Rogers Communications Reports Second Quarter 2002 Results

Rogers Cable Adds 41 Thousand High-Speed Internet Subscribers and 46 Thousand Digital Subscribers in the Quarter;

Rogers Wireless Drives Postpaid Subscriber Net Additions Up 53% and Operating Profit Up 29% Over Prior Year;

Rogers Media Is Granted a Broadcast Television Licence for the Toronto Market

TORONTO (July 18, 2002) – Rogers Communications Inc. ("RCI" or "the Company") today announced its consolidated financial and operating results for the second quarter and six months ended June 30, 2002.

Financial highlights (in thousands of dollars except per share amounts) are as follows:

Three Months Ended June 30,	2002	2001	% Chg
Revenue	1,082,063	979,661	10.5
Operating profit (1)	288,349	249,301	15.7
Loss (2)	(188,795)	(53,299)	n/m
Loss per share	(0.96)	(0.35)	n/m
Loss (excl. non-recurring items) (3)	(53,513)	(48,983)	(9.2)
Loss per share (excl. non-recurring items)	(0.33)	(0.33)	0.0
Capital expenditures	324,656	370,417	(12.4)

Six Months Ended June 30,	2002	2001	% Chg
Revenue	2,076,828	1,892,563	9.7
Operating profit (1)	527,390	453,977	16.2
Loss (2)	(286,358)	(200,255)	(43.0)
Loss per share	(1.49)	(1.15)	(29.6)
Loss (excl. non-recurring items) (3)	(156,734)	(186,678)	16.0
Loss per share (excl. non-recurring items)	(0.88)	(1.08)	18.5
Capital expenditures	566,699	687,243	(17.5)

(1) Operating profit is defined herein as operating income before depreciation, amortization, interest, income taxes, non-operating items and non-recurring items (as detailed in footnote 3) and is a standard measure that is commonly reported and widely used in the communications industry to assist in understanding and comparing operating results. Operating profit is not a defined term under generally accepted accounting principles ("GAAP"). Accordingly, this measure should not be considered as a substitute or alternative for net income or cash flow, in each case as determined in accordance with GAAP. See "Reconciliation to Loss" for a reconciliation of operating profit to loss under GAAP.

(2) Effective January 1, 2002, the Company adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1650 on Foreign Currency and Hedging Relationships. As a result of this adoption, the Company's results for the three and six months ended June 30, 2001, have been restated. For further details, see Note 2(ii) to the Consolidated Financial Statements.

(3) Non-recurring items for the periods presented are as follows. A further discussion of these amounts can be found in the Management Discussion and Analysis and Notes to the Consolidated Financial Statements.

(in thousands)	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
Cablesystem integration costs	$ -	$ 6,165	$ -	$ 15,962
Wireless reduction in sales tax liability and CRTC contribution	-	-	(12,331)	-
Gain on sale of assets and investments	(1,295)	(1,849)	(2,062)	(2,385)
Writedown of investments	217,529	-	219,529	-
Loss on early repayment of long-term debt	20,088	-	20,088	-
Future income tax recovery	(116,512)	-	(116,512)	-
Non-recurring equity losses	15,472	-	15,472	-
Other	-	-	5,440	-
	$ 135,282	$ 4,316	$ 129,624	$ 13,577

Highlights of the quarter included the following:

- Consolidated revenue grew 10.5% year-over-year continuing the trend of year-over-year revenue growth with 9.3% growth at Cable, 9.8% growth at Wireless and 14.4% growth at Media.
- Consolidated operating profit grew 15.7% year-over-year, with 5.7% growth at Cable, 29.3% growth at Wireless and 7.1% growth at Media.
- Basic cable subscribers decreased by 4,800 in the quarter compared to a decrease of 17,300 in the same quarter last year. Basic subscriber losses in the quarter reflect seasonal trends. At June 30, 2002, Cable had 2,263,200 subscribers, or 75.4% penetration of homes passed.
- Cable successfully introduced six bundled offers combining digital cable and high-speed Internet to further accelerate penetration of these products and improve customer retention. Cable also introduced programs for the sale of digital set-top terminals. Consistent with the practice in the Wireless segment, Cable is expensing the subsidy on the digital terminals in the month that the terminal is sold to a subscriber. A total of 6,100 digital set-top terminals were sold in the quarter.
- High-speed Internet subscriber growth was strong, with approximately 41,000 net subscribers added to its high-speed product offerings in the quarter. Year-over-year, Internet subscriber levels have increased by 42.8% to reach approximately 541,000.
- Digital set-top terminals in service increased by 113,100, or 47.5%, year-over-year to reach 351,100, driven by an increase of 48,700 in the quarter.
- Wireless quarterly postpaid net activations of 71,300 wireless voice subscribers represented an increase of 24,700, or 53.0%, from 46,600 in the previous year. Postpaid wireless voice net additions in the quarter represented 112% of total wireless net additions, a significant increase over 42.4% in the second quarter of 2001. Prepaid wireless voice net additions in the quarter were negative 7,800 as the Company continued to de-emphasize this lower revenue product.

- Wireless completed the installation of its GSM/GPRS network to fully match its coast to coast analog footprint now covering 93% of the Canadian population.
- Media received approval from the CRTC for its acquisition of 13 radio stations in Ontario, including The Fan590 in Toronto. Media also successfully obtained a new broadcast television licence in the Toronto market for the launch of a second multicultural ethnic television channel.
- In April 2002, Cable completed two U.S. debt issues for an aggregate US $550 million (approximately Cdn $860 million) and repurchased US $193.9 million in debt and repaid all outstanding bank debt. The remaining funds will be used to repay or retire debt and for general corporate purposes.
- During the quarter, the Company reviewed the carrying value for its investment in Cogeco Cable and Cogeco Inc. and concluded there had been an impairment in value that was other than temporary. As a result, the Company wrote these investments down to their quoted market price at the end of the second quarter resulting in a write-down of $198 million.
- On June 25, 2002 AT&T Corp. announced its intention to purchase, for cash, the public deposit receipts of AT&T Canada under its obligation to the AT&T Canada Deposit Receipt holders, including the Company, under the terms of a 1999 deposit receipt agreement. Closing is expected in the fourth quarter of 2002. As a result, RCI expects to record a non-cash gain of approximately $900 million in the fourth quarter of 2002 and to redeem its Preferred Securities and settle its Collateralized Equity Securities related to the Company's monetizations of its investment in AT&T Canada.

"I am pleased with our operating results for the second quarter during which we achieved both good sales and financial performance in all of our key divisions", said Ted Rogers, President and CEO of RCI. "Cable's marketing initiatives gained traction to drive strong growth of new services, while Wireless posted another quarter of improved year-over-year results across virtually all of its key operating metrics. Media, which closed its acquisition of 13 strong radio properties during the quarter, continued to successfully leverage its category-leading brands while benefiting from the recent realignment of its cost structure. We exit the quarter with an increasingly strong collection of complementary assets and a balance sheet which provides us with approximately $2.4 billion of available liquidity".

Management's Discussion and Analysis

This discussion should also be read in conjunction with the Management's Discussion and Analysis, Consolidated Financial Statements and Notes thereto included in the Company's 2001 Annual Report, which is available on SEDAR, at www.rogers.com or from the Company directly.

Consolidated Results of Operations for the Second Quarter Ending June 30, 2002

(In millions of dollars)	Three Months Ended June 30,				Six Months Ended June 30,			
	2002	2001	Chg	% Chg	2002	2001	Chg	% Chg
Revenue								
Cable	386.4	353.6	32.8	9.3	765.8	700.5	65.3	9.3
Wireless	481.7	438.8	42.9	9.8	920.0	842.8	77.2	9.2
Media	213.6	186.7	26.9	14.4	390.5	345.2	45.3	13.1
Corporate items and eliminations	0.4	0.6	(0.2)	(33.3)	0.6	4.0	(3.4)	(85.0)
Consolidated revenue	1,082.1	979.7	102.4	10.5	2,076.9	1,892.5	184.4	9.7

(In millions of dollars)	Three Months Ended June 30,				Six Months Ended June 30,			
	2002	2001	Chg	% Chg	2002	2001	Chg	% Chg
Operating Profit [(1)]								
Cable	136.1	128.7	7.4	5.7	267.4	253.8	13.6	5.4
Wireless	132.8	102.7	30.1	29.3	243.6	196.6	47.0	23.9
Media	30.1	28.1	2.0	7.1	34.4	30.5	3.9	12.8
Corporate items and eliminations	(10.7)	(10.2)	(0.5)	(4.9)	(18.0)	(26.9)	8.9	33.1
Consolidated operating profit	288.3	249.3	39.0	15.6	527.4	454.0	73.4	16.2

(1) Operating profit is defined as operating income before management fees (which are paid to RCI and eliminated on consolidation), interest, income taxes, depreciation, amortization and non-recurring and non-operating items.

Revenue increased $102.4 million, or 10.5%, over the second quarter of 2001 with all segments reporting growth. The increase in Cable revenues over the previous year was driven by higher Internet revenues resulting from a 42.8% increase in the subscriber base combined with price increases in April 2002. The growth in revenue from the previous year's quarter at Wireless was driven by a 15.6% increase in its wireless voice subscriber base, offset by the impact of a 5.8% decline in blended average revenue per user ("APRU"). Revenue growth at Media was attributable to the inclusion of Rogers Sportsnet, consolidated effective November 2001, and the acquisition of 13 radio stations in April 2002, offset by the sale of Bowdens Media Monitoring in September 2001.

Consolidated operating profit for the second quarter was $288.3 million, an increase of 15.6% from the previous year, with all segments of the Company contributing to this growth. Divisional segment discussions follow for the respective details related to segment revenue, expenses and operating profit.

On a consolidated basis, after taking into account the following other income and expense items as detailed below, the Company recorded a loss of $188.8 million compared to a loss of $53.3 million in the second quarter of 2001.

Reconciliation to Loss

Other income and expense items that are required to reconcile operating profit with net income as defined under Canadian GAAP are as follows: *(This section should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements for further details on a segment-by-segment basis.)*

	Three Months Ended June 30,				Six Months Ended June 30,			
(In millions of dollars)	2002	2001	Chg	% Chg	2002	2001	Chg	% Chg
Operating profit [1]	288.3	249.3	39.0	15.6	527.4	454.0	73.4	16.2
Change in estimate of sales tax and CRTC contribution liabilities	-	-	-	-	12.3	-	12.3	100.0
Cable system integration costs	-	(6.2)	6.2	-	-	(16.0)	16.0	100.0
Depreciation and amortization	(247.2)	(219.6)	(27.6)	(12.6)	(483.1)	(431.8)	(51.3)	(11.9)
Interest on long-term debt	(118.0)	(103.4)	(14.6)	(14.1)	(226.7)	(202.1)	(24.6)	(12.2)
Loss on early repayment of long-term debt	(20.1)	-	(20.1)	n/m	(20.1)	-	(20.1)	n/m
Gain on sale of investments	1.3	1.8	(0.5)	(27.8)	2.0	2.4	(0.4)	(16.7)
Write-down of investments	(217.5)	-	(217.5)	(100.0)	(219.5)	-	(219.5)	(100.0)
Losses from investments accounted for by the equity method	(47.9)	(30.7)	(17.2)	(56.0)	(62.1)	(32.3)	(29.8)	(92.3)
Foreign exchange	64.0	49.8	14.2	28.5	62.6	(15.3)	77.9	n/m
Other	3.2	3.7	(0.5)	(13.5)	8.0	8.8	(0.8)	(9.1)
Income taxes	105.4	(7.6)	113.0	n/m	95.0	(14.4)	109.4	n/m
Non-controlling interest	(0.3)	9.6	(9.9)	n/m	17.8	46.4	(28.6)	(61.6)
Loss for the period	(188.8)	(53.3)	(135.5)	n/m	(286.4)	(200.3)	(86.1)	(43.0)

(1) Operating profit is defined as operating income before management fees (which are paid to RCI and eliminated on consolidation), interest, income taxes, depreciation, amortization and non-recurring and non-operating items.

Depreciation and Amortization

The net increase in depreciation and amortization is directly attributable to the increased fixed asset levels that have risen from $4.4 billion at June 30, 2001 to $4.8 billion at June 30, 2002. The increased fixed asset levels are primarily related to capital spending at Cable and Wireless over the past year.

Offsetting this is a reduction in amortization expense due to the adoption of the new accounting rules with respect to the amortization of goodwill and intangibles as described in Note 2(i) to the Consolidated Financial Statements.

Interest on Long-Term Debt

The 14.1% increase in interest expense for the three months ended June 30, 2002, as compared to the same period in 2001 is attributable to increased levels of debt.

Loss on Early Repayment of Long-Term Debt

On April 30, 2002, Rogers Cable repurchased US $193.9 million aggregate principal amount of US $ denominated bonds as part of a refinancing initiative to refinance certain borrowings at lower interest rates and on extended terms. As a result, the Company paid a premium of $20.2 million, recorded a gain from the unwind of certain cross-currency interest rate exchange agreements of $2.2 million, and wrote off deferred financing costs of $2.1 million, resulting in a net loss on repayment of $20.1 million.

Write-down of Investments

At the end of the quarter, the Company reviewed the carrying value of investments and determined the following write-downs in the carrying value of investments were required:

	$ millions
Temporary investments	$ 7.5
Private Companies	12.0
Long-term investments (Cogeco)	198.0
	$ 217.5

The write-down in temporary investments was to bring the portfolio of investments to quoted market value at June 30, 2002, and the write-down of the private companies portfolio was to bring the carrying value of these investments to the portfolio's estimated net realizable value.

In fiscal 2000, the Company acquired 4,253,800 Subordinate Voting shares of Cogeco Cable for $187.2 million and 2,724,800 Subordinate Voting Common shares of Cogeco for $120.8 million for the purpose of holding this investment for the long term. The Company, as part of the ongoing review of investments, has determined that the market value decline of the shares held represents an impairment that is other than temporary in the carrying value of the Cogeco Cable and Cogeco Inc. investments. The shares have been written-down to the June 2002 closing market value. The Company will continue to review the carrying value of its investments as required.

Losses from Investments Accounted for by the Equity Method

The Company records losses and income from investments that it does not control, but over which it is able to exercise significant influence. The primary component of the losses recorded for the three and six months ended June 30, 2002, was an equity loss of approximately $47.8 million and $62.6 million respectively from the Toronto Blue Jays. The Blue Jays' loss includes the recognition in the quarter of $15.5 million of non-recurring future salary liabilities for players traded under arrangements that require the Club to remain responsible for a portion of the salary obligation. These future salary buy-outs will reduce salary expense in future periods. In the quarter and on a year-to-date basis, the Company advanced the Blue Jays $28.7 million and estimates total cash contributions to the Blue Jays for 2002 remain in line with original estimates of $55.0 million. The Company began accounting for the investment in the Blue Jays using the equity method April 1, 2001.

Foreign Exchange

Effective January 1, 2002, the Company adopted CICA Handbook Section 1650 on Foreign Currency and Hedging Relationships. As a result of this adoption, the Company no longer defers and amortizes foreign currency translation gains and losses on U.S. dollar-denominated long-term debt. Had the Company followed the previous year's method of accounting for foreign exchange gains, $61.9 million of the foreign exchange gain recorded in the quarter ending June 30, 2002, would have been deferred and amortized. As required, the Company has restated the results for the three and six months ended June 30, 2001, and increased foreign exchange gains for the three months ended by $49.0 million in addition to cash gain amounts previously recorded of $0.8 million, and for the six months ended increased foreign exchange expense by $14.3 million in

addition to cash expense of $1.0 million. See Note 2(ii) to the Consolidated Financial Statements for details of the impact of this change.

Income Taxes

During the quarter ended June 30, 2002, management reviewed the realizability of future income tax assets and determined the more likely than not criterion for utilization of certain additional tax losses at Cable exists. As a result, Cable has released $116.5 million of the previously recorded valuation allowance. This determination, which was required under GAAP, primarily reflects the probable utilization of Cable's tax losses to offset the gain for tax purposes on the disposition of the Company's investment in AT&T Canada, which is expected to occur in 2002 as a result of the AT&T Corp. announcement during the second quarter.

Loss and Loss Per Share

	Three Months Ended June 30,				Six Months Ended June 30,			
(In millions of dollars, except per share data)	2002	2001	Chg	% Chg	2002	2001	Chg	% Chg
Loss	$ (188.8)	$ (53.3)	(135.5)	n/m	$ (286.4)	$ (200.3)	(86.1)	(43.0)
Loss per share [1]	(0.96)	(0.35)	(0.61)	n/m	(1.49)	(1.15)	(0.34)	(29.6)
Loss (excl. non-recurring items)	(53.5)	(49.0)	(4.5)	(9.2)	(156.7)	(186.7)	29.9	16.0
Loss per share (excl. non-recurring items) [1]	(0.33)	(0.33)	0.00	0.0	(0.88)	(1.08)	0.20	18.5

(1) Per share amounts calculated as loss for the period after distributions and accretion of interest on Convertible Preferred Securities, net of tax.

RCI recorded a loss of $188.8 million, or $0.96 per share, compared to a loss of $53.3 million, or $0.35 per share, in the second quarter of 2001. Excluding non-recurring items in both periods, RCI recorded a loss of $53.5 million, or $0.33 per share, compared to a loss of $49.0 million, or $0.33 per share, in the second quarter of the previous year.

Distribution and accretion of interest on Convertible Preferred Securities, net of tax, of $16.0 million and $19.2 million in the second quarter of 2002 and 2001, respectively, had the impact of decreasing basic Earnings per Share ("EPS") by $0.07 and $0.10 respectively. See Notes to the Consolidated Financial Statements for calculation and components of loss per share.

Effective January 1, 2002, the Company adopted the new standards set out under the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 1581 and 3062. As a result of this adoption, goodwill and intangible assets with indefinite useful lives are no longer amortized, but instead are tested for impairment at least annually. If this change were applied to previous year's results, the net loss for the three and six months ended June 30, 2001, would be reduced by $16.5 million and $31.3 million respectively. Refer to Note 2(i) to the Consolidated Financial Statements for further details.

Cable Segment

(In millions of dollars, except margin)	Three Months Ended June 30, 2002	2001	Chg	% Chg	Six Months Ended June 30, 2002	2001	Chg	% Chg
Core Cable revenue	270.3	262.6	7.7	2.9	538.2	520.0	18.2	3.5
High-speed Internet revenue	58.8	39.8	19.0	47.7	110.2	75.4	34.8	46.2
Video Stores revenue	57.3	51.2	6.1	11.9	117.4	105.1	12.3	11.7
Total Cable revenue	386.4	353.6	32.8	9.3	765.8	700.5	65.3	9.3
Cable operating expenses	250.3	224.9	25.4	11.3	498.4	446.7	51.7	11.6
Operating profit (1)	136.1	128.7	7.4	5.7	267.4	253.8	13.6	5.4
Core Cable operating margin (%)	40.1%	42.5%			40.1%	42.4%		
High-speed Internet operating margin (%)	41.7%	35.2%			40.8%	35.1%		
Total operating margin (%)	35.2%	36.4%			34.9%	36.2%		

(1) Operating profit is defined as operating income before management fees (which are paid to RCI and eliminated on consolidation), interest, income taxes, depreciation, amortization and non-recurring and non-operating items.

Total Cable Revenue. The 9.3% increase in total Cable revenue versus the second quarter of 2001 was driven primarily by the strong Internet revenue growth, which reflects the 42.8% increase in the Internet subscriber base, together with price increases related to this product.

Core Cable Revenue. Core cable revenue in the second quarter of 2002 accounted for 69.9% of total cable revenues and increased by 2.9% year-over-year. Analog service accounted for $1.0 million of the increase due largely to a $1 per month tier rate increase implemented in January 2002. Digital service revenue increased by $8.0 million, or 39.9%, due to the increase in penetration of digital service, the introduction of the expanded availability of digital channels in September 2001, for which charges began in the first quarter of 2002 and pay-television price increases. The increases in revenue are partly offset by the loss of the $1.3 million in revenue resulting from the sale of Cable Alaska by the Company, which occurred in November 2001.

High-Speed Internet Revenue. The strong second quarter 2002 growth in Internet revenue was driven by a combination of the 42.8% year-over-year increase in the subscriber base combined with a price increase on the high-speed Internet product that was introduced to the subscriber base through April 2002.

Video Store Revenue. The year-over-year growth in quarterly Video store revenues was driven by the combination of an increase of 17 new stores (268 versus 251) and a 4.3% increase in same store revenues related to increased average dollars spent per store visit. Same stores are stores that were open for the full quarter in both 2002 and 2001.

Operating Expenses

The year-over-year growth in second quarter 2002 consolidated Cable operating expenses was driven by year-over-year increases in each of Core cable, Internet and Video stores segments. Core cable operating expenses grew by $10.7 million, or 7.1%, with increased sales and marketing costs associated with the successful promotion of the new programming offerings and product bundles, as well as increases in customer support, certain programming costs and network access costs. During the quarter, operating expenses included approximately $0.6 million associated with the sale of approximately 6,100 digital set-top terminals.

High-speed operating expenses increased by $8.5 million, or 32.9%, attributable to the increase in high-speed Internet subscribers partly offset by efficiencies gained by owning and operating its own network and platforms following the migration from the At Home network.

Video store expense increased by $6.2 million, or 12.9%, relating to the increase of 17 new stores since the end of the second quarter of 2001 and increased product costs associated with an increased volume of titles.

Operating Profit and Margin

Consolidated operating profit for the three months ended June 2002 was $136.1 million, an increase of 5.7% from $128.7 million in the second quarter of 2001.

Margin improvement initiatives incremental to the January 2002 workforce reduction allowed for the modest sequential increase in core cable margins over first quarter 2002 levels. The year-over-year reduction in core cable operating margins from 42.5% to 40.1% reflects the impact of fewer basic and tier subscribers and an increase in programming, sales, marketing and customer support costs, which outgrew the growth in revenue. The year-over-year and sequential expansion of high-speed Internet operating margin of 41.6% reflects the economies of scale from the increased customer base complemented by cost savings enabled by operating its own Internet network, regional data centre and email platform. The Video store operating margin declined from 6.0% to 5.3% as the cost of product increased related to increased volume per store to meet competition.

Cable Subscriber Results

	Three Months Ended June 30,				Six Months Ended June 30,			
(Subscriber statistics in thousands)	2002	2001	Chg	% Chg	2002	2001	Chg	% Chg
Basic cable subscribers					2,263.2	2,279.5	(16.3)	(0.7)
Basic cable, net additions	(4.8)	(17.3)	12.5	-	(23.3)	(11.6)	(11.7)	-
High-speed Internet subscribers					540.9	378.7	162.2	42.8
High-speed Internet, net additions	41.0	31.8	9.2	28.9	62.2	60.0	2.2	3.7
Digital terminals in service					351.1	238.0	113.1	47.5
Digital terminals, net additions	48.7	15.2	33.5	-	36.8	37.0	(0.2)	(0.5)
Digital households					305.6	203.7	101.9	50.0
Digital households, net additions	46.1	12.8	33.3	-	33.5	31.6	1.9	6.0
VIP Customers					551.4	446.1	105.3	23.6
VIP Customers, net additions	32.9	42.7	(9.8)	(23.0)	53.9	86.8	(32.9)	(37.9)

Basic cable subscriber losses of 4,800 during the second quarter were due largely to seasonal disconnect activity. Additional contributing factors were a combination of competitive losses to legitimate as well as illegal black and grey market Direct to Home ("DTH") satellite providers combined with tier and pay television rate increases that went into effect in January 2002. Basic subscriber losses improved from both the first quarter of 2002 and the second quarter of 2001 due to an increased focus on sales and retention. In April, The Supreme Court of Canada released its decision confirming that both black market and grey market satellite systems are illegal in Canada. Cable continues to focus and enhance its

marketing and operating tactics with the aim of increasing subscriber awareness of the benefits and quality of its cable offerings in relation to the competition.

At June 30, 2002, 82.8% of basic cable service customers also subscribed to tier services, compared to 84.9% in the previous year despite the fact that Tier III penetration levels in Ontario have increased to 63.9% from 62.7% over the same period.

Digital households increased by 46,100 in the quarter driven by increased marketing aimed at creating greater awareness of the value and quality of digital cable and the introduction of new bundled offerings combining digital cable with high-speed Internet access. Year-over-year, digital set-top terminals in service were up 47.5% while digital households were up 50.0%. At June 30, 2002, the penetration of digital households as a percentage of basic subscribers was 13.5%.

The sale of digital set-top terminals to customers was introduced during the quarter to allow customers who want to own the terminal the opportunity to do so and at the same time removing a perceived advantage of the competition. The price of set-top terminals being sold to customers is subsidized on the basis that this subsidy will be recovered through margins on increased programming revenues. These subsidies are fully expensed for accounting purposes consistent with the practice at Wireless for expensing subsidies on handsets during the period. The Company's operating expenses during the quarter included approximately $0.6 million of expense associated with the subsidized sale of approximately 6,100 digital set-top terminals.

Cable added 41,000 net high-speed Internet subscribers, including subscribers to its recently introduced Internet Lite product, during the quarter bringing the total subscriber base to 540,900, including scheduled pending connections. Year-over-year, the high-speed Internet subscriber base has grown by 162,200, or 42.8%. At June 30, 2002, the penetration of high-speed Internet households as a percentage of basic subscribers was 23.9%.

Cable Capital Expenditures

	Three Months Ended June 30,				Six Months Ended June 30,			
(In millions of dollars)	2002	2001	Chg	% Chg	2002	2001	Chg	% Chg
Cable capital expenditures	165.9	151.5	14.4	9.5	300.2	302.7	(2.5)	(0.8)

The second quarter year-over-year increase in Cable capital expenditures is attributable to an increased level of subscriber equipment purchases as a result of higher digital and high-speed Internet subscriber additions and rebuild activities, combined with increased new home development construction activity. Of the expenditures in the quarter, approximately 59.7% was for network capital projects, approximately 28.9% was for high-speed Internet and digital subscriber equipment and deployment and the remaining 11.4% was for general capital. At June 30, 2002, Rogers Cable passed approximately 3,002,100 homes, of which approximately 89% were two-way capable. Approximately 92% of Cable's plant has now been upgraded to 550MHz capacity or greater while over 60% has been upgraded to 750MHz or greater.

Wireless Segment

(In millions of dollars)	Three Months Ended June 30, 2002	2001	Chg	% Chg	Six Months Ended June 30, 2002	2001	Chg	% Chg
Wireless voice revenue	418.4	379.8	38.6	10.2	806.0	726.7	79.3	10.9
Messaging and data revenue	15.1	13.9	1.2	8.4	29.1	29.2	(0.1)	(0.3)
Network revenue	433.5	393.7	39.8	10.1	835.1	755.9	79.2	10.5
Equipment revenue	48.2	45.1	3.1	6.9	84.9	86.9	(2.0)	(2.3)
Total Wireless revenue	481.7	438.8	42.9	9.8	920.0	842.8	77.2	9.2
Operating profit	132.8	102.7	30.1	29.3	243.6	196.6	47.0	23.9

(1) Operating profit is defined as operating income before management fees (which are paid to RCI and eliminated on consolidation), interest, income taxes, depreciation, amortization, non-recurring items (in the first quarter of 2002 at Wireless of $12.3 million being recorded as non-recurring income items) and non-operating items.

Revenue and operating profit grew year-over-year, with network revenue growth of 10.1% in the quarter and 10.5% year-to-date, while operating profit increased 29.3% in the quarter and 23.9% year-to-date.

The quarterly increase in wireless voice revenue was driven by a 15.6% increase in the total number of wireless voice subscribers, offset by the impact of a 5.6% decline in blended average revenue per user ("ARPU") compared to the second quarter of the previous year.

The year-over-year increase in quarterly operating profit was driven by network revenue growth of 10.1%, while total expenses grew at only 3.8%. In 2002, the interim levy related to the CRTC mandated contribution subsidy was reduced to 1.4% of eligible revenue from 4.5% in 2001. This lower contribution levy had the effect of improving operating profit by approximately $6.8 million for the three months ended June 30, 2002, and $9.1 million for the six months ended June 30, 2002, as compared to the previous year.

Wireless Subscriber Results

(Subscriber statistics in thousands except ARPU, churn and usage)	Three Months Ended June 30, 2002	2001	Chg	% Chg	Six Months Ended June 30, 2002	2001	Chg	% Chg
Postpaid								
Gross additions	204.1	179.0	25.1	14.0	386.8	338.5	48.3	14.3
Net additions	71.3	46.6	24.7	53.0	125.4	68.0	57.4	84.4
Total subscribers					2,382.7	2,127.7	255.0	12.0
ARPU	$56.22	$57.51	$(1.29)	(2.2)	$54.89	$55.78	$(0.89)	(1.6)
Average monthly usage (minutes)	329	315	14	4.4	315	290	25	8.6
Churn (%)	1.89	2.10	(0.21)	(10.0)	1.89	2.17	(0.28)	(12.9)
Prepaid								
Gross additions	45.6	107.0	(61.4)	(57.4)	101.8	190.2	(88.4)	(46.5)
Net additions (reductions)	(7.8)	63.4	(71.2)	n/m	3.1	103.8	(100.7)	(97.0)
Total subscribers					737.6	570.5	167.1	29.3
ARPU [(1)]	$10.12	$9.93	$0.19	1.9	$9.70	$9.64	$0.06	0.6
Churn (%)	2.41	2.78	(0.37)	(13.3)	2.22	2.86	(0.64)	(22.4)
Total - Postpaid and Prepaid								
Gross additions	249.7	286.0	(36.3)	(12.7)	488.6	528.7	(40.1)	(7.6)
Net additions	63.5	110.0	(46.5)	(42.3)	128.5	171.8	(43.3)	(25.2)
Total subscribers					3,120.3	2,698.2	422.1	15.6
ARPU (blended) [(1)]	$45.19	$47.88	$(2.69)	(5.6)	$43.95	$46.67	$(2.72)	(5.8)

(1) Prepaid ARPU is calculated on net wholesale revenues to the Company after deducting approximately 20% of the retail prepaid card price paid to agents and distributors.

Postpaid voice subscriber additions in the quarter represented 81.7% of total gross additions and 112.3% of total net additions, a significant improvement over the 62.6% of total gross additions and 42.4% of total net additions in the second quarter of 2001. This improvement is a direct result of Wireless' focus on the acquisition of more profitable postpaid subscribers along with the elimination during the first quarter of 2002 of the subsidy on prepaid handsets to improve the economics of the prepaid offering.

The 2.2% decline in postpaid monthly ARPU versus the previous year's second quarter reflects overall market pricing trends relating to both newly acquired subscribers as well as ongoing re-pricing activity within Wireless' existing subscriber base. The increase in prepaid monthly ARPU versus the previous year's second quarter was driven primarily by an increase in usage.

The significant year-over-year improvement in average monthly wireless voice subscriber churn levels is primarily a result of improved customer service resulting from the stabilization of Wireless' back office systems and processes as well as an enhanced focus on customer retention, including a greater proportion of customers on longer term contracts.

Messaging and Data Services

(Subscriber statistics in thousands except ARPU)	Three Months Ended June 30, 2002	2001	Chg	% Chg	Six Months Ended June 30, 2002	2001	Chg	% Chg
Gross additions								
Data and two-way messaging	7.5	8.8	(1.3)	(14.8)	28.0	15.4	12.6	81.8
One-way messaging	16.7	28.2	(11.5)	(40.8)	29.6	51.4	(21.8)	(42.4)
	24.2	37.0	(12.8)	(34.6)	57.6	66.8	(9.2)	(13.8)
Net additions (reductions)								
Data and two-way messaging	3.9	6.6	(2.7)	(40.9)	20.1	12.0	8.1	67.5
One-way messaging	(15.5)	(5.7)	(9.8)	n/m	(39.4)	(25.8)	(13.6)	52.7
	(11.6)	0.9	(12.5)	n/m	(19.3)	(13.8)	(5.5)	(39.9)
Total subscribers								
Data and two-way messaging					74.9	39.0	35.9	92.1
One-way messaging					333.3	391.2	(57.9)	(14.8)
					408.2	430.2	(22.0)	(5.1)
Revenue								
Data and two-way messaging	$6.1	$2.6	$3.5	134.6	$11.0	$5.2	$5.8	111.5
One-way messaging	9.0	11.3	(2.3)	(20.4)	18.1	24.0	(5.9)	(24.6)
	15.1	13.9	1.2	8.6	29.1	29.2	(0.1)	(0.3)
ARPU								
Data and two-way messaging	$27.68	$24.71	$2.97	12.0	$26.58	$26.65	$(0.07)	(0.3)
One-way messaging	8.82	9.61	(0.79)	(8.2)	8.59	10.01	(1.42)	(14.2)

The 92.1% year-over-year increase in the Company's more advanced and higher ARPU data and two-way messaging subscribers was more than offset by the ongoing decline in the number of subscribers to the Company's mature one-way messaging (paging) products.

The 134.6% increase in data and two-way messaging revenues versus the previous year reflects the strong growth in data and two-way messaging subscribers. The decline in the one-way messaging portion of the business offset a portion of this growth, resulting in an 8.6% increase in total messaging and data revenues.

Operating Expenses

(In millions of dollars, except per subscriber statistics.)	Three Months Ended June 30, 2002	2001	Chg	% Chg	Six Months Ended June 30, 2002	2001	Chg	% Chg
Operating expenses before sales and marketing costs [1]	168.0	165.8	2.2	1.3	336.0	319.0	17.0	5.3
Sales and marketing costs	132.7	125.1	7.6	6.1	255.5	240.4	15.1	6.3
Average monthly operating expenses before sales and marketing costs per subscriber [1]	16.00	17.99	(1.99)	(11.1)	16.11	17.56	(1.45)	(8.3)
Sales and marketing cost per gross addition	485	387	98	25.3	468	403	65	16.1
Sales and marketing cost per gross addition excluding retention costs	387	313	74	23.6	374	305	69	22.6

(1) Year-to-date 2002 operating expenses exclude the benefit of non-recurring items in the first quarter of $12.3 million.

The modest year-over-year increase in quarterly operating expenses before sales and marketing costs reflects management's focus on operating expense control. Excluding the impact of the reduction in the CRTC contribution rate, operating expenses increased by 5.4% in the second quarter of 2002 as compared to the same period in the previous year. The majority of this increase is directly attributable to costs of supporting the 15.6% growth in the number of wireless voice subscribers.

The year-over-year increase in quarterly sales and marketing costs and cost per gross addition reflects the higher variable acquisition costs associated with the significant shift and improvement in the mix of postpaid versus prepaid gross additions and the absolute growth in the number of postpaid gross additions. In addition, the Company increased spending on retention programs associated with its enhanced focus on maintaining lower subscriber churn levels.

Capital Expenditures

(In millions of dollars)	Three Months Ended June 30, 2002	2001	Chg	% Chg	Six Months Ended June 30, 2002	2001	Chg	% Chg
Capital expenditures, excluding spectrum [1]	149.0	217.4	(68.4)	(31.5)	250.2	377.9	(127.7)	(33.8)

(1) Spectrum licences across Canada for the deployment of next generation wireless services were acquired in February 2001 at a total cost of $396.8 million.

The significant year-over-year decline in capital spending is due primarily to decreased activity related to the Company's recently completed GSM/GPRS network overlay project. A total of 55 new cell sites were placed into service in the quarter as compared to 57 new cell sites in the second quarter of the previous year. Network related expenditures in the current quarter were 64.6% of total capital expenditures, of which approximately 12.4% related to the completion of the rollout of the GSM/GPRS network, as compared to 54.6% in the previous year. The remainder of the network related spending was to address ongoing capacity and in-fill requirements. The expansion of the Company's corporate office facilities, the construction of a new call centre in New Brunswick and a prepaid customer service automation initiative accounted for 16.3% of capital expenditures. Other capital expenditures in the quarter related primarily to information technology initiatives.

Media Segment

(In millions of dollars)	Three Months Ended June 30, 2002	2001	Chg	% Chg	Six Months Ended June 30, 2002	2001	Chg	% Chg
Revenue								
Publishing	80.9	84.7	(3.8)	(4.5)	144.6	150.9	(6.3)	(4.2)
Radio	45.1	40.1	5.0	12.5	76.7	69.1	7.6	11.0
Television	38.0	13.9	24.1	n/m	71.9	25.8	46.1	n/m
The Shopping Channel	49.6	45.7	3.9	8.5	97.3	94.1	3.2	3.4
Other	0.0	2.3	(2.3)	(100.0)	0.0	5.3	(5.3)	(100.0)
Total Media revenue	213.6	186.7	26.9	14.4	390.5	345.2	45.3	13.1
Operating profit (1)								
Publishing	12.5	12.2	0.3	2.5	13.8	13.8	0.0	0.0
Radio	15.9	14.3	1.6	11.2	19.2	16.5	2.7	16.4
Television	0.7	4.1	(3.4)	n/m	(1.0)	6.4	(7.4)	n/m
The Shopping Channel	3.7	3.4	0.3	8.8	7.4	7.5	(0.1)	(1.3)
Other	(2.7)	(5.9)	3.2	54.2	(5.0)	(13.7)	8.7	63.5
Total Media operating profit	30.1	28.1	2.0	7.1	34.4	30.5	3.9	12.9

(1) Operating profit is defined as operating income before management fees (which are paid to RCI and eliminated on consolidation), interest, income taxes, depreciation, amortization and non-recurring and non-operating items.

The primary driver of year-over-year revenue growth at Media was the inclusion of $25.5 million of revenue in the quarter from Rogers Sportsnet consolidated effective November 1, 2001. Excluding Rogers Sportsnet, Media's newly acquired radio stations and the divestiture of Bowdens Media Monitoring at the end of 2001, revenues remained relatively unchanged compared to the second quarter of last year. Excluding these acquisitions and divestitures, operating profit increased 10.5% over the second quarter of 2001 due to increased operating profit driven primarily by cost controls at all divisions except Television, and by the closure of iMedia at the end of 2001.

Excluding Bowdens Media Monitoring, which was sold in September 2001, revenue and operating profit at Publishing increased 1.0% and 10.1%, respectively, over the second quarter of 2001. These increases were driven by strong sales in the Women and Parenting Group, in Rogers Medical Intelligence Solutions (formerly known as Medical Education Network) and in the Healthcare and Financial Group, offset by lower revenues in the Business Information Group ("BIG").

Final regulatory approval of the acquisition of 13 additional radio stations from Standard Broadcasting was received during the quarter and the transaction was closed on April 29, 2002. This acquisition of radio station properties, as well as the continued growth of TV listing advertising, drove the revenue increase in the quarter at the Radio division. Radio's operating profit improved 11.2% in the second quarter, primarily as the result of the acquisition of the new stations.

Television, which includes the results of CFMT-TV and Rogers Sportsnet, experienced year-over-year revenue growth driven by the acquisition of Rogers Sportsnet. CFMT-TV, Media's multilingual Toronto television station, reported a year-over-year decrease in revenue of 10.5%, reflecting the effects of a continued soft economy and advertising market. The year-over-year decline in operating profit at Television reflects the inclusion of losses from Rogers Sportsnet, which is still in the relatively early stages of its business model, and the lower revenue levels at CFMT-TV in the quarter.

On April 8, 2002, Media received approval of its licence application from the CRTC to commence operations of a new over-the-air multilingual ethnic television station serving the Greater Toronto Area, subject to securing an available frequency. Media intends to launch this new broadcast television station in the latter portion of 2002 in a format similar to that of its successful existing multilingual ethnic television station CFMT-TV. Media believes that it can leverage the existing expertise and infrastructure of CFMT-TV to create another successful multilingual station in this large and ethnically diverse market.

The Shopping Channel ("tSc") continues to expand the volume of items shipped through both its on-air and off-air distribution channels. Off-air distribution channels, including catalogue, Web and retail, produced 23.7% of tSc's revenue in the quarter, compared to 19.2% in the second quarter of 2001.

The Other category includes Media's corporate expenses for both periods as well as iMedia for the second quarter of 2001.

Risks and Uncertainties

There have been no material changes in the risks and uncertainties, as identified in the 2001 Rogers Communications Inc. Annual Report, facing RCI since the year ended December 31, 2001.

Liquidity and Capital Resources

The Company's cash flow from operating activities before changes in working capital for the three months ended June 30, 2002, increased by $30.2 million to $174.4 million from $144.2 million for the second quarter of 2001. This increase is due mainly to the improvement in operating profit offset by increased interest expense. Taking into account the changes in working capital, cash flow from operating activities for the quarter increased by $114.2 million to $226.4 million from $112.2 million in the previous period.

In aggregate, other sources of funds during the second quarter of 2002 totalled approximately $1,204.1 million. The sources of these funds included: (1) $225.3 million net drawdowns under the Wireless and Media bank credit facilities; (2) an aggregate of US $550 million (Cdn $860.1 million) raised by Cable in two U.S. dollar debt issues; (3) the unwind of certain cross-currency interest exchange agreements for aggregate proceeds of $116.8 million; (4) $1.3 million received from the sale of 100,000 common shares of Terayon Communication Systems, Inc. ("Terayon"); and (5) $0.6 million received from the issuance of Class B Non-Voting shares from the exercise of employee stock options and repayment of employee share purchase plan receivables.

The funds used during the quarter totalled approximately $1,349.9 million, comprised of: (1) the repayment of $544.0 million of outstanding net drawdowns under the Cable bank credit facility; (2) the repurchase of US $193.9 million (Cdn $303.5 million) principal amount of existing bonds and debentures together with $20.2 million of repurchase premium; (3) the acquisition of 13 radio stations from Standard Radio for $103.4 million; (4) the purchase of $324.7 million of fixed assets; (5) $32.8 million spent on various investments the most significant of which was $28.7 million of cash advanced to the Toronto Blue Jays; (6) $11.7 million of financing costs related to Cable's aggregate US $550 million debt issues; (7) $8.3 million in distributions on Convertible Preferred Securities and (8) $1.2 million in repayments of mortgage and capital lease obligations.

As a result of the above, the Company ended the second quarter with a cash surplus of $80.6 million, which, together with the opening cash on hand of $593.2 million, resulted in a closing cash balance of $673.8 million.

On July 12, 2002, subsequent to the end of the second quarter, Moody's Investor Services revised its ratings on Wireless' senior secured and senior subordinated public debt downward from Baa3 and Ba1 to Ba3 and B2, respectively. Moody's also placed the ratings of Rogers Communications Inc. public debt, currently Ba1, under review for possible downgrade. The Company believes that these ratings actions will not have an impact on its access to available liquidity, which at June 30, 2002 was approximately $2.4 billion, consisting of over $670 million of cash and over $1.7 billion available under committed bank credit facilities.

Financing

During the second quarter, Cable completed two U.S. dollar debt issues aggregating US $550 million (Cdn $860.1 million) comprised of US $350 million 7.875% Senior (Secured) Second Priority Notes due 2012 and US $200 million 8.75% Senior (Secured) Second Priority Debentures due 2032. A portion of the net proceeds was used to repay outstanding bank debt and to repurchase approximately US $193.9 million (Cdn $303.6 million) aggregate principal amount of existing debt securities.

Hedging Agreements

At June 30, 2002, the Company had US dollar-denominated long-term debt of US $2,974.6 million compared to US $2,615.1 million at December 31, 2001. The US $359.5 million increase is mainly a result of the U.S. dollar-denominated financing activity described above. US $2,155.1 million (or 72.3%) of this debt is hedged with cross-currency interest exchange agreements and forward foreign exchange contracts at an average exchange rate of Cdn $1.4556 to US $1.00 compared to US $1,789.6 million (or 68.4%) at December 31, 2001 at an exchange rate of $1.3755 to US $1.00.

The US $365.5 million increase in US dollar-denominated long-term debt hedged with respect to exchange rates is a result of: (1) the unwind of US $345.6 million of cross-currency interest rate exchange agreements; (2) entering into an aggregate of US $550 million new cross-currency interest rate exchange agreements in order to hedge changes in the exchange rate of two new debt issues completed during the second quarter and (3) entering into US $161.1 million forward foreign exchange contracts to hedge changes in the exchange rate of planned US dollar-denominated repayments and redemptions of certain US dollar-denominated long-term debt.

The total long-term debt at fixed interest rates at June 30, 2002, was $4,956.3 million (December 31, 2001 - $3,465.2 million) or 81.9% (December 31, 2001 – 69.4%) of total long-term debt. The Company's effective weighted average interest rate on total consolidated long-term debt as at June 30, 2002, including the effect of the cross-currency interest rate exchange agreements was 8.34% (December 31, 2001 – 8.04%).

Expected Sale of AT&T Canada Deposit Receipts

On June 25, 2002, AT&T Corp. announced its intention to purchase for cash the public shares of AT&T Canada under its obligation to the AT&T Canada Deposit Receipt holders, including the Company, subject to the terms of a 1999 deposit receipt agreement. Closing is expected during the fourth quarter of 2002. As a result, RCI expects to record a non-cash gain of approximately $900 million upon completion of the transaction in the fourth quarter of 2002 and to redeem its Preferred Securities and settle its Collateralized Equity Securities, which are the monetization vehicles for the Company's investment in AT&T Canada. If closing occurs when expected, the Company estimates that an aggregate amount of approximately $37 million in excess of the proceeds received from AT&T Corp. will be payable by RCI upon the redemption of the Preferred Securities and the settlement of the Collateralized Equity Securities.

Guidance

The Company currently has no changes to its previously issued full year 2002 guidance, excluding non-recurring items.

Rogers Communications Inc.
Consolidated Unaudited Statements of Income

(in thousands of dollars except per share data)	Three months ended June 30, 2002	Three months ended June 30, 2001 *(Restated)*	Six months ended June 30, 2002	Six months ended June 30, 2001 *(Restated)*
Revenue	$ 1,082,063	$ 979,661	$ 2,076,828	$ 1,892,563
Operating, general and administrative expenses	793,714	730,360	1,549,438	1,438,586
Operating income before the following:	288,349	249,301	527,390	453,977
Cable system integration and change in estimate of sales tax and CRTC contribution liabilities	-	6,165	(12,331)	15,962
Depreciation and amortization	247,227	219,616	483,088	431,830
Operating income	41,122	23,520	56,633	6,185
Interest on long-term debt	(118,035)	(103,417)	(226,670)	(202,056)
	(76,913)	(79,897)	(170,037)	(195,871)
Gain on sale of assets and other investments	1,295	1,849	2,062	2,385
Write down of investments (Note 5(ii))	(217,529)	-	(219,529)	-
Loss on early repayment of debt (Note 6 (v))	(20,088)	-	(20,088)	-
Loss from investments accounted for by the equity method	(47,877)	(30,723)	(62,132)	(32,301)
Foreign exchange gain (loss)	63,963	49,781	62,607	(15,305)
Investment and other income (loss)	3,313	3,719	7,916	8,853
Income (loss) before income taxes and non-controlling interest	(293,836)	(55,271)	(399,201)	(232,239)
Income taxes				
Current	4,104	3,411	8,305	6,663
Future (Note 8)	(109,469)	4,259	(103,303)	7,778
	(105,365)	7,670	(94,998)	14,441
Loss before non-controlling interest	(188,471)	(62,941)	(304,203)	(246,680)
Non-controlling interest	(324)	9,642	17,845	46,425
Loss for the period	$ (188,795)	$ (53,299)	$ (286,358)	$ (200,255)
			-	
Earnings per share				
Basic	$ (0.96)	$ (0.35)	$ (1.49)	$ (1.15)
Fully diluted	$ (0.96)	$ (0.35)	$ (1.49)	$ (1.15)
Average Class A and Class B Shares outstanding for the period (thousands)				
Basic			212,473	207,810
Fully diluted			212,473	207,810

Rogers Communications Inc.
Consolidated Unaudited Statements of Cash Flows

(in thousands of dollars)	Three months ended June 30, 2002	Three months ended June 30, 2001	Six months ended June 30, 2002	Six months ended June 30, 2001
Cash provided by (used in):		*(Restated)*		*(Restated)*
Operating activities:				
Loss for the period	$ (188,795)	$ (53,299)	$ (286,358)	$ (200,255)
Adjustments to reconcile net income to net cash flows from operating activities:				
Depreciation and amortization	247,227	219,616	483,088	431,830
Future income taxes	(109,469)	4,259	(103,303)	7,778
Non-controlling interest	324	(9,642)	(17,845)	(46,425)
Change in estimate of sales tax liability	-	-	(19,157)	-
Unrealised foreign exchange (gain) loss	(61,852)	(49,032)	(61,488)	14,277
Write down of investments, net of gains	216,234	(1,849)	217,467	(2,385)
Loss on early retirement of long-term debt	20,088	-	20,088	-
Share of loss of associated companies, net	47,877	30,723	62,132	32,301
Accrued interest due on repayment of certain notes	2,633	2,475	5,301	4,882
Dividends from associated companies	148	948	486	1,063
	174,415	144,199	300,411	243,066
Change in:				
Accounts receivable	(1,009)	38,034	63,974	88,187
Accounts payable and accrued liabilities and unearned revenue	24,904	(91,186)	(59,538)	(99,823)
Deferred charges and other assets	28,060	21,192	(13,023)	(57,605)
	226,370	112,239	291,824	173,825
Financing activities:				
Issue of long-term debt	1,200,130	304,720	2,492,958	767,505
Repayment of long-term debt	(963,500)	-	(1,482,600)	-
Proceeds from unwinding of swaps	116,790	-	116,790	-
Premium on early repayment of long term debt	(20,239)	-	(20,239)	-
Financing costs incurred	(11,699)	(19,185)	(25,557)	(19,185)
Funds received from non-controlling shareholders	-	11,586	-	167,302
Issue of capital stock	610	4,227	4,328	11,135
Dividends on preferred shares and distribution on convertible preferred shares	(8,250)	(8,250)	(16,500)	(16,514)
	313,842	293,098	1,069,180	910,243
Investing activities:				
Additions to fixed assets	(324,656)	(370,417)	(566,699)	(687,243)
Acquisition of Spectrum licences	-	-	-	(396,824)
Proceeds on sale of assets and other investments	1,295	3,510	2,769	4,258
Acquisitions of subsidiary companies, net of cash acquired	(103,425)	-	(103,425)	(88,856)
Other investments	(32,784)	(39,053)	(37,008)	(39,777)
	(459,570)	(405,960)	(704,363)	(1,208,442)
Increase (decrease) in cash and cash equivalents	80,642	(623)	656,641	(124,374)
Cash and cash equivalents, beginning of period	593,200	175,400	17,201	299,151
Cash and cash equivalents, end of period	**$ 673,842**	**$ 174,777**	**$ 673,842**	**$ 174,777**

Cash and cash equivalents (deficiency) are defined as cash and short-term deposits, which have an original maturity of less than 90 days, less bank advances.

Rogers Communications Inc.
Consolidated Unaudited Statements of Cash Flows *(Continued)*

(in thousands of dollars)	Three months ended June 30, 2002	Three months ended June 30, 2001	Six months ended June 30, 2002	Six months ended June 30, 2001
Supplemental cash flow information:				
Interest paid	$ 130,304	$ 93,260	$ 212,434	$ 186,029
Income taxes paid	4,682	2,991	9,217	9,740
Supplemental disclosure of non-cash financing and investing activities:				
Class B Non-Voting shares issued in consolidation of Cable Atlantic Inc.	$ -	$ -	$ -	$ 162,643
Accretion on Preferred Securities	9,350	14,101	17,720	31,385
Class B Non-Voting shares issued on conversion of Series B and E Convertible Preferred Shares	120	244	1,820	491
Series XXXIII Preferred Shares	-	-	1,042	-
Class B Non-Voting shares issued in consideration for Class B Restricted Voting shares of RWI	-	-	104,400	-

Rogers Communications Inc.
Consolidated Balance Sheets

(in thousands of dollars)	June 30, 2002	December 31, 2001
	(Unaudited)	*(Audited)*
Assets		*(Restated)*
Fixed assets	$ 4,839,198	$ 4,717,731
Goodwill and other intangible assets (Note 4)	2,295,160	2,109,935
Investments (Note 5)	801,859	1,047,888
Cash and short-term deposits	673,842	17,201
Accounts receivable	436,026	495,353
Deferred charges	150,195	150,509
Other assets	273,538	271,762
	$ 9,469,818	$ 8,810,379
Liabilities and Shareholders' Equity		
Liabilities		
Long-term debt (Note 6)	$ 6,048,900	$ 4,990,357
Accounts payable and accrued liabilities	1,013,535	1,098,717
Unearned revenue	108,044	93,448
Future income taxes	20,677	137,189
	7,191,156	6,319,711
Non-controlling interest	155,920	186,377
Shareholders' equity (Note 7)	2,122,742	2,304,291
	$ 9,469,818	$ 8,810,379

Rogers Communications Inc.
Consolidated Statements of Deficit

(in thousands of dollars)	Six months ended June 30, 2002	Year ended December 31, 2001
Deficit, beginning of the period		*(Audited)*
As previously reported	$ (548,139)	$ (63,041)
Adjusted for change in accounting for foreign currency translation losses on denominated long-lived monetary items	(111,883)	(81,810)
Restated	(660,022)	(144,851)
Loss	(286,358)	(464,364)
Dividends on Series B and Series E Preferred shares, and on the Class A Voting and Class B Non-Voting shares	-	(14)
Distribution on Convertible Preferred Securities, net of income tax recovery of $6,369 (2001 - $14,388)	(10,131)	(18,612)
Dividends accreted on Preferred Securities, net of income tax recovery of $6,840 (2001 - $24,877)	(10,880)	(32,181)
Deficit, end of the period	$ (967,391)	$ (660,022)

Rogers Communications Inc.
Notes to Consolidated Financial Statements
Six Months Ended June 30, 2002 and 2001

1. Basis of Presentation and Accounting Policies

The Consolidated Interim Financial Statements include the accounts of Rogers Communications Inc. and its subsidiaries (collectively "Rogers" or "the Company"). The notes presented in these interim consolidated financial statements include only significant events and transactions occurring since the Company's last year-end and are not fully inclusive of all matters normally disclosed in the Company's annual audited financial statements. As a result, these interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2001.

These interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements except as noted below.

2. Significant Changes In Accounting Policies

i. Business Combinations, and Goodwill and Intangibles

In 2001, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 1581, "Business Combinations," and 3062, "Goodwill and Other Intangible Assets." The new standards mandate the purchase method of accounting for business combinations and also establish criteria for identifying and measuring intangible assets acquired in business combinations that are recorded and reported apart from goodwill. Goodwill and intangible assets with indefinite useful lives are no longer amortized, but instead are tested for impairment at least annually by comparing their fair values with their

book values. The new standards do not change the accounting for intangible assets with determinable lives, which continue to be amortized over their estimated useful lives and are tested for impairment by comparing their book values with the undiscounted cash flow expected to be received from their use. The new standards are substantially consistent with U.S. GAAP.

Effective upon adoption of the standards on January 1, 2002, the Company discontinued amortization of existing goodwill on a prospective basis and evaluated existing intangible assets to determine whatever necessary reclassifications were required in order to conform to the new criteria for recognition of intangible assets apart from goodwill and test for impairment in accordance with the new standards. The Company evaluated its subscribers, licences and other intangible assets and concluded that they should be accounted for apart from goodwill. The Company also determined that there are no other intangible assets that should be recognized apart from goodwill as a result of adoption of these standards. Very little guidance has been provided to date by accounting standard setters relating to the recognition and measurement of intangible assets apart from goodwill. Further, the criteria in the new standards are difficult to interpret, especially in the cable television industry. The Company believes that the Emerging Issues Committee of the CICA may have to provide interpretations of these criteria in order to get a high degree of uniform application of the new standards. The Company plans to follow any such interpretations in any financial statements presented, including any interpretation that would result in some or all of the Company's goodwill being presented as an intangible asset apart from goodwill.

The Company determined that licences are intangible assets having indefinite lives under the new standards, and, as a result, such intangible assets are not being amortized but instead were tested for impairment in the first quarter of 2002 by comparing their fair values with their book values. The Company determined that no impairment in the carrying value of licences has occurred during the six months ended June 30, 2002.

Under the new standards, goodwill was tested to determine if there is any indication that this goodwill is impaired. To accomplish this, the Company identified its "reporting units" and determined the book value of each reporting unit by assigning assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. The Company had until June 30, 2002, to calculate the fair value of each reporting unit and compare it to the reporting unit's book value. If the reporting unit's book value exceeded its fair value, the Company would have been required to perform the second step of the transitional impairment test, by calculating the "implied fair value" of the reporting unit's goodwill, and comparing it to the book value of the goodwill. Any shortfall of the implied fair value of the goodwill compared to its book value would have been recognized as an effect of a change in accounting policy and charged to opening deficit for 2002 without restatement for prior periods. During the six months ended June 30, 2002, the Company identified its reporting units and the book and fair values of each and determined that no impairment exists in any of its reporting units.

The following table presents the effect on each of the previous periods as though the Company had retroactively adopted the change in accounting policy of not amortizing goodwill.

	Three months ended June 30, 2001	Six months ended June 30, 2001
Reported loss for the period	$ (53,299)	$ (200,255)
Add back:		
Goodwill amortization	16,501	31,254
Adjusted loss for the period	$ (36,798)	$ (169,001)
Loss per share:		
Reported loss for the period	($0.35)	($1.15)
Goodwill amortization	0.08	0.15
Adjusted loss for the period	$ (0.27)	$ (1.00)

ii. Foreign Currency Translation and Hedging Relationships

Effective January 1, 2001, in accordance with CICA Handbook Section 1650, the Company no longer defers and amortizes foreign currency translation gains and losses on U.S. dollar denominated long-term debt. Instead, such gains and losses are recognized immediately in the Consolidated Statement of Income. Upon adoption of the new standard on January 1, 2002, deferred charges were reduced by approximately $150.3 million, with an increase to the opening deficit of $111.9 million and a reduction to non-controlling interest of $38.4 million. In addition, the adoption of the new standard required restatement of prior periods. The effect of the adoption of the new standard was to decrease the Company's loss for the three and six months ended June 30, 2002 by approximately $54.0 million ($0.25 per share) and $46.0 million ($0.22 per share), respectively, and to decrease the loss for the three and six months ended June 30, 2001 by approximately $43 million ($0.21 per share) and to increase the loss for the six months ended June 30, 2001 by $9,000.

The CICA also approved Accounting Guideline AcG-13, which establishes the criteria for identification and documentation of hedging relationships, effective for the Company's 2003 fiscal year. The Company plans to comply with the requirements of AcG-13 such that all of its current hedges will continue to qualify for hedge accounting when the Guideline becomes effective.

The restatements to the income statement of each of the quarters in 2001 are as follows:

(in thousands of dollars)	March 31	June 30	September 30	December 31
Previously reported loss for the period	$ (103,936)	$ (96,310)	$ (57,817)	$ (176,228)
Deduct amortization expense	6,444	6,471	7,049	12,569
Foreign exchange (gain) loss	(63,309)	49,029	(50,463)	(11,222)
Non-controlling interest	13,845	(12,489)	10,867	1,315
Restated loss for the period	$ (146,956)	$ (53,299)	$ (90,364)	$ (173,566)

(iii.) Stock-Based Compensation and Other Stock-Based Payments

Effective January 1, 2002, the Company adopted Stock-Based Compensation and Other Stock-Based Payments in CICA Handbook Section 3870, which establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services provided by employees and non-employees. The standard requires that a fair-value-based method of accounting be applied to all stock-based payments to non-employees and to employee awards that are direct awards of stock that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. However, the new standard permits the Company to continue its existing policy of recording no compensation cost on the grant of stock options to employees. No restatement of prior periods was required as a result of the adoption of the new standard. See Note 12 for full disclosure as required by this standard.

3. Acquisitions:

In August 2001, the Company entered into an agreement with Standard Radio Inc. to purchase 13 radio stations. The stations operate on AM station in Toronto (the "FAN"). FM in Orillia, an AM and FM station in Timmins and two FM stations and an AM station in each of Sudbury, Sault Ste. Marie and North Bay. The purchase was subject to CRTC approval, which was received and the transaction closed on April 29, 2002. The net assets acquired, at fair value, and the consideration given are as follows:

(in thousands of dollars)	**2002**
Fixed assets	$ 5,000
Goodwill	98,824
Other assets	4,861
	108,685
Accounts payable, accrued liabilities and debt assumed	(5,260)
Total cash consideration	$ 103,425

4. Goodwill and Other Intangible Assets:

(in thousands of dollars)	June 30, 2002	December 31, 2001
	(Unaudited)	*(Audited)*
Goodwill	$ 2,272,204	$ 2,086,719
Spectrum licences	396,824	396,824
Subscribers and licences	5,200	5,200
	2,674,228	2,488,743
Less accumulated amortization	379,068	378,808
	$ 2,295,160	$ 2,109,935

i) On March 20, 2002, the Company exchanged 4,305,830 Class B Non-Voting shares of the Company for 4,925,000 Rogers Wireless Communications Inc. Class B Restricted Voting shares with five institutional investors. This transaction increased the Company's ownership in Rogers Wireless Communications Inc. from 52.4% to 55.9%. This transaction had the impact of increasing Goodwill by $92.0 million and reducing the carrying value of minority interest by $12.6 million.

ii) On April 29, 2002, goodwill acquired on the acquisition of radio stations from Standard Radio Inc. was $98.8 million (Note 3).

5. Investments

(in thousands of dollars, except share amoun	Number	Description	Market Value	June 30, 2002	December 31, 2001
				(Unaudited)	*(Audited)*
Investments, accounted for by the equity method					
Toronto Blue Jays				$ 149,942	$ 183,986
Other				17,725	16,872
				167,667	200,858
Investments, recorded at cost, net of write-downs					
Publicly traded companies:					
AT&T Canada	25,002,100	Class B Deposit Receipts	$ 1,280,380	$ 450,104	$ 450,104
Cogeco Cable Inc.("Cogeco Cable")	4,253,800	Subordinate Voting Common	66,359	66,359	187,167
Cogeco Inc.("Cogeco")	2,724,800	Subordinate Voting Common	43,597	43,597	120,818
				560,060	758,089
Temporary investments:					
Liberate Technologies, Inc.("Liberate")	786,888	Common	3,143	$ 3,143	$ 16,343
Terayon Communication Systems, Inc.("Terayon")	2,167,618	Common	4,581	1	1
Other			21,156	25,705	15,681
				28,849	32,025
Private companies				45,283	56,916
				$ 801,859	**$ 1,047,888**

(i.) Toronto Blue Jays

The reduction in the carrying value of the investment in the Toronto Blue Jays as at June 30, 2002, from December 31, 2001 of approximately $34.0 million reflects the equity loss for the six months ended June 30, 2002 of $62.7 million offset by cash advances of

$28.7 million. The Company began accounting for the investment in the Blue Jays using the equity method April 1, 2001.

(ii.) Writedown of Investments

a) Investment in Cogeco Cable and Cogeco Inc. ("Cogeco")

In fiscal 2000, the Company acquired 4,253,800 Subordinate Voting shares of Cogeco Cable for $187.2 million and 2,724,800 Subordinate Voting Common shares of Cogeco Inc. for $120.8 million for the purpose of holding this investment for the long term. The Company, as part of the ongoing review of investments, has determined that the decline in the market value of shares held represents an impairment that is other than temporary in the carrying value of the Cogeco investment. The shares have been written-down to the June 30, 2002 closing market value.

b) Temporary and Private Companies

During the six months ended June 30, 2002, the Company reviewed the carrying value of temporary and private company investments and has recorded investment writedowns of $9.5 million and $12.0 million, respectively.

(iii.) AT&T Canada

The shareholders of AT&T Canada, including the Company, have a contractual right to realize a minimum share price of $37.50 per share, increasing at 16% per annum compounded quarterly from June 30, 2000, the accreted floor price, until June 30, 2003, or such earlier time as AT&T Corp., a minority shareholder of AT&T Canada, exercises its obligation to acquire all of the publicly held shares of AT&T Canada.

In 2000 and 2001, the Company entered into certain transactions, that is, the Preferred Securities and the Collateralized Equity Securities, which resulted in the monetization of a substantial portion of the Company's investment in AT&T Canada (see Note 7). The Company received cash of approximately $1.186 billion in these transactions based on the accreted floor price of its 25.0 million Class B Deposit Receipts of AT&T Canada. Although no accounting gain was recorded on these transactions, the Company has realized a substantial portion of the economic value of its investment in AT&T Canada as a result of these transactions.

On June 25, 2002, AT&T Corp. announced its intention to purchase for cash the public shares of AT&T Canada under its obligation to the AT&T Canada Deposit Receipt holders, including the Company, subject to the terms of a 1999 deposit receipt agreement. Closing is expected during the fourth quarter of 2002. As a result, RCI expects to record a non-cash gain of approximately $900 million upon completion of the transaction in the fourth quarter of 2002, and also expects to redeem its Preferred Securities and settle its Collateralized Equity Securities.

6. Long-term debt

(in thousands of dollars)		Interest Rate	June 30, 2002	December 31, 2001
			(Unaudited)	*(Audited)*
(A) Corporate:				
(i)	Convertible Debentures, due 2005	5-3/4%	$ 302,372	$ 311,721
(ii)	Senior Notes, due 2006	9-1/8%	82,986	87,024
(iii)	Senior Notes, due 2006	10-1/2%	75,000	75,000
(iv)	Senior Notes, due 2007	8-7/8%	295,119	306,600
(v)	Senior Notes, due 2007	8-3/4%	165,000	165,000
(B) Cable:				
(i)	Senior Secured Second Priority Notes, due 2002	9-5/8%	96,928	116,389
(ii)	Senior Secured Note due 2002	Floating	-	300,000
(iii)	Senior Secured Second Priority Notes, due 2005	10%	411,936	412,894
(iv)	Senior Secured Second Priority Debentures, due 2007	10%	117,875	146,223
(v)	Senior Secured Second Priority Notes, due 2007	7.600%	450,000	-
(vi)	Senior Secured Second Priority Debentures, due 2012	10-1/8%	38,359	172,867
(vii)	Senior Secured Second Priority Debentures, due 2014	9.65%	300,000	300,000
(viii)	Senior Subordinated Debentures, due 2015	11%	148,196	164,968
(ix)	Senior Second Priority Debentures, due 2032	8.75%	312,700	-
	Notes, due 2012	7.875%	547,430	-
(C) Wireless:				
(i)	Bank loan	Floating	137,000	52,000
(ii)	Senior Secured Notes, due 2006	10-1/2%	160,000	160,000
(iii)	Senior Secured Notes, due 2007	8.30%	273,753	280,110
(iv)	Senior Secured Notes, due 2011	9-5/8%	770,400	770,400
(v)	Senior Secured Debentures, due 2008	9-3/8%	433,121	433,121
(vi)	Senior Secured Debentures, due 2016	9-3/4%	223,911	231,528
(vii)	Senior Subordinated Notes, due 2007	8.80%	326,521	342,409
(D) Media:				
	Bank loan	Floating	339,500	126,000
	Other	Prime	6,633	-
(E) Obligations under mortgages and capital leases		Various	34,160	36,103
			$ 6,048,900	$ 4,990,357

i.) Effective January 31, 2002, a subsidiary of the Company (Cable) entered into a new amended and restated bank credit facility (the "New Bank Credit Facility"), providing a bank credit facility of up to $1.075 billion. There was nil outstanding at June 30, 2002 under the new Bank Credit Facility. This New Bank Credit Facility replaces the previous bank facilities. The New Bank Credit Facility provides for two separate facilities: (1) a $600 million senior secured revolving credit facility, which will mature on January 2, 2009 and (2) a $475 million senior secured reducing/revolving credit facility, which is subject to reduction

on an annual basis and which is scheduled to reduce to nil on January 2, 2009. Cable's obligations under the New Bank Credit Facility are secured by a bond issued under a deed of trust in the same manner as the previous bank facilities. Upon cancellation of Cable's previous bank facilities, the RCI guarantee and pledge of shares of Wireless required under those facilities were released.

ii.) Senior (Secured) Second Priority Notes, due 2007:

On February 5, 2002, Cable issued $450 million 7.60% Senior (Secured) Second Priority Notes due on February 6, 2007. The notes are redeemable at the option of Cable, in whole or in part, at any time with at least 30 days and not more than 60 days prior notice subject to a certain prepayment premium.

iii.) Senior (Secured) Second Priority Notes, due 2012:

On April 30, 2002, Cable issued U.S. $350 million 7.875% Senior (Secured) Second Priority Notes due on May 1, 2012. The notes are redeemable at the option of Cable, in whole or in part, at any time with at least 30 days and not more than 60 days prior notice subject to a certain prepayment premium.

iv.) Senior (Secured) Second Priority Debentures, due 2032:

On April 30, 2002, Cable issued U.S. $200 million 8.75% Senior (Secured) Second Priority Debentures due on May 1, 2032. The notes are redeemable at the option of Cable, in whole or in part, at any time with at least 30 days and not more than 60 days prior notice subject to a certain prepayment premium.

v.) Debt repayment:

On April 30, 2002, Cable repurchased an aggregate of US $193.9 million principal amount of U.S. dollar denominated long-term debt related to various notes and debentures. As a result, the Company paid a prepayment premium of $20.2 million, incurred a gain in unwinding certain cross-currency interest rate exchange agreements of $2.2 million and wrote-off deferred financing costs of $2.1 million, resulting in a net loss on repayment of $20.1 million.

vi.) Hedging Agreements:

At June 30, 2002, the Company had US dollar-denominated long-term debt of US $2,974,597,000 (December 31, 2001 – US $2,615,108,000) of which US $2,155,130,000 (December 31, 2001- US $1,789,582,000) is hedged with cross-currency interest exchange agreements and forward foreign exchange contracts at an average exchange rate of Canadian $1.4556 (December 31, 2001 - $1.3755) to US $1.00.

The US $365,548,000 increase in US dollar-denominated long-term debt hedged with respect to exchange rates is a result of: (1) the unwind of US $345,560,000 of cross-currency interest rate exchange agreements; (2) entering into an aggregate of US $550,000,000 new cross-currency interest rate exchange agreements in order to hedge changes in the exchange rate of two new debt issuances entered into on April 30, 2002, being US $350,000,000 Senior (Secured) Second Priority Notes due 2012 (Note 6(iii)) and US $200,000,000 Senior

(Secured) Second Priority Debentures due 2032 (Note 6(iv)); and (3) entering into US $161,108,000 forward foreign exchange contracts to hedge changes in the exchange rate of planned US dollar-denominated repayments and redemptions of certain US dollar-denominated long-term debt.

The total long-term debt at fixed interest rates at June 30, 2002 was $4,956,329,000 (December 31, 2001 - $3,465,191,000) or 81.9% (December 31, 2001 – 69.4%) of total long-term debt. The Company's effective weighted average interest rate on total consolidated long-term debt as at June 30, 2002, including the effect of the cross-currency interest rate exchange agreements was 8.34% (December 31, 2001 – 8.04%).

7. Shareholders' Equity

(in thousands of dollars)			June 30, 2002	December 31, 2001
			(Unaudited)	*(Audited)*
Capital stock issued, at share value:				*(Restated)*
Preferred shares:				
Held by subsidiary companies:				
4,500	Series XXIII	$	4,500	$ 4,500
60,000	Series XXVII		60,000	60,000
10,000	Series XXX		10,000	10,000
300,000	Series XXXI		300,000	300,000
300,000	Series XXXII		300,000	300,000
1,042,049	Series XXXIII		1,042,049	-
			1,716,549	674,500
Held by members of the Company's share purchase plans:				
12,648	Series B (2001 - 133,632)		159	1,684
136,083	Series E (2001 - 153,361)		2,327	2,622
Common shares:				
56,240,494	Class A Voting shares		72,320	72,320
158,353,511	Class B Non-Voting shares (2001 - 153,551,874 shares)		257,290	249,488
			2,048,645	1,000,614
Deduct:				
Amounts receivable from employees under certain share purchase plans			2,163	3,282
Preferred shares of the Company held by subsidiary companies			1,716,549	674,500
Total capital stock			329,933	322,832
Convertible Preferred Securities			576,000	576,000
Warrants to purchase Class B Non-Voting shares			24,000	24,000
Preferred Securities			1,026,282	1,009,205
Collateralized Equity Swap			245,632	245,632
Contributed Surplus			888,286	786,644
Deficit			(967,391)	(660,022)
		$	2,122,742	$ 2,304,291

(i) During the six months ended June 30, 2002, the Company completed the following capital stock transactions:

(a) 1,042,049 Series XXXIII Preferred shares were issued to a subsidiary company as consideration of the repayment of debt owing by RCI to the subsidiary;

(b) 120,984 Series B and 17,278 Series E Convertible Preferred shares with a value of $1.8 million were converted to 138,262 Class B Non-Voting shares;

(c) 357,545 Class B Non-Voting shares were issued to employees upon the exercise of options for cash of $3.2 million.

(d) 4,305,830 Class B Non-Voting shares with a value of $104.4 million were issued as consideration for the acquisition of 4,925,300 Class B Restricted Voting shares of Rogers Wireless Communications Inc.

As a result of the above transactions, $101.6 million of the issued amounts related to Class B Non-Voting shares were recorded in contributed surplus.

(ii) Preferred Securities:

As referenced in Note 5, On August 10, 2000, the Company issued $1,154.4 million 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 $216.9 million to June 30, 2003 was prepaid, with the Company receiving net proceeds of $937.5 million which, less fees and expenses of $12.2 million, resulted in $925.3 million 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 retained earnings, similar to a dividend.

The obligations under these Preferred Securities are secured solely by 25,000,000 AT&T Canada Class B Deposit Receipts owned by the Company. There is no recourse to any other assets of the Company. On June 25, 2002, AT&T Corp. announced its intention to purchase for cash the public shares of AT&T Canada under its obligation to the AT&T Canada Deposit Receipt holders, as discussed in Note 5. Closing is expected during the fourth quarter of 2002, at which time the Company will redeem the Preferred Securities with a portion of the proceeds received from AT&T Corp.

(iii) Collateralized Equity Securities:

As referenced in Note 5, on October 23, 2001, the Company entered into certain equity derivative contracts that 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 $248.9 million, which, less fees and expenses, resulted in net proceeds of $245.6 million.

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 $5.8 million as at June 30, 2002. 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. If the AT&T Corp. closing occurs when expected, in the fourth quarter of 2002, the Company estimates that the recourse to RCI will be an aggregate amount in the range of $37 million, which represents the amount that will be owing under the Collateralized Equity Securities in excess of the proceeds received from AT&T Corp., subsequent to the redemption of the Preferred Securities.

8. Income Taxes

During the quarter ended June 30, 2002, management has reviewed the realizability of future income tax assets and has determined the more likely than not criterion for utilization of certain tax losses at a subsidiary company (Cable) now exists and as a result has released $116.5 million of the previously recorded valuation allowance.

9. Calculation of Earnings (Loss) Per Share

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(in thousands)	**2002**	**2001**	**2002**	**2001**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Numerator:				
Loss	$ (188,795)	$ (53,299)	$ (286,358)	$ (200,255)
Dividends on Series B and Series E Preferred shares	-	-	-	(14)
Distribution on Convertible Preferred Securities	(5,065)	(4,639)	(10,131)	(9,306)
Accretion of Preferred Securities	(6,139)	(10,038)	(10,880)	(19,786)
Dividends accreted on Convertible Preferred Securities	(4,768)	(4,565)	(9,484)	(9,080)
Loss - basic and diluted	$ (204,767)	$ (72,541)	$ (316,853)	$ (238,441)
Denominator:				
Weighted average number of shares outstanding - basic and diluted	212,473	207,810	212,473	207,810
Loss per share - basic and diluted	($0.96)	($0.35)	($1.49)	($1.15)

10. Segmented Information

Three months ended June 30, 2002 *(in thousands of dollars)*	Cable	Wireless	Media	Corporate Items and Eliminations	Consolidated Totals
(Unaudited)					
Revenue	$ 386,411	$ 481,716	$ 213,570	$ 366	$ 1,082,063
Operating, general and administrative expenses	250,344	348,934	183,441	10,996	793,715
Operating income (loss) before the undernoted:	136,067	132,782	30,129	(10,630)	288,348
Management fees	7,728	2,751	2,858	(13,337)	-
Cablesystem integration and change in estimate of sales tax	-	-	-	-	-
Depreciation and amortization	122,078	110,802	10,564	3,783	247,227
Operating income	6,261	19,229	16,707	(1,076)	41,121
Interest Expense					
Third party	(50,408)	(48,139)	(3,416)	(16,072)	(118,035)
Intercompany	-	220	(14,727)	(14,507)	-
Intercompany Dividends	1,316	-	17,536	(18,852)	-
Gain on sale of assets and investments	-	-	-	1,295	1,295
Write down of investments	(7,500)	-	-	(210,029)	(217,529)
Loss on early retirement of debt	(20,088)	-	-	-	(20,088)
Loss from investments accounted for by the equity method	-	-	(133)	(47,744)	(47,877)
Foreign exchange income (expense)	2,394	30,938	83	30,548	63,963
Investment and other income (loss)	(1,216)	(88)	(3)	4,621	3,313
Income tax (expense) recovery	115,043	(1,426)	(1,044)	(7,208)	105,365
Non-controlling interest	-	-	-	(324)	(324)
Net Income (loss) for the period	$ 45,802	$ 734	$ 15,003	$ (250,334)	$ (188,795)
Capital expenditures,net	$ 165,940	$ 149,036	$ 9,155	$ 525	$ 324,656

Three months ended June 30, 2001 *(in thousands of dollars)*	Cable	Wireless	Media	Corporate Items and Eliminations	Consolidated Totals
(Unaudited) (Restated)					
Revenue	$ 353,621	$ 438,731	$ 186,835	$ 474	$ 979,661
Operating, general and administrative expenses	224,940	336,002	158,713	10,705	730,360
Operating income (loss) before the undernoted:	128,681	102,729	28,122	(10,231)	249,301
Management fees	7,228	2,671	2,875	(12,774)	-
Cablesystem integration	6,165	-	-	-	6,165
Depreciation and amortization	105,138	95,464	6,964	12,050	219,616
Operating income	10,150	4,594	18,283	(9,507)	23,520
Interest Expense					
Third party	(39,502)	(46,705)	209	(9,922)	(95,922)
Intercompany	(4,297)	-	(27,844)	32,141	-
Interest on loans payable to shareholders		(7,497)			(7,497)
Intercompany Dividends	8,898	-	43,818	(52,716)	-
Gain on sale of assets and investments	-	-	-	1,849	1,849
Loss from investments accounted for by the equity method	-	-	(271)	(30,452)	(30,723)
Foreign exchange (expense)	1,785	24,034	3	23,959	49,781
Investment and other income (loss)	24	1,242	(10,008)	12,461	3,719
Income tax (expense) recovery	(1,070)	(1,816)	(591)	(4,193)	(7,670)
Non-controlling interest	-	-	-	9,642	9,642
Net Income (loss) for the period	$ (24,012)	$ (26,148)	$ 23,599	$ (26,738)	$ (53,299)
Capital expenditures,net	$ 151,472	$ 217,380	$ 5,072	$ (3,507)	$ 370,417

Six months ended June 30, 2002 *(in thousands of dollars)*	Cable	Wireless	Media	Corporate Items and Eliminations	Consolidated Totals
(Unaudited)					
Revenue	$ 765,814	$ 920,042	$ 390,387	$ 585	$ 2,076,828
Operating, general and administrative expenses	498,436	676,409	356,024	18,569	1,549,438
Operating income (loss) before the undernoted:	267,378	243,633	34,363	(17,984)	527,390
Management fees	15,316	5,503	5,084	(25,903)	-
Cablesystem integration and change in estimate of sales tax		(12,331)	-	-	(12,331)
Depreciation and amortization	239,651	220,330	15,855	7,252	483,088
Operating income	12,411	30,131	13,424	667	56,633
Interest Expense					
Third party	(90,402)	(95,398)	(6,119)	(34,751)	(226,670)
Intercompany	(3,409)	-	(29,377)	32,786	-
Intercompany Dividends	2,559	-	34,844	(37,403)	-
Gain on sale of assets and investments	-	-	-	2,062	2,062
Write down of investments	(9,500)			(210,029)	(219,529)
Loss on early retirement of debt	(20,088)				(20,088)
Loss from investments accounted for by the equity method	-	-	(973)	(61,159)	(62,132)
Foreign exchange income (expense)	1,801	30,497	155	30,154	62,607
Investment and other income (loss)	(1,026)	78	128	8,736	7,916
Income tax (expense) recovery	112,673	(3,002)	(1,118)	(13,555)	94,998
Non-controlling interest	-	-	-	17,845	17,845
Net Income (loss) for the period	$ 5,019	$ (37,694)	$ 10,964	$ (264,647)	$ (286,358)
Capital expenditures,net	$ 300,212	$ 250,231	$ 15,220	$ 1,036	$ 566,699
Identifiable assets	$ 3,875,543	$ 3,052,364	$ 1,684,394	$ 857,521	$ 9,469,822

Six months ended June 30, 2001 *(in thousands of dollars)*	Cable	Wireless	Media	Items and Eliminations	Consolidated Totals
(Unaudited) (Restated)					
Revenue	$ 700,547	$ 842,822	$ 345,248	$ 3,946	$ 1,892,563
Operating, general and administrative expenses	446,755	646,208	314,740	30,883	1,438,586
Operating income (loss) before the undernoted:	253,792	196,614	30,508	(26,937)	453,977
Management fees	14,080	5,342	5,248	(24,670)	-
Cablesystem integration	15,962	-	-	-	15,962
Depreciation and amortization	203,183	187,938	18,810	21,899	431,830
Operating income	20,567	3,334	6,450	(24,166)	6,185
Interest Expense					
Third party	(81,133)	(82,352)	422	(20,088)	(183,151)
Intercompany	(5,907)	(2,092)	(56,069)	64,068	-
Financing fees and interest on loans payable to shareholders	-	(18,905)	-	-	(18,905)
Intercompany Dividends	18,517	-	67,712	(86,229)	-
Gain on sale of assets and investments	-	-	-	2,385	2,385
Loss from investments accounted for by the equity method		-	(2,028)	(30,273)	(32,301)
Foreign exchange gain (loss)	(743)	(7,381)		(7,181)	(15,305)
Investment and other income (loss)	1,807	1,624	(10,116)	15,538	8,853
Income tax (expense) recovery	(2,275)	(3,632)	(536)	(7,998)	(14,441)
Non-controlling interest	-	-		46,425	46,425
Net Income (loss) for the period	$ (49,167)	$ (109,404)	$ 5,835	$ (47,519)	$ (200,255)
Capital expenditures,net	$ 302,730	$ 377,943	$ 9,252	$ (2,682)	$ 687,243
Identifiable assets	$ 3,852,646	$ 3,043,164	$ 1,665,340	$ (131,317)	$ 8,429,833

11. Related Party Transactions

(i) The Company has entered into certain transactions in the normal course of business with AT&T Wireless Services Inc. ("AWE"), a shareholder of a subsidiary company, and with certain broadcasters in which the Company has an equity interest as follows:

(in thousands of dollars)	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Roaming revenue billed to AWE	($3,112)	($2,712)	($5,828)	($5,331)
Roaming expense paid to AWE	4,989	5,521	9,904	10,960
Access fees paid to broadcasters accounted for by the equity method	3,881	3,509	8,039	6,581
Financing fees and interest on loan to fund spectrum licences paid to AWE	-	2,966	-	7,481
	$ 5,758	$ 6,318	$ 12,115	$ 12,210

(ii) The Company has entered into certain transactions with companies, the partners or senior officers of which are directors of the Company and/or its subsidiary companies. Total amounts paid by the Company to these related parties for six months ended June 30, 2002 are $3.8 million (2001 -$4.0 million), and included charges for legal services, brokerage and investment advisory fees related to financing transactions, commissions on premiums for insurance coverage and equipment purchasers.

12. Stock-Based Compensation

For stock options granted to employees, had the Company determined compensation costs based on the theoretical fair values at grant dates of the stock options granted by RCI and Wireless consistent with the method prescribed under CICA Handbook Section 3870, the Company's loss per share would have been reported as the pro forma amounts indicated below:

(in thousands)	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Loss for the period, as reported	$ (188,795)	$ (53,299)	$ (286,358)	$ (200,255)
Proforma loss for the period	(197,899)	(60,880)	(304,182)	(215,233)
Proforma loss per share	$ (0.93)	$ (0.29)	$ (1.43)	$ (1.04)

The weighted average estimated fair value at the date of the grant for RCI options granted for the six months ended June 30, 2002 was $10.59 (2001 - $11.21) per share. The weighted average fair value, at the date of grant, for Wireless options granted for the six months ended June 30, 2002 was $9.02 (2001 - $9.42). The theoretical fair value of each option granted was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Risk-free interest rate	5.11%	5.67%	4.80%	5.67%
Dividend yield	-	-	-	-
Volatility factor of the future expected market price of RCI's Class B Non-Voting shares	48.47%	49.19%	48.83%	49.19%
Volatility factor of the future expected market price of Wireless' Class B Restricted Voting shares	50.02%	46.69%	50.03%	46.69%
Weighted average expected life of the options	5 years	5 years	5 years	5 years

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

Cautionary Statement Regarding Forward-Looking Information

This news release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The Company cautions that actual future performance will be affected by a number of factors, including technological change, regulatory change and competitive factors, many of which are beyond the Company's control. Therefore, future events and results may vary substantially from what the Company currently foresees. The Company is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise. Important additional information identifying risks and uncertainties is contained in the Company's most recent Annual Report and Annual Information Form filed with the Ontario Securities Commission.

Percentage changes calculated based upon numbers rounded to the decimal to which they appear throughout this document.

About the Company

Rogers Communications Inc. (TSX: RCI.A and RCI.B; NYSE: RG) is Canada's national communications company, which is engaged in cable television, Internet access and video retailing through Rogers Cable Inc.; digital PCS, cellular, data communications and paging through Rogers Wireless Communications Inc. and radio, television broadcasting, televised and electronic shopping, and publishing businesses through Rogers Media Inc.

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Quarterly Conference Call

As previously announced, a live Webcast of the quarterly results conference call with the investment community will be broadcast via the Internet at www.rogers.com/webcast beginning 10:00 a.m. ETN on April 18, 2002. A re-broadcast of this call will be also available on the Webcast Archive page of the Investor Relations section of www.rogers.com for a period of at least two weeks following the call.

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