting, publishing and home shopping businesses are subject to seasonal fluctuations, which generally result in relatively higher fourth quarter revenues and operating profit. This seasonality is due in part to the fact that consumers and advertisers generally increase spending during the months of October and November in anticipation of the holiday season. These seasonal trends materially affect Media's quarter-to-quarter operating results. Thus, one quarter's operating results are not necessarily indicative of what the following quarter's operating results will be.

Government Regulation

General

Canadian Radio-television and Telecommunications Commission

Canadian broadcasting operations, including the Company's cable television systems and radio and television stations, are licensed and regulated by the CRTC pursuant to the *Broadcasting Act (Canada)*. Under the *Broadcasting Act*, the CRTC is responsible for regulating and supervising all aspects of the Canadian broadcasting system with a view to implementing certain broadcasting policy objectives enunciated in the *Broadcasting Act*. The CRTC is also responsible under the *Telecommunications Act (Canada)* for the regulation of telecommunications carriers, including Wireless' cellular, PCS and messaging operations and any telecommunications activities of Cable.

Industry Canada

The technical aspects of the operation of radio and television stations and the awarding of radio frequency spectrum for cellular, PCS, paging and other radio-telecommunications systems in Canada are subject to the licensing requirements and oversight of Industry Canada, a Ministry of the Government of Canada. Industry Canada may set technical standards for telecommunications under the *Radiocommunication Act (Canada)* and the *Telecommunications Act*.

Restrictions On Non-Canadian Ownership and Control

The Company and its operating subsidiaries that are subject to one or more of the *Broadcasting Act, Telecommunications Act* and *Radiocommunication Act* must be owned and controlled by Canadians. The most stringent requirements relating to Canadian ownership and control are implemented under the *Broadcasting Act*. Non-Canadians are permitted to own and control directly or indirectly up to 33 1/3% of the voting shares and 33 1/3% of the votes of a holding company which has a subsidiary operating company licensed under the *Broadcasting Act*. In addition, up to 20% of the voting shares and 20% of the votes of the operating licensee company may be owned and controlled directly or indirectly by non-Canadians. The chief executive officer and 80% of the members of the board of directors of the operating licensee must be Canadian. In addition, where the holding company is less than 80% Canadian-owned, the holding company and its directors are prohibited from exercising any control or influence over the programming decisions of a subsidiary licensee operating company. There are no restrictions on the number of non-voting shares that may be held by non-Canadians at either the holding company or licensee company level. The CRTC retains the discretion to determine as a question of fact whether a given licensee is controlled by non-Canadians.

The Company's articles give the board of directors the authority to restrict the issue, transfer and voting of voting shares and the transfer of non-voting shares of the Company for the purpose of ensuring that the Company and its subsidiaries remain qualified to hold or obtain licenses to carry on any cable television, broadcasting or telecommunications businesses.

Similarly, Wireless' articles restrict its board of directors from issuing or registering a transfer of certain shares of Wireless where such issuance or transfer would jeopardize the ability of Wireless to operate as a telecommunications carrier or to obtain, renew or maintain licenses relating to its business.

Cable

Licensing

The CRTC is empowered under the *Broadcasting Act* to issue licenses to operate cable television systems. The license gives the cable television operator the right, but not the exclusive right, to provide cable television services in its licensed service area. In 1995, the CRTC began to implement a policy of promoting competition in the delivery of broadcasting services to subscribers, and has therefore licensed a number of DTH satellite, MMDS, telephone companies and competitive cable television providers to operate within the authorized service areas of incumbent cable licensees.

On December 7, 2001, the CRTC issued an exemption order that will exempt certain Class 3 systems from the requirement to hold a broadcasting license. To be exempted, a Class 3 system must serve less than 2,000 subscribers and operate its own local headend. Sixty-two of Cable's Class 3 systems in Newfoundland and New Brunswick have been exempted from licensing under this order. These cable systems, however, must continue to comply with a number of criteria, such as the carriage of local and regional television signals and the continued compliance with Canadian ownership and control requirements, which are contained in the exemption order.

The CRTC has taken a number of initiatives to ensure that a competitive broadcasting distribution market develops. On April 1, 1999, the CRTC issued a letter to all incumbent cable licensees, including Cable, setting out the new marketing rules that apply to those licensees in cases where a customer has chosen to subscribe to a service provided by a competitive distribution operator. These rules provide that an incumbent cable licensee is prohibited from contacting a customer who has cancelled their cable service through the use of an agent for a period of 90 days following the cancellation. These rules prohibit cable licensees from offering discounts or other inducements not generally offered to the public where a customer personally initiates contact with the cable licensee for the purpose of cancelling service. This restriction is also in effect for 90 days following the date of cancellation.

In addition to the cable systems that have been exempted from licensing, Cable holds a separate license for 107 cable systems. These licenses have generally been issued for terms of up to five years. The majority of these licenses expire in 2002 with most of the remaining licenses expiring in 2005. Cable has never failed to obtain a license renewal for its cable systems.

The CRTC imposes restrictions on the transfer of ownership and control of cable licenses. Pursuant to regulations promulgated by the CRTC, a holder of a cable license must obtain the prior approval of the CRTC with respect to any act, agreement or transaction that directly or indirectly results in a material change of ownership or effective control of the licensee or of a person that has, directly or indirectly, effective control of the licensee. CRTC approval is contingent upon the purchaser demonstrating that the transfer is in the public interest.

Canadian Content

The CRTC regulations govern the types of Canadian and non-Canadian programming services that can be distributed by cable television systems as well as other distributors of video programming. In general, each cable television system is required to distribute all of the Canadian programming services that the CRTC has determined are appropriate for the market it serves, which include local television stations, specialty channels, pay television channels and one pay-per-view service, but does not include Category 2 digital services and video-on-demand services.

The CRTC has determined that it would not be in the interest of the Canadian broadcasting system to permit cable systems to distribute non-Canadian pay television movie channels and specialty programming services that could be considered directly competitive with licensed Canadian pay television and specialty services. For that reason, pay movie channels and certain specialty programming services originating in the United States, such as HBO, Showtime, Cinemax, The Disney Channel, ESPN and Nickelodeon, are not approved for cable distribution in Canada. However, the CRTC has identified a list of non-Canadian specialty services, including certain United States originated satellite services and United States superstations, that are permitted carriage on cable television systems on a discretionary, user-pay basis. These include The National Network, The Learning Channel, A&E, CNN, CNN Headline News, CNBC/Financial News Network, WTBS, KTLA, WGN, WSBK and WPIX. The CRTC requires that non-Canadian satellite services be sold to Canadian cable television subscribers in discretionary packages with Canadian pay television services or with Canadian specialty services. Each non-Canadian specialty service must be linked with one Canadian specialty service or up to five non-Canadian specialty services may be linked with one Canadian pay television service. The CRTC also requires that a majority of the video channels and a majority of the audio channels received by a subscriber are devoted to the distribution of Canadian programming services.

Cable Ownership of Analog Canadian Pay and Specialty Services

On June 7, 2001, the CRTC announced a change in its policy on cable ownership of analog pay and specialty services to allow cable companies, and their related entities, to purchase equity interests, including controlling interests, in these services. Major convergence trends have resulted in vertically integrated providers, such as BCE/Bell ExpressVu, competing against cable operators. The CRTC noted that, in Canada and internationally, increased competition has prompted media companies to seek entry into new markets and, often, to become more vertically integrated to compensate for erosion of market share in their traditional areas of business.

Digital Cable Services

The CRTC has licensed 21 new digital Category 1 Canadian specialty services for mandatory digital carriage by distribution undertakings that offer programming services to the public using digital technology. More than 270 digital Category 2 Canadian specialty services have been licensed without guaranteed distribution rights. Distribution undertakings must ensure that a majority of services received by subscribers digitally is Canadian. Distribution undertakings are permitted to hold equity interests in new digital services. However, the CRTC requires a distribution undertaking to distribute five non-affiliated digital Category 2 services for each affiliated digital Category 2 service that it distributes. Distribution undertakings are also subject to a general obligation to market and package all digital services on an equitable basis.

The CRTC has also imposed new distribution requirements on Class 1 and 2 cable distribution undertakings that use digital distribution technology to deliver programming services to subscribers. Class 1 and 2 cable distribution undertakings using high capacity digital technology (more than 750 MHz) are required to offer all Canadian English- and French-language specialty services (other than Category 2 services) in analog or digital mode. Other Class 1 and 2 cable distribution undertakings are required to distribute one minority official language Canadian specialty service for every ten majority official language services that are distributed by the undertaking.

Rate Regulation

The rates Cable charges for its basic cable service in most of its Class 1 cable systems (systems with at least 6,000 subscribers) are currently regulated by the CRTC. Only the following increases to the basic cable rate are permitted.

First, licensees are permitted to pass through to subscribers, as part of the basic rate, the increase in the CRTC-authorized wholesale fees paid to licensed network operators of Canadian specialty programming services which are distributed as part of the basic cable service. The Broadcasting Distribution Regulations give the CRTC the authority to postpone or disallow an increase in the basic rate where a specialty programming service is added to the basic cable service. Second, a licensee may request a rate increase that is in excess of that which would be allowed under the foregoing category if the licensee can establish economic need by demonstrating that the licensee's average rates of return on average net fixed assets before interest and taxes but after depreciation for its basic cable service and for its total revenues are less than established industry benchmark rates.

In addition, the CRTC regulates the fees, on a cost recovery basis, that Cable may charge for the connection of subscriber drop cables to a subscriber's home. Cable is only required to offer to connect residences to the network in areas serviced by municipal water or sewage systems. Fees charged to subscribers for: (1) the incremental rate charged for discretionary services over basic cable service rates, (2) the rental of converters/set-top terminals and (3) pay television services, including pay-per-view programming, are all unregulated.

Under the Broadcasting Distribution Regulations, which came into force on January 1, 1998, Cable’s basic rates may be deregulated in a Class 1 system when two conditions are met: (1) there is evidence that 30% or more of the households in a licensed service area have access to the basic service of another broadcasting distribution undertaking and (2) Cable has lost 5% or more of its subscribers to competitive broadcasting distribution undertakings. The CRTC has, however, retained the authority to disallow a proposal by a Class 1 system to deregulate basic rates if it determines, within 60 days of receiving the proposal, that deregulation is not in the public interest. The CRTC has advised in a public notice that the first of these conditions was satisfied in all licensed cable areas on August 31, 1997. Two of Cable's Class 1 systems serving St. Thomas and Woodstock, Ontario received CRTC approval to deregulate basic rates on October 4, 2001. Cable's proposal to deregulate basic rates in three of its Class 1 systems in Ontario, one serving Ottawa and two serving London, became effective on February 1, 2002. Cable's proposal to deregulate basic rates in 12 of its Class 1 systems in Ontario, serving the greater Toronto area, Guelph, Kitchener and Georgian Bay, became effective on April 1, 2002. During the second quarter of 2002, Cable intends to submit evidence to the CRTC that will permit its basic rates to be deregulated in additional Class 1 systems in Ontario and New Brunswick.

Financial Contributions* for *the Creation and Production of Canadian Programming

Under the Broadcasting Distribution Regulations, all Class 1 and 2 terrestrial broadcast distribution undertakings, or BDUs, and DTH satellite operators are required to contribute not less than 5% of their gross revenues to the production of Canadian programming. For DTH satellite operators, the full 5% must be contributed to certain qualified production funds. Class 1 BDUs with 20,000 or more subscribers must contribute at least 3% to qualified production funds, while the remaining 2% may be satisfied by funding the operation of community channels. For Class 1 BDUs with less than 20,000 subscribers, the minimum percentage that must be contributed to production funds is 1.5%, while 3.5% may be satisfied by funding community channels. For Class 2 BDUs with less than 6,000 subscribers, the entire 5% requirement may be satisfied by funding the operation of community channels. Cable continues to meet all of its minimum contribution level requirements by contributing to various qualified production funds and by funding its various community channels.

Copyright

The *Copyright Act (Canada)* provides for the payment by cable television operators of a royalty fee in respect of the retransmission of distant radio and television broadcast signals (defined as over-the-air television signals originating more than a minimum specified distance from a cable operator's licensed area). Under current CRTC rules, these fees may not be recovered from subscribers in the form of direct increases to the basic subscriber rate. The amounts raised from these royalty fees are paid to copyright collectives representing the owners of the copyright in television programming, including producers, broadcasters and major league sports organizations, as well as authors, composers and publishers of the music in these programs. The level of this compulsory royalty fee, which is subject to the approval of the Copyright Board, is currently $0.70 per month per subscriber for cable systems with more than 6,000 subscribers.

On February 16, 2001, the Copyright Board approved performing rights royalties that are payable in respect of the cable transmission of the music component of non-broadcast television services, such as the Canadian pay television and specialty services and U.S. cable networks offered by Cable. These royalties are payable in relation to the 1996 to 2000 calendar years. Pursuant to the tariffs approved by the Copyright Board, cable television operators must pay a monthly royalty based on the number of subscribers that they serve in respect of Canadian specialty services. The royalty rates that Cable was required to pay for the music component of these specialty services did not exceed $0.155 per month, per subscriber. The royalty rates that Cable was required to pay for the music component of Canadian pay television services and U.S. cable networks was an amount equal to 2.1% of the monthly affiliation payments payable to these services in 1996, and 1.8% of the monthly affiliation payments payable to these services in the 1997-2000 tariff period. Furthermore, statements of proposed royalties have been filed in respect of the 2001 and 2002 calendar years, but have not yet been considered by the Copyright Board. Cable is compensated from the various pay television and specialty services and U.S. cable networks that it distributes for 50% of the royalties payable under these tariffs. Cable has accounted for these royalties in its financial statements and Cable's management does not believe that they will have a material adverse impact on its results from operations.

Telecommunications Activities

On January 30, 1996, the CRTC concluded that the provision of non-programming services by Cable and other operators comes within the scope of the *Telecommunications Act*. The rates charged for the distribution of most non-programming services are not regulated. Cable is currently required to file and receive approval for tariffs for high-speed Internet access service for third party Internet service providers. The CRTC has forborne from regulating certain other non-programming services, such as retail Internet services. The CRTC has approved cost-based rates for Cable's high-speed Internet access service and has initiated a proceeding to consider outstanding terms and conditions for the high-speed Internet access service.

Access to Support Structures* and *Local Rights-of-Way

Under the *Telecommunications Act*, if Cable is unable to obtain rights-of-way on any highway or other public place for the construction of transmission lines on terms it considers acceptable, Cable may apply to the CRTC to obtain permission to construct transmission lines on terms set by the CRTC.

On April 8, 1999, the CRTC issued a decision that has the effect of permitting real estate developers to deny cable licensees or telephone companies access to the open trenches in real estate development projects. That decision could have had a significant impact on Cable's ability to install its own cables and facilities in new real estate developments. More recently however, most municipalities are requiring that all communications companies are provided access to open servicing trenches as part of the real estate development approval process.

Cable's cable systems require access to support structures, such as poles, strand and conduits, in order to deploy its facilities. Cable's cable systems and other Ontario cable systems were not able to reach an agreement with most Ontario municipal hydro-electric companies for pole access following the termination of their previous agreement in December 1996. The cable systems therefore filed an application with the CRTC to gain access to the support structures. In September 1999, the CRTC granted cable operators the right to access poles on the same terms and conditions as are set out in the individual expired agreements, and at a fixed rate of $15.89 per pole per year. The municipal hydroelectric companies brought an appeal of the CRTC's decision before the Federal Court of Appeal which overturned the CRTC decision. An application for leave to appeal the judgement of the Federal Court of Appeal has been made to the Supreme Court of Canada. If the Federal Court of Appeal judgement is permitted to stand, the ability of the CRTC to regulate access to hydroelectric poles could be limited. This could lead to higher rates for hydro pole access by cable companies. Rates for access to telephone company-owned support structures are regulated by the CRTC by means of a tariff.

In January 2001, the CRTC issued a decision concerning the appropriate terms and conditions, including rates, of access to municipal property in the city of Vancouver. As part of its decision, the CRTC limited the fees charged by the city of Vancouver for access to the recovery of the causal costs to the city of granting access to municipal property. Although the terms of the decision are limited to the specific dispute before the CRTC, the basic principles set out in the decision are expected to apply generally. An appeal of the CRTC decision is currently before the courts.

Wireless

Licensing by Industry Canada

Wireless Voice and Data Services. Industry Canada has granted Wireless licenses to establish wireless cellular service throughout Canada using the 800 MHz frequency band. Industry Canada has also granted

Wireless licenses to provide wireless PCS services throughout Canada using the 1900 MHz frequency band.

The following is a brief summary of the material conditions of Wireless' cellular license:

- Wireless must comply with the Canadian ownership and control requirements established in the *Telecommunications Act* and associated regulations;
- the federal Minister of Industry must be notified prior to any material change in ownership or control in fact of Wireless; and
- at least 2% of the adjusted gross revenues from Wireless' cellular mobile phone operations (excluding inter-carrier payments, bad debts, third party commissions and provincial goods and services taxes collected) averaged over the term of the license must be invested in research and development.

In addition to similar conditions relating to Canadian ownership and control and contributions to research and development, the PCS license granted to Wireless in 1995 is subject to conditions relating to the time frame for rolling out service across Canada and requiring Wireless to resell PCS and cellular services and facilities to other PCS licensees.

With the exception of the PCS licenses issued to Wireless pursuant to the spectrum auction conducted by Industry Canada in February 2001 (which licenses have a ten-year term, subject to renewal in 2011), Wireless' cellular and PCS licenses expire on March 31, 2006. Wireless believes it has consistently met or exceeded all license conditions attached to these licenses. Wireless has been advised that Industry Canada intends to initiate a review of the conditions that apply to its existing cellular and PCS licenses to consider amending these license conditions to make them more consistent with the conditions of the PCS licenses awarded in the recent wireless spectrum auction. Specifically, Wireless understands that this review will consider enhancing the transferability and divisibility of these licenses, extending the current license term of five years to ten years and modifying the license fee structure. License fees, which are currently charged on a per radio channel basis under cellular licenses and on a per site basis under PCS licenses, may in the future be based on the spectrum subject to the license. Possible changes to other license conditions may also be considered in this review. It is expected that the conditions of Wireless' existing cellular and PCS licenses will be amended to reflect Industry Canada's conclusions resulting from the review.

The PCS licenses issued to Wireless pursuant to the spectrum auction conducted by Industry Canada in February 2001 have a ten year term, subject to renewal in 2011. In addition to compliance with Canadian ownership and control requirements, the PCS licensees are required to comply with Industry Canada's spectrum aggregation limit, must invest a minimum of 2% of adjusted gross revenues from operations in this spectrum over the term of the license in research and development, must resell PCS service to other PCS licensees on a nondiscriminatory basis and must demonstrate that the spectrum has been put to use within five years of the auction's close. Industry Canada has stated that its policy will be to approve transfers of the PCS licenses acquired in the wireless spectrum auction, subject to compliance by the transferee with Canadian ownership and control requirements and the cap on allowable PCS spectrum holdings.

Messaging and Data Services. Industry Canada has granted Wireless nationwide paging licenses to operate paging services on the 900 MHz band frequencies for Canada, including licenses to operate on internationally co-ordinated frequencies within the 900 MHz band. Wireless' paging licenses contain certain conditions relating to fulfilment of development plans, equity ownership restrictions preventing non-Canadian ownership of Rogers Wireless Inc. from exceeding 20% and various technical matters. Wireless believes that its paging licenses are in good standing.

Regulation by the CRTC

The CRTC regulates all telecommunications common carriers in Canada that provide or participate in a national communications system, including wireless service providers, in accordance with the requirements of the *Telecommunications Act.*

Under the *Telecommunications Act*, all telecommunications common carriers are required to seek regulatory approval for all proposed tariffs for telecommunications services. The *Telecommunications Act* also requires that all rates be just and reasonable and prohibits a carrier from conferring an undue preference or advantage on any person. However, under the *Telecommunications Act*, the CRTC has the power to forbear from regulating, in whole or in part, particular services. The CRTC may also exempt an entire class of carrier from regulation under the *Telecommunications Act*, where the CRTC finds the exemption of the class of carriers is consistent with the objectives of Canadian telecommunications policy.

The CRTC has decided to forbear from regulating the rates for wireless services. However, all wireless voice service providers remain subject to the statutory requirement prohibiting them from discriminating unjustly between subscribers or with regard to access to their networks. The CRTC has also retained its authority to impose conditions on the provision of any wireless voice service. As a result of forbearance, Wireless is not currently required to file tariffs for CRTC approval in respect of any of its wireless services.

Interconnection with Public Switched Network. Wireless' network must be interconnected with the public switched telephone networks so that subscribers to its system are able to call, and be called by, persons using a conventional local telephone service. The CRTC regulates the rates charged to Wireless by the local telephone companies for access to their local exchange networks, as well as the terms and conditions for such access.

Regulatory Developments. In November 2000, the CRTC released a decision which fundamentally alters the mechanism used by the CRTC to collect "contribution" funds to subsidize the provision of basic local telephone service. Previously, contribution was levied on a per minute basis on long distance services. Under the new contribution regime, which became effective January 1, 2001, all telecommunication service providers, including wireless service providers such as Wireless, are required to contribute a percentage of their Canadian telecommunications service revenues to a fund established to subsidize the provision of basic local service. The percentage contribution levy was 4.5% for 2001. The CRTC has determined that the interim rate for 2002 will be 1.4%, with the final rate to be established later in 2002.

Media

Broadcasting

Licensing. Broadcasting's radio, conventional television, specialty service and pay television undertakings are subject to licensing and regulation by the CRTC. The *Broadcasting Act* gives the CRTC the power to issue and renew broadcasting licenses for a maximum term of seven years. Historically, all licenses issued by the CRTC have been consistently renewed except where there have been serious breaches of license conditions or regulations, in which case the licenses have been declined or renewed for less than seven years. Broadcasting's licenses are in good standing and the CRTC has never declined to renew a license held by any broadcasting undertaking in which Broadcasting holds an ownership interest.

The license issued by the CRTC essentially sets out the terms and conditions of the broadcaster's program offering, including Canadian content expenditures, Canadian exhibition requirements and signal delivery terms. The CRTC also imposes restrictions on the transfer of ownership and effective control of all licensed broadcasting undertakings. Transferees of ownership or control of a licensed undertaking must demonstrate to the CRTC that the transfer is in the public interest and the purchaser is required, in most instances, to provide a specific package of tangible benefits designed to benefit the Canadian broadcasting system. For transfer of ownership applications involving profitable radio stations, tangible benefits are expected to represent a financial contribution equal to 6% of the purchase price and for acquisitions of television stations or specialty service and pay television undertakings, a financial contribution of 10% of the value of transaction is expected.

Radio. The CRTC and Industry Canada license and regulate radio stations in Canada. In April 1998, the CRTC announced certain changes to its commercial radio policy. The CRTC increased Canadian music content levels to 35% and eased ownership restrictions on the number of stations that could be owned within a particular market. The Canadian music content level of 35% must be met both over the broadcast week and between 6:00 a.m. and 6:00 p.m. Monday through Friday. The ownership changes allow a single owner to operate up to three stations in a given language in smaller markets and in markets with eight or more commercial stations in a given language, one owner may hold up to two AM stations and two FM stations. In assessing transactions involving a change in control or ownership, the CRTC has stated it will examine the impact on diversity of news voices, the level of competition and, if the applicant has equity holdings in other local radio stations or media, cross-media ownership levels in a given market. Under its new policy, the CRTC also stated that it would no longer apply market entry criteria in assessing applications for new radio services in a particular market.

Television. The CRTC reviewed its policies and regulations pertaining to Canadian television, primarily as they affect conventional broadcasters, and in June 1999 issued a new policy which introduced changes to the regulatory environment in an attempt to provide more flexibility and diversity for broadcasters while still providing a predominant amount of Canadian programming content. Many of the changes relate only to the "larger multi station groups" which the CRTC defined as common owned stations with a potential reach of more than 70%. Broadcasting does not fall within the definition of a large multi station group.

CFMT-TV's license contains a number of detailed conditions relating to the programming format and languages in which it may broadcast. CFMT-TV is licensed as an ethnic television station. It is required to devote at least 60% of its schedule to ethnic programming. In addition, at least 50% of its schedule must consist of third-language programming. The minimum amount of Canadian content to be aired during the broadcast day, and the amount to be broadcast between the hours of 6 p.m. and midnight, will increase by 1% per year during the first five years of the current license term. The current minimums of 50% during the broadcast day and 40% between 6 p.m. and midnight, will increase to 51% and 41% in the 2001/2002 broadcast year, rising to 55% and 45% in the broadcast year beginning September 1, 2005.

In April 2002, the CRTC approved a license application by Broadcasting to operate a new multilingual ethnic programming service to serve the greater Toronto area. Before launching that service, Broadcasting must submit an application requesting the use of a television channel. The new ethnic programming service will be subject to conditions of license that are comparable to those of CFMT-TV.

tSc is exempt from the requirement to hold a broadcasting license so long as it continues to fulfil certain exemption criteria.

Specialty Service and Pay Television Undertakings. Specialty, pay television and pay-per-view services each have varying Canadian programming and expenditure requirements set by a condition of license. These requirements depend on a number of factors, including the nature of the service and the types and availability of programming offered. The Canadian content conditions of license are reviewed by the CRTC at the time that the services renew their licenses. Specialty, pay and pay-per-view licensees are also required to make financial contributions to the creation of Canadian programming which are imposed by condition of license. Specialty services derive substantially all of their revenues from subscription and advertising revenues. Pay television services derive their revenues from subscription and by regulation are required to be commercial free. The CRTC generally requires cable and direct-to-home, or DTH, distributors to carry each licensed specialty and pay services. The wholesale subscriber fee payable to a specialty service for carriage of its service is regulated if it is carried as part of the basic service, but is not regulated if it is carried on an extended or discretionary tier. Subscriber fees payable to pay and pay-per-view licensees are not regulated by the CRTC.

Digital Services. On November 24, 2000, the CRTC announced that it would license sixteen new English-language and five French-language specialty and pay television services for mandatory digital carriage by distribution undertakings that offer programming services to the public using digital technology. These Category 1 digital services are required to achieve a Canadian content level of 50% by the seventh year of their license term and may not compete directly in the same programming genre with existing pay and specialty services.

An additional 262 applications for Category 2 digital services, as well as two pay-per-view and four video-on-demand applications, were also approved by the CRTC. Category 2 digital services were licensed on an open-entry basis without guaranteed distribution rights. Category 2 services must achieve a Canadian content level of 35% by the seventh year of their license term and may not compete directly in the same genre as a Category 1 service or with existing pay and specialty services. A distributor that carries a Category 2 service that it owns or is affiliated with will be required to distribute five non-affiliated Category 2 services for every owned or affiliated Category 2 service it distributes.

Publishing

The publishing industry in Canada is not directly regulated by any governmental entity. However, the Canadian magazine industry has for many years benefited from government legislation which was designed to promote Canadian content in magazines, and to prevent the entry into Canada of so-called "split-run" magazines which replace foreign advertisements with advertisements directed at Canadians but carry little or no Canadian content. In 1997, the World Trade Organization upheld a complaint filed by the United States that certain measures adopted by Canada contravened The General Agreement on Tariffs and Trade, or GATT. During 1998, the Canadian government repealed the legislation that was in contravention of GATT and worked with the co-operation of the Canadian magazine industry to devise alternative legislation that would both achieve the policy objective and be in compliance with international trade rules.

In May 1999, it was announced that an agreement had been concluded between the government of Canada and the government of the United States with regard to the access of foreign periodicals to the Canadian advertising services market. In Canada, the *Foreign Publishers Advertising Services Act (Canada)* was enacted in 1999. It allows foreign publishers two limited forms of access to the Canadian advertising market: (i) a *de minimus* exemption which will allow foreign publishers to initially publish up to 15% of their advertisements aimed at the Canadian market and up to 18% commencing in July 2002; and (ii) an exemption which will enable foreign publishers to have access to a greater percentage of the Canadian advertising services market, providing they create majority Canadian content and establish a new periodicals business in Canada. Acquisitions of Canadian publishers are not permitted.

Competition

Cable

Cable's cable television systems generally compete with two Canadian DTH satellite providers, the direct reception by antenna of over-the-air local and regional broadcast television signals, and with other distributors of multi-channel television signals to homes for a fee, including U.S. DBS, SMATV and MMDS. Cable's premium services, such as movie networks, superstations and pay-per-view services, also compete to varying degrees with other communications and entertainment media, including home video, movie theatres and live theatre.

Since their launch in 1997, the two DTH satellite providers licensed by the CRTC to operate in Canada (Bell ExpressVu LLP and Star Choice Communications Inc.) have become aggressive competitors to cable television systems in Canada. DTH satellite providers deliver programming signals to the home of comparable quality to those of a cable system employing extensive use of fibre optic technology. As of December 31, 2001, the two DTH satellite providers together had close to 1.5 million subscribers in Canada.

In addition, "grey market" DBS services also attract a number of Canadian subscribers. Grey market DBS services are U.S. based DBS services whose signals are available in Canada but which are not authorized by Canadian law to be distributed in Canada. In addition, other emerging competitors of Cable's cable television business are providers of "black market" pirate systems, which allow Canadian customers to receive, without paying a fee, programming services from U.S. DBS providers by defeating the unauthorized access prevention systems of these providers. As of December 31, 2001, there were estimated to be in excess of 500,000 grey and black market subscribers in Canada. On April 26, 2002 the Supreme Court of Canada ruled that federal radiocommunications law creates an absolute prohibition on the decoding of programming signals unless authorized by a lawful distributor of that programming (such as Bell ExpressVu or Star Choice). Applications for constitutional review of the relevant sections of the *Radiocommunication Act* have been brought in various Canadian provinces.

Cable also competes in certain markets with other types of broadcasting distributors. In parts of Ontario, Cable competes with Look TV (Ontario) Inc. and Look Télé (Quebec) Inc. (MMDS licensees) and, in Cable's licensed service areas in New Brunswick, Cable competes with NB Tel.

Cable's high-speed Internet access service competes generally with a number of other Internet Service Providers ("ISPs"), offering competing residential and commercial Internet access services. Many ISPs offer telephone dial-up Internet access services that provide significantly reduced download speed capabilities compared to broadband technologies such as cable modem or Digital Subscriber Line ("DSL") services. Cable's high-speed Internet service competes directly with Bell Canada's DSL high-speed Internet service in the high-speed Internet market in Ontario, and with the DSL high-speed Internet services of NB Tel and NewTel in some of Cable's service areas in New Brunswick and Newfoundland, respectively.

Rogers Video competes with other videocassette, digital video discs (DVDs) and video games sales and rental store chains, such as Blockbuster Inc., as well as individually owned and operated outlets. Competition is principally based on location, price and availability of titles.

Wireless

The Canadian wireless communications industry is highly competitive. In the wireless voice and data market, Wireless competes with other cellular and digital PCS service providers, and competes or may compete with other existing and emerging wireless technologies. In the wireless messaging market, Wireless also competes with numerous local and national paging providers. Competition for wireless subscribers is primarily based on price, scope of services, sophistication of wireless technology, quality of service, breadth of distribution, service coverage and capacity, and the ability of the companies to market these products and services.

In particular, Wireless generally competes on a national basis against Telus Corporation, Bell Mobility and Microcell Connexions Inc. and with the wireless divisions of smaller regional and independent incumbent wireline telephone companies in their respective service areas.

Media

Broadcasting's radio stations compete with the other stations in their respective market areas as well as with other media such as newspapers, television, outdoor advertising, direct mail marketing and Internet radio. Competition within the broadcasting industry occurs primarily in individual market areas. On a national level, Broadcasting competes generally with Corus Entertainment, Standard Radio and CHUM Radio, each of which owns and operates radio stations across Canada.

CFMT-TV competes principally for viewers and advertisers with television stations that broadcast in Toronto and southern Ontario. These include television stations in the Greater Toronto area as well as U.S. border stations. Rogers Sportsnet competes for viewers principally with The Sports Network ("TSN") and Headline Sports.

On a product level, The Shopping Channel competes with various retail stores, catalog retailers, Internet retailers and direct mail retailers. On a broadcasting level, The Shopping Channel competes with other television channels for viewer loyalty, particularly infomercials selling products on television.

The Canadian magazine industry is highly competitive, competing for both readers and advertisers. This competition comes from other Canadian magazines and from foreign, mostly American, titles that sell in significant quantities in Canada. Until recently, the competition from foreign titles has been restricted to competition for readers as there have been restrictions on foreigners operating in the Canadian magazine advertising market. These restrictions were significantly reduced as a result of the enactment in 1999 of the *Foreign Publishers Advertising Act* and amendments to the *Canadian Income Tax Act.* Increasing competition from American magazines for advertising revenues is expected in the coming years.

Employees

At December 31, 2001 the Company, including all consolidated subsidiaries, had approximately 13,500 full time equivalent employees, substantially all of whom were employed in Canada. For additional details, see item I of management's discussion and analysis on page 22 of the Company's annual report for the year ended December 31, 2001.

Properties, Trademarks and Other Matters

In most instances, the Company owns the assets essential to its operations. The major fixed assets of the Company are transmitters, microwave systems, antennae, buildings and electronic transmission, receiving and processing accessories and other cellular network equipment (including switches, radio channels, base station equipment, microwave facilities and cell equipment); coaxial and fibre optic cables, set-top terminals and cable modems, electronic transmission, receiving, processing, digitizing and distributing equipment, IP routers, data storage servers and network management equipment, microwave equipment and antennae; and radio and television broadcasting equipment (including television cameras, television and radio production facilities and studios).

Wireless owns a Toronto office complex in which its executive offices are located. Wireless is also leasing some of this office space to other operations of the Company. In addition, the Company owns service vehicles, data processing facilities and test equipment. Most of the Company's assets are subject to various security interests in favour of lenders.

The subsidiaries of the Company also lease various distribution facilities from third parties, including space on utility poles and underground ducts for the placement of some of the cable system, roof rights and land leases for the placement of some of the hub sites and headends and space for other portions of the distribution system. The Company also leases land and space on buildings for the placement of antenna towers and generally leases the premises on which its switches are located, generally under long term leases.

The Company's wireless network reaches approximately 93% of the Canadian population and is located in all ten provinces. The Company's cable network is clustered in three key urban markets in southern Ontario (Toronto, Ottawa, and the Guelph to London corridor), New Brunswick and Newfoundland.

The Company owns or has licensed various brands and trademarks used in its businesses. As a result of a strategic alliance with AWE and AT&T Corp., Wireless operates under the co-brand Rogers AT&T Wireless. In January 2000, the Company launched a new logo and brand identity for the Rogers group of companies and, as a result, Wireless, Cable and Media share a common brand identity to reflect the Rogers group of companies' ability to offer a variety of communications, information and entertainment services. In addition, the Company maintains customer lists for each of its Cable, Wireless and Media businesses. Various of the Company's trade names and properties are protected by trademark and/or copyright. The Company's intellectual property, including its trade names, brands, properties and customer lists, is important to its operations.

Environmental protection requirements applicable to the Company's operations are not expected to have a significant effect on the Company's capital expenditures, earnings or its competitive position in the current or future fiscal years.

ITEM 5 - SELECTED CONSOLIDATED FINANCIAL INFORMATION

Summary Financial Information

This section incorporates by reference pages 46 through 49 of the Company's Annual Report for the year ended December 31, 2001. See also "Item 6 – Management's Discussion and Analysis" below.

Dividend Policy

During the year ended December 31, 2000, dividends aggregating $10.2 million were paid on the Class A Voting shares, the Class B Non-Voting shares and on the Series B and Series E Convertible Preferred shares. During the year ended December 31, 2001, $14,000 of dividends declared in 2001 were paid on Series B and Series E Convertible Preferred shares held by members of the Company's Management Share Purchase Plan. Prior to 2000, no dividends had been paid on the Class A Voting shares or Class B Non-Voting shares since the year ended August 31, 1982. It is not known when or if regular payment of dividends on such shares will be resumed. Dividends may not be paid in respect of the Class A Voting shares or Class B Non-Voting shares unless all accrued and unpaid dividends in respect to the Preferred shares of the Company have been paid or provided for. As at December 31, 2001, the Company has declared and paid all dividends scheduled to be paid in respect of its Preferred shares pursuant to the terms of such Preferred shares. The Company paid dividends and distributions in respect of its Preferred shares and Convertible Preferred securities of approximately $26.1 million, $30.0 million, $20.3 million, $18.6 million and $18.6 million (net of income tax recovery) for the years ended December 31, 1997, 1998, 1999, 2000 and 2001, respectively. In addition, the Company has accreted approximately $32.2 million (2000 - $15.2 million) of dividends in respect of the Company's Preferred securities during the year ended December 31 2001, net of income tax recovery of $24.9 million (2000 - $11.8 million).

ITEM 6 - MANAGEMENT'S DISCUSSION AND ANALYSIS

This section incorporates by reference pages 12 through 43 of the Company's Annual Report for the year ended December 31, 2001.

ITEM 7 - MARKET FOR SECURITIES

Rogers Communications Inc. Class A Voting Shares (RCI.A, CUSIP # 775109101) are listed on the Toronto Stock Exchange. Rogers Communications Inc. Class B Non-Voting Shares (in Canada: RCI.B, in United States: RG, CUSIP # 775109200) are listed in Canada on the Toronto Stock Exchange and in the United States on the New York Stock Exchange.

Rogers Wireless Communications Inc. Class B Restricted Voting Shares (in Canada: RCM.B, in United States: RCN, CUSIP #775315104) are listed in Canada on the Toronto Stock Exchange and in the United States on the New York Stock Exchange.

ITEM 8 - DIRECTORS AND OFFICERS

Following is a list of directors and officers of the Company prepared as of December 31, 2001, indicating their municipality of residence and their principal occupation within the five preceding years. Each director is elected at the annual meeting of shareholders to serve until the next annual meeting or until a successor is elected or appointed. Officers are appointed annually and serve at the discretion of the Board of Directors.

As at April 15, 2002, there were outstanding 56,240,494 Class A Voting shares of RCI. To the knowledge of the directors and officers of RCI, the only person or corporation beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the outstanding voting shares of RCI is Edward S. Rogers. For the purposes hereof, a reference to "Edward S. Rogers" includes Edward S. Rogers, O.C., the President and Chief Executive Officer and a director of the Company, and certain corporations, other than RCI and its subsidiaries, owned or controlled directly or indirectly by him and trusts for the benefit of Mr. Rogers and his family. As of April 15, 2002, Edward S. Rogers beneficially owns or controls 51,116,099 Class A Voting shares of RCI, representing approximately 90.9% of the issued and outstanding Class A Voting shares, which class is the only class of issued shares carrying the right to vote in all circumstances.

Name and Municipality of Residence	Office Held / Principal Occupation Within Five Preceding Years	Director Since	Officer Since
Ronald D. Besse (1)(4)(5) Toronto, Ontario	Director (Chairman and Chief Executive Officer of Gage Learning Corporation (formerly Canada Publishing Corporation) [publisher])	1984	--
Alexander R. Brock Toronto, Ontario	Vice President, General Manager, Rogers Telecom Inc. Mr. Brock has been associated with Rogers in various executive capacities since 1995	--	2001
Donald B. Burt Toronto, Ontario	Vice President, Human Resources (from 1996 to 1998, Vice President, Human Resources of Rogers Wireless Inc.)	--	1998
M. Lorraine Daly Toronto, Ontario	Vice President, Treasurer	--	1987
Bruce D. Day Toronto, Ontario	Vice President, Corporate Development	--	1984

Name and Municipality of Residence	Office Held / Principal Occupation Within Five Preceding Years	Director Since	Officer Since
Frank A. DiMatteo Toronto, Ontario	Vice President, Marketing Administration (also Vice President, Procurement and Logistics, Rogers Shared Services since 1997; from 1995 to 1997, Vice President, Marketing/Sales, Medis Health and Pharmaceutical Inc.)	--	1999
H. Garfield Emerson, Q.C. (1)(2)(3)(5)(6)(7) Toronto, Ontario	Director and Chairman (National Chairman of Fasken Martineau DuMoulin [law firm] since 2001; from 1990 to 2001, President and Chief Executive Officer of N M Rothschild & Sons Canada Limited [investment banking])	1989	1992
Kenneth G. Engelhart Toronto, Ontario	Vice President, Regulatory	--	1990
Daphne Evans Toronto, Ontario	Secretary	--	1979
Albert Gnat, Q.C. (3)(4)(5) Caledon East, Ontario	Director (Senior Partner in law firm of Lang Michener)	1986	--
Gregory J. Henderson Burlington, Ontario	Vice President, Group Controller (from 1993 to 1999, officer of Rogers Wireless Inc., most recently as Vice President, Controller)	--	1999
Alan D. Horn Toronto, Ontario	Vice President, Finance and Chief Financial Officer	--	1992
Thomas I. Hull (2)(3)(5)(7) Toronto, Ontario	Director (Chairman and Chief Executive Officer, The Hull Group Inc. [insurance])	1979	--
Jan L. Innes Toronto, Ontario	Vice President, Communications	--	1995
Roger D. Keay Toronto, Ontario	Vice President, Technology and Strategic Planning	--	1990
Robert W. Korthals (4)(5)(6) Toronto, Ontario	Director (Company Director)	1995	--
Philip B. Lind Toronto, Ontario	Director and Vice Chairman	1979	1979
Dean T. MacDonald St. John's, Newfoundland	Senior Vice president, Government Relations (prior to 2001, associated with Cable Atlantic Inc. for 18 years, most recently as President)	--	2001

Name and Municipality of Residence	Office Held / Principal Occupation Within Five Preceding Years	Director Since	Officer Since
Bruce M. Mann Toronto, Ontario	Vice President, Investor Relations (from 1998 to 2001, Vice President, Investor Relations for Metronet Communications Inc. (now AT&T Canada); from 1986 to 1998, associated with US West Communications and US West, Inc., most recently as Investor Relations Director of US West, Inc.)	--	2001
Ronan D. McGrath Toronto, Ontario	President, Rogers Shared Services and Chief Information Officer	--	1996
Ron J. McKerlie Mississauga, Ontario	Vice President, E-Business (from 1979-2000, held various offices with Bank of Montreal, most recently as Senior Vice President, eBusiness)	--	2000
Graeme H. McPhail Toronto, Ontario	Vice President and Associate General Counsel (prior to 1997, Associate General Counsel)	--	1991
Alexander Mikalachki (1) London, Ontario	Director (Professor Emeritus, Richard Ivey School Of Business, University of Western Ontario)	1999	--
David P. Miller Toronto, Ontario	Vice President, General Counsel	--	1987
Nadir H. Mohamed Toronto, Ontario	Senior Vice President, Wireless Telecommunications (also Director, President and Chief Executive Officer of Wireless since 2001; from 2000 to 2001, President and Chief Operating Officer of Wireless. From 1999 to 2000, Senior Vice President, Marketing and Sales for Telus Communications Inc. From 1997 to 1999, President and Chief Operating Officer, BC Tel Mobility)	--	2001
Douglas C. Perry Toronto, Ontario	Vice President, Sales and Distribution (Mr. Perry has been associated with Rogers in various executive capacities since 1992)	--	2001
The Honourable David R. Peterson, P.C., Q.C. (1) Toronto, Ontario	Director (Senior Partner in law firm of Cassels Brock & Blackwell)	1991	--
Edward S. Rogers, O.C. Toronto, Ontario (2)(3)(6)(7)(8)	Director and President and Chief Executive Officer	1979	1979
Edward Rogers (2)(6)(7)(8) Toronto, Ontario	Director and Senior Vice President, Planning (from 1998 to 2000, Vice President Greater Toronto Area, Cable; from 1996 to 1998, Vice President and General Manager, Wireless Paging and Data)	1997	2000

Name and Municipality of Residence	Office Held / Principal Occupation Within Five Preceding Years	Director Since	Officer Since
Loretta A. Rogers (8) Toronto, Ontario	Director (Company Director)	1979	--
Melinda M. Rogers (8) Toronto, Ontario	Vice President, Venture Investments (from 1997 to 1999, Product Manager with At Home Corporation)	--	2000
William T. Schleyer (5)(6) Rye Beach, New Hampshire	Director (President and Chief Executive Officer of AT&T Broadband since 2001 [cable tv and Internet access])	1998	--
Robert W. Stark Toronto, Ontario	Vice President, National Customer Service (from 1998 to 1999, Senior Vice President, Electronic Financial Services, The Bank of Nova Scotia; from 1991 to 1998, Senior Vice President, Customer Service Centres, The Bank of Nova Scotia)	--	1999
Ian H. Stewart, Q.C. (1) Victoria, British Columbia	Director and Assistant Secretary (President, Appin Investments Limited [holding company])	1990	1994
John A. Tory, Q.C. Toronto, Ontario (2)(3)(5)(7)	Director (President, Thomson Investments Limited [holding company]; previously, Deputy Chairman, The Thomson Corporation [integrated information solutions business])	1979	--
John H. Tory, Q.C. Toronto, Ontario	Senior Vice President, Cable Communications (also Director and President and Chief Executive Officer of Cable and Director of Rogers Media Inc.; From 1995 to 1999, Senior Vice President, Media and Director and President and Chief Executive Officer of Rogers Media Inc.)	--	1995
Thomas A. Turner, Jr. Toronto, Ontario	Vice President, Convergence Mr. Turner has been associated with Rogers since 1992	--	2001
Anthony P. Viner Toronto, Ontario	Senior Vice President, Media (also Director and President and Chief Executive Officer of Rogers Media Inc.)	--	1992
J. Christopher C. Wansbrough (1)(2)(4)(7) Toronto, Ontario	Director (Chairman, Rogers Telecommunications Limited; from 1997 to 1998, Vice Chairman, National Trustco Inc. [trust company]; prior to 1997, Chairman, OMERS Realty Corporation [real estate management company])	1982	--

Name and Municipality of Residence	Office Held / Principal Occupation Within Five Preceding Years	Director Since	Officer Since
E. Jennifer Warren Toronto, Ontario	Vice President and Assistant General Counsel (from 1996 to 2000, Legal Counsel)	--	2000
David J. Watt Toronto, Ontario	Vice President, Business Economics (from 1995 to 1999, Vice President, Telecom Affairs)	--	1995
W. David Wilson (1) Toronto, Ontario	Director (Co-Chairman and Co-Chief Executive Officer, Scotia Capital Inc. [corporate & investment banking])	1979	--

(1) Denotes member of Audit Committee.
(2) Denotes member of Executive Committee.
(3) Denotes member of the Nominating and Corporate Governance Committee.
(4) Denotes member of the Pension Committee.
(5) Denotes member of the Management Compensation Committee.
(6) Denotes member of the Technology Committee.
(7) Denotes member of the Finance Committee.
(8) Loretta A. Rogers is married to Edward S. Rogers. Edward Rogers is the son and Melinda Rogers is the daughter of Edward S. Rogers and Loretta A. Rogers.

ITEM 9 - ADDITIONAL INFORMATION

General

The Company shall provide to any company or person, upon request to the Secretary of the Company:

(a) when the securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:
    i) one copy of the annual information form of the Company, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the annual information form;
    ii) one copy of the comparative financial statements of the Company for its most recently completed financial year together with the accompanying report of the auditor and one copy of any interim financial statements of the Company subsequent to the financial statements for its most recently completed financial year;
    iii) one copy of the information circular to the Company in respect of its most recent annual meeting of shareholders that involve the election of directors or one copy of any annual filing prepared in lieu of that information circular, as appropriate; and
    iv) one copy of any other documents that are incorporated by reference into the preliminary short-form prospectus or the short-form prospectus and are not required to be provided under (i) to (iii) above;

or

(b) at any other time, one copy of any other documents referred to in (a)(i), (ii) and (iii) above, provided the Company may require the payment of a reasonable charge if the request is made by a person or company who is not a security holder of the Company.

The Secretary of the Company can be contacted at the Company's principal office, located at 333 Bloor Street East, 10th Floor, Toronto, Ontario, Canada, M4W 1G9 (telephone: 416-935-7777).

Additional information including directors and officers remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interest of insiders and material transactions is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the Company's comparative financial statements for its most recently completed financial year.

Class A Voting Shares and Class B Non-Voting Shares

The voting rights of the Class A Voting Shares and Class B Non-Voting Shares (and any restrictions attaching thereto) are described in the Information Circular dated April 15, 2002 under the heading “Shares Entitled to be Voted at the Meeting”, which is incorporated by reference herewith**. Under applicable Canadian securities laws, an offer to purchase Class A Voting Shares would not necessarily require that an offer be made to purchase Class B Non-Voting Shares.**

Documents Incorporated by Reference

The following documents of the Company or excerpts therefrom, filed with various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated herein by reference and form an integral part of this Annual Information Form:

(a) the consolidated financial statements of the Company and the notes thereto as at and for the years ended December 31, 2001 and 2000, together with the auditors' report thereon;

(b) the Management's Discussion and Analysis of the Company for the year ended December 31, 2001 excerpted from the 2001 Annual Report of the Company;

(c) pages 46 through 49 of the Company’s 2001 Annual Report;

(d) the “Shares Entitled to be Voted at the Meeting” section of the Company’s Information Circular dated April 15, 2002.