



## ROGERS COMMUNICATIONS REPORTS FIRST QUARTER 2019 RESULTS

- **Increased total service revenue and adjusted EBITDA by 3% and 7%, respectively, excluding the impact of certain baseball-related transactions**
- **Delivered strong financial and operational performance in Wireless**
  - **Grew service revenue by 4% and adjusted EBITDA by 9%**
  - **Delivered postpaid churn of 0.99%, our best postpaid churn result ever**
  - **Increased blended ABPU by 3%; increased blended ARPU by 1% driven by continued disciplined postpaid subscriber loading with 23,000 net additions**
- **Grew Cable revenue and adjusted EBITDA by 1% and 3%, respectively**
  - **Continued strong Internet revenue growth of 7% and net additions of 14,000, reflecting continued growth in Internet penetration**
- **Returned \$402 million to shareholders, including \$247 million in dividend payments and \$155 million in share repurchases through our normal course issuer bid program**
- **Secured strategic 5G-capable 600 MHz spectrum licences in every province and territory**
- **Reiterating strong financial guidance for full-year 2019**
  - **Targeted revenue growth of 3% to 5%; adjusted EBITDA growth of 7% to 9%**

TORONTO (April 18, 2019) - Rogers Communications Inc. today announced its unaudited financial and operating results for the first quarter ended March 31, 2019.

### Consolidated Financial Highlights

(In millions of Canadian dollars, except per share amounts, unaudited)	Three months ended March 31		
	2019	2018 <sup>1</sup>	% Chg
Total revenue	<b>3,587</b>	3,633	(1)
Total service revenue <sup>2,3</sup>	<b>3,143</b>	3,127	1
Adjusted EBITDA <sup>2,4</sup>	<b>1,335</b>	1,338	–
Net income	<b>391</b>	425	(8)
Adjusted net income <sup>4</sup>	<b>405</b>	477	(15)
Diluted earnings per share	<b>\$0.76</b>	\$0.80	(5)
Adjusted diluted earnings per share <sup>4</sup>	<b>\$0.78</b>	\$0.90	(13)
Cash provided by operating activities	<b>998</b>	885	13
Free cash flow <sup>5</sup>	<b>405</b>	441	(8)

<sup>1</sup> Effective January 1, 2019, we adopted IFRS 16, Leases (IFRS 16), with the ongoing impacts of this standard included in our results prospectively from that date. Our 2018 results have not been restated. See "Critical Accounting Policies and Estimates".

<sup>2</sup> Excluding the impact of the distribution from Major League Baseball in 2018, total service revenue growth would have been 3% this quarter. Excluding the impacts of the distribution from Major League Baseball and the timing of certain Toronto Blue Jays player salaries pertaining to player trades in 2019, adjusted EBITDA growth would have been 7% this quarter.

<sup>3</sup> As defined. See "Key Performance Indicators".

<sup>4</sup> As defined. See "Non-GAAP Measures". These measures should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies.

<sup>5</sup> Effective January 1, 2019, we have redefined free cash flow such that we no longer adjust for the "net change in contract asset and deferred commission cost asset balances". We have redefined free cash flow to simplify this measure and believe removing it will make us more comparable within our industry.

"In the first quarter, we delivered strong growth in service revenue and adjusted EBITDA in both Wireless and Cable. We achieved the best Wireless postpaid churn in our company's history and continued to deliver on ARPU growth," said Joe Natale, President and CEO. "These solid results are underpinned by our strong balance sheet and we used this strength to actively return cash to shareholders through the repurchase of \$155 million of shares, our first buyback since 2013. This strength also allowed us to secure strategic 5G spectrum for our customers in every province and territory. Overall, we have confidence in our long-term growth plans, and remain on track to deliver on our healthy outlook for 2019."

## Quarterly Financial Highlights

### Revenue

Total revenue decreased 1% this quarter, largely driven by 12% decreases in both Wireless equipment revenue and Media revenue. Declining Wireless equipment revenue was primarily a result of our disciplined approach to postpaid subscriber loading this quarter, whereas Media revenue decreased due to a distribution from Major League Baseball in the first quarter of 2018.

These declines were partially offset by strong service revenue growth of 4% in Wireless, where blended ARPU continued to increase year on year for the twelfth consecutive quarter, and 1% in Cable, where Internet revenue growth of 7% continued to drive this segment. Overall, total service revenue increased by 1% this quarter.

Excluding the impact of the distribution from Major League Baseball last year, total revenue and total service revenue would have remained stable and increased by 3%, respectively, this quarter.

### Adjusted EBITDA and margins

This quarter, consolidated adjusted EBITDA was stable, but we still delivered an adjusted EBITDA margin expansion of 40 basis points. Excluding the impact of certain baseball-related items, consolidated adjusted EBITDA would have increased by 7% this quarter and margin would have increased by 250 basis points from last year. The adoption of IFRS 16 has resulted in an increase in adjusted EBITDA compared to last year as we have not restated 2018 comparatives; this contributed 3 percentage points of the growth, the majority of which impacts Wireless.

Wireless adjusted EBITDA grew 9%, leading to a margin of 46.4%, an expansion of 380 basis points from last year, as a result of strong growth in Wireless service revenue and the impact of adopting IFRS 16.

Cable adjusted EBITDA increased 3% this quarter primarily from the ongoing product mix shift to higher-margin Internet services and various cost efficiencies achieved. This gave rise to a margin of 45.6% this quarter, up 90 basis points from last year.

Media adjusted EBITDA decreased by 465%, or \$107 million, this quarter primarily from lower Media revenue, as discussed above, and higher Media operating expenses as a result of the timing of player salaries pertaining to Toronto Blue Jays trades in 2019. Excluding the impact of these baseball-related items, Media adjusted EBITDA would have decreased by 25% this quarter.

### Net income and adjusted net income

Net income and adjusted net income decreased this quarter by 8% and 15%, respectively, primarily as a result of the baseball-related transactions discussed above. Excluding the impacts of these transactions, net income would have increased by 10% and adjusted net income would have remained stable.

### Substantial cash flow affords financial flexibility and supports network evolution

We continued to generate substantial cash flow from operating activities of \$998 million this quarter, up 13%, and free cash flow of \$405 million this quarter, down 8%.

Our solid financial results enable us to continue to make investments in our network and spectrum holdings, strengthen our balance sheet and liquidity, and still return substantial cash to shareholders through dividends and share repurchases. We paid \$247 million in dividends this quarter and announced a 4.2% increase to our annualized dividend rate, bringing our annualized dividend rate to \$2.00 per share. We also repurchased for cancellation 2.2 million Class B Non-Voting common shares (Class B Non-Voting Shares) for \$155 million under our normal course issuer bid (NCIB) program and ended the first quarter with a debt leverage ratio of 2.7, up from 2.5 at the end of 2018, as a result of our adoption of IFRS 16.

As a result of our financial strength, in April 2019, we secured \$1.7 billion of 600 MHz spectrum licences. We also entered into a new US\$2.2 billion (\$2.9 billion) non-revolving credit facility in April, which provides us with significant incremental available liquidity we can use to make the required payments for the spectrum licences. When factoring in the pending acquisition of these spectrum licences, our debt leverage ratio would have been 3.0 as at March 31, 2019.

## Strategic Highlights

Our six company priorities guide our work and decision-making as we further improve our operational execution and make well-timed investments to grow our core businesses and deliver increased shareholder value. Below are some highlights.

*Create best-in-class customer experiences by putting our customers first in everything we do*

- Delivered our best Wireless postpaid churn ever at 0.99%.
- Grew customer digital adoption and reduced call volume.
- Improved service levels in our call centres and reduced the average handle time for calls.

*Invest in our networks and technology to deliver leading performance and reliability*

- Secured, in April, 20-year 600 MHz spectrum licences covering all provinces and territories across the country for a total price of \$1.7 billion to give our customers the best wireless experience. This low-frequency spectrum is a critical foundation to deploy 5G technology across Canada.
- Announced a \$100 million investment to bring wireless coverage to over 1,000 kilometres of rural and remote corridors across Canada.
- Completed our first 5G data test in Toronto over a 5G-enabled network.
- Signed national master service agreements with leading real estate partners to support 5G infrastructure deployment.

*Deliver innovative solutions and compelling content that our customers will love*

- Partnered with the Aboriginal Peoples Television Network to broadcast the first-ever NHL game in Plains Cree.
- Continued accelerating engagement on our Ignite TV service with millions of voice searches for content.
- Announced the sale of our publishing division to St. Joseph Communications.

*Drive profitable growth in all the markets we serve*

- Increased total service revenue and adjusted EBITDA by 3% and 7%, respectively, excluding the impact of certain baseball-related transactions.
- Increased Wireless blended ABPU by 3% and blended ARPU by 1%.
- Repurchased 2.2 million Class B Non-Voting Shares for \$155 million.

*Develop our people and a high performance culture*

- Named to the 2019 Bloomberg Gender-Equality Index (GEI) in January 2019, which named 230 companies committed to transparency in gender reporting and advancing women's equality in the workplace.
- Recognized as one of Canada's Best Diversity Employers by MediaCorp Canada Inc. in March 2019.
- Introduced a new inclusion and diversity strategy with three-year representation targets for women in leadership, visible minorities, LGBTQ+, Indigenous peoples, and peoples with disabilities.

*Be a strong, socially responsible leader in our communities across Canada*

- Increased access to low-cost high-speed Internet through the expansion of our Connected for Success program and participating in the Government of Canada's Connecting Families initiative.
- Raised over \$180,000 for community causes across the country through fundraisers organized by Rogers Media radio stations.

## About Rogers

Rogers is a leading diversified Canadian communications and media company. We are Canada's largest provider of wireless voice and data communications services and one of Canada's leading providers of cable television, high-speed Internet and telephony services to consumers and businesses. Through Rogers Media, we are engaged in radio and television broadcasting, sports, televised and online shopping, and digital media. Our shares are publicly traded on the Toronto Stock Exchange (TSX: RCI.A and RCI.B) and on the New York Stock Exchange (NYSE: RCI).

### Investment community contact

Paul Carpino  
647.435.6470  
paul.carpino@rci.rogers.com

### Media contact

Terrie Tweddle  
647.501.8346  
terrie.tweddle@rci.rogers.com

## Quarterly Investment Community Teleconference

Our first quarter 2019 results teleconference with the investment community will be held on:

- April 18, 2019
- 8:00 a.m. Eastern Time
- webcast available at [investors.rogers.com](http://investors.rogers.com)
- media are welcome to participate on a listen-only basis

A rebroadcast will be available at [investors.rogers.com](http://investors.rogers.com) for at least two weeks following the teleconference. Additionally, investors should note that from time to time, Rogers' management presents at brokerage-sponsored investor conferences. Most often, but not always, these conferences are webcast by the hosting brokerage firm, and when they are webcast, links are made available on Rogers' website at [investors.rogers.com](http://investors.rogers.com).

## For More Information

You can find more information relating to us on our website ([investors.rogers.com](http://investors.rogers.com)), on SEDAR ([sedar.com](http://sedar.com)), and on EDGAR ([sec.gov](http://sec.gov)), or you can e-mail us at [investor.relations@rci.rogers.com](mailto:investor.relations@rci.rogers.com). Information on or connected to these and any other websites referenced in this earnings release is not part of, or incorporated into, this earnings release.

You can also go to [investors.rogers.com](http://investors.rogers.com) for information about our governance practices, corporate social responsibility reporting, a glossary of communications and media industry terms, and additional information about our business.

## About this Earnings Release

This earnings release contains important information about our business and our performance for the three months ended March 31, 2019, as well as forward-looking information about future periods. This earnings release should be read in conjunction with our First Quarter 2019 MD&A; our First Quarter 2019 Interim Condensed Consolidated Financial Statements and notes thereto, which have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB); our 2018 Annual MD&A; our 2018 Annual Audited Consolidated Financial Statements and notes thereto, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB; and our other recent filings with Canadian and US securities regulatory authorities, including our Annual Information Form, which are available on SEDAR at [sedar.com](http://sedar.com) or EDGAR at [sec.gov](http://sec.gov), respectively.

Effective January 1, 2019, we adopted the new accounting standard, IFRS 16, *Leases* (IFRS 16), that is discussed in "Critical Accounting Policies and Estimates" in this earnings release and in our First Quarter 2019 MD&A. The adoption of IFRS 16 had a significant effect on our reported results. Due to our selected transition method, we have not restated our prior year comparatives.

Effective January 1, 2019, we have redefined free cash flow, a non-GAAP measure, such that we no longer adjust for the "net change in contract asset and deferred commission cost asset balances". We have redefined free cash flow to simplify this measure and believe removing it will make us more comparable within our industry. See "Non-GAAP Measures" for more information.

For more information about Rogers, including product and service offerings, competitive market and industry trends, our overarching strategy, key performance drivers, and objectives, see "Understanding Our Business", "Our Strategy, Key Performance Drivers, and Strategic Highlights", and "Capability to Deliver Results" in our 2018 Annual MD&A. In April 2019, we sold certain assets of our publishing division, including our print and digital magazine brands, to St. Joseph Communications.

*We, us, our, Rogers, Rogers Communications, and the Company* refer to Rogers Communications Inc. and its subsidiaries. *RCI* refers to the legal entity Rogers Communications Inc., not including its subsidiaries. Rogers also holds interests in various investments and ventures.

All dollar amounts are in Canadian dollars unless otherwise stated and are unaudited. All percentage changes are calculated using the rounded numbers as they appear in the tables. Information is current as at April 17, 2019 and was approved by RCI's Board of Directors (the Board) on that date. This earnings release includes forward-looking statements and assumptions. See "About Forward-Looking Information" for more information.

In this earnings release, *this quarter, the quarter, or the first quarter* refer to the three months ended March 31, 2019, unless the context indicates otherwise. All results commentary is compared to the equivalent periods in 2018 or as at December 31, 2018, as applicable, unless otherwise indicated.

### Reportable segments

We report our results of operations in three reportable segments. Each segment and the nature of its business is as follows:

<b>Segment</b>	<b>Principal activities</b>
Wireless	Wireless telecommunications operations for Canadian consumers and businesses.
Cable	Cable telecommunications operations, including Internet, television, telephony (phone), and smart home monitoring services for Canadian consumers and businesses, and network connectivity through our fibre network and data centre assets to support a range of voice, data, networking, hosting, and cloud-based services for the business, public sector, and carrier wholesale markets.
Media	A diversified portfolio of media properties, including sports media and entertainment, television and radio broadcasting, specialty channels, multi-platform shopping, and digital media.

Wireless and Cable are operated by our wholly-owned subsidiary, Rogers Communications Canada Inc. (RCCI), and certain of our other wholly-owned subsidiaries. Media is operated by our wholly-owned subsidiary, Rogers Media Inc., and its subsidiaries.

## Summary of Consolidated Financial Results

(In millions of dollars, except margins and per share amounts)	Three months ended March 31		
	2019	2018 <sup>1</sup>	% Chg
Revenue			
Wireless	<b>2,189</b>	2,191	–
Cable	<b>976</b>	969	1
Media	<b>468</b>	532	(12)
Corporate items and intercompany eliminations	<b>(46)</b>	(59)	(22)
Revenue	<b>3,587</b>	3,633	(1)
Total service revenue <sup>2</sup>	<b>3,143</b>	3,127	1
Adjusted EBITDA <sup>3</sup>			
Wireless	<b>1,015</b>	934	9
Cable	<b>445</b>	433	3
Media	<b>(84)</b>	23	n/m
Corporate items and intercompany eliminations	<b>(41)</b>	(52)	(21)
Adjusted EBITDA	<b>1,335</b>	1,338	–
Adjusted EBITDA margin <sup>3</sup>	<b>37.2%</b>	36.8%	0.4pts
Net income	<b>391</b>	425	(8)
Basic earnings per share	<b>\$0.76</b>	\$0.83	(8)
Diluted earnings per share	<b>\$0.76</b>	\$0.80	(5)
Adjusted net income <sup>3</sup>	<b>405</b>	477	(15)
Adjusted basic earnings per share <sup>3</sup>	<b>\$0.79</b>	\$0.93	(15)
Adjusted diluted earnings per share <sup>3</sup>	<b>\$0.78</b>	\$0.90	(13)
Capital expenditures	<b>617</b>	605	2
Cash provided by operating activities	<b>998</b>	885	13
Free cash flow <sup>3,4</sup>	<b>405</b>	441	(8)

n/m - not meaningful

<sup>1</sup> Effective January 1, 2019, we adopted IFRS 16, with the ongoing impacts of this standard included in our results prospectively from that date. Our 2018 results have not been restated. See "Critical Accounting Policies and Estimates".

<sup>2</sup> As defined. See "Key Performance Indicators".

<sup>3</sup> Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic and diluted earnings per share, and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

<sup>4</sup> 2018 free cash flow has been restated. See "Managing our Liquidity and Financial Resources" for more information.

## Results of our Reportable Segments

### WIRELESS

#### Wireless Financial Results

(In millions of dollars, except margins)	Three months ended March 31		
	2019	2018	% Chg
Revenue			
Service revenue	<b>1,747</b>	1,687	4
Equipment revenue	<b>442</b>	504	(12)
Revenue	<b>2,189</b>	2,191	–
Operating expenses			
Cost of equipment	<b>501</b>	561	(11)
Other operating expenses	<b>673</b>	696	(3)
Operating expenses	<b>1,174</b>	1,257	(7)
Adjusted EBITDA	<b>1,015</b>	934	9
Adjusted EBITDA margin	<b>46.4%</b>	42.6%	3.8pts
Capital expenditures	<b>282</b>	260	8

#### Wireless Subscriber Results <sup>1</sup>

(In thousands, except churn, blended ABPU, and blended ARPU)	Three months ended March 31		
	2019	2018	Chg
Postpaid			
Gross additions	<b>295</b>	377	(82)
Net additions	<b>23</b>	95	(72)
Total postpaid subscribers <sup>2</sup>	<b>9,180</b>	8,799	381
Churn (monthly)	<b>0.99%</b>	1.08%	(0.09pts)
Prepaid			
Gross additions	<b>171</b>	163	8
Net losses	<b>(56)</b>	(60)	4
Total prepaid subscribers <sup>2</sup>	<b>1,570</b>	1,718	(148)
Churn (monthly)	<b>4.69%</b>	4.24%	0.45pts
Blended ABPU (monthly)	<b>\$64.62</b>	\$62.67	\$1.95
Blended ARPU (monthly)	<b>\$54.13</b>	\$53.68	\$0.45

<sup>1</sup> Subscriber counts, subscriber churn, blended ABPU, and blended ARPU are key performance indicators. See "Key Performance Indicators".

<sup>2</sup> As at end of period.

#### Service revenue

The 4% increase in service revenue this quarter was a result of:

- a larger postpaid subscriber base; and
- 1% increase in blended ARPU this quarter, primarily due to the increased mix of subscribers on higher-rate plans from our various brands.

The 3% increase in blended ABPU this quarter was a result of the increased service revenue as described above.

Gross postpaid subscriber additions this quarter were 295,000 and net postpaid subscriber additions were 23,000. The decreases in these figures from the same period last year were a result of our disciplined approach around subscriber base management and an overall softness in the market this quarter compared to last year. We believe the lower postpaid churn this quarter was a result of our strategic focus on enhancing the customer experience by improving our customer service and continually increasing the quality of our network.

**Equipment revenue**

The 12% decrease in equipment revenue this quarter was a result of:

- a decrease in device upgrades by existing subscribers; and
- the decrease in gross postpaid subscriber additions described above.

**Operating expenses***Cost of equipment*

The 11% decrease in the cost of equipment this quarter was a result of:

- the decreases in device upgrades by existing subscribers and gross postpaid additions, as discussed above; partially offset by
- a shift in the product mix of device sales towards higher-cost smartphones.

*Other operating expenses*

The 3% decrease in other operating expenses this quarter was primarily a result of the impact of the adoption of IFRS 16.

**Adjusted EBITDA**

The 9% increase in adjusted EBITDA this quarter was a result of the revenue and expense changes discussed above.



## CABLE

### Cable Financial Results

(In millions of dollars, except margins)	Three months ended March 31		
	2019	2018	% Chg
Revenue			
Internet	541	506	7
Television	357	365	(2)
Phone	76	96	(21)
Service revenue	974	967	1
Equipment revenue	2	2	–
Revenue	976	969	1
Operating expenses			
Cost of equipment	5	5	–
Other operating expenses	526	531	(1)
Operating expenses	531	536	(1)
Adjusted EBITDA	445	433	3
Adjusted EBITDA margin	45.6%	44.7%	0.9pts
Capital expenditures	289	297	(3)

### Cable Subscriber Results <sup>1</sup>

(In thousands)	Three months ended March 31		
	2019	2018	Chg
Internet			
Net additions	14	26	(12)
Total Internet subscribers <sup>2</sup>	2,444	2,347	97
Television			
Net losses	(28)	(12)	(16)
Total Television subscribers <sup>2</sup>	1,657	1,728	(71)
Phone			
Net (losses) additions	(10)	9	(19)
Total Phone subscribers <sup>2</sup>	1,106	1,117	(11)
Homes passed <sup>2</sup>	4,381	4,327	54
Total service units <sup>3</sup>			
Net (losses) additions	(24)	23	(47)
Total service units <sup>2</sup>	5,207	5,192	15

<sup>1</sup> Subscriber counts are key performance indicators. See "Key Performance Indicators".

<sup>2</sup> As at end of period.

<sup>3</sup> Includes Internet, Television, and Phone.

### Revenue

The 1% increase in revenue this quarter was a result of:

- the movement of Internet customers to higher speed and usage tiers;
- the impact of service pricing changes; and
- a larger Internet subscriber base; partially offset by
- promotional pricing provided to subscribers; and
- a lower subscriber base for our Television products.

**Internet revenue**

The 7% increase in Internet revenue this quarter was a result of:

- the impact of Internet service pricing changes;
- general movement of customers to higher speed and usage tiers of our Internet offerings; and
- a larger Internet subscriber base; partially offset by
- promotional pricing provided to subscribers.

**Television revenue**

The 2% decrease in Television revenue this quarter was a result of:

- the decline in Television subscribers over the past year; partially offset by
- new Ignite TV subscribers; and
- the impact of Television service pricing changes, net of promotional pricing provided to subscribers.

**Phone revenue**

The 21% decrease in Phone revenue this quarter was primarily a result of new bundled pricing constructs that provide a larger Phone discount.

**Operating expenses**

The 1% decrease in operating expenses this quarter was a result of the impact of the adoption of IFRS 16.

**Adjusted EBITDA**

The 3% increase in adjusted EBITDA this quarter was a result of the revenue and expense changes discussed above.

## MEDIA

### Media Financial Results

(In millions of dollars, except margins)	Three months ended March 31		
	2019	2018	% Chg
Revenue	<b>468</b>	532	(12)
Operating expenses	<b>552</b>	509	8
Adjusted EBITDA	<b>(84)</b>	23	n/m
Adjusted EBITDA margin	<b>(17.9)%</b>	4.3%	(22.2pts)
Capital expenditures	<b>22</b>	15	47

#### Revenue

The 12% decrease in revenue this quarter was a result of a prior year Major League Baseball distribution to the Toronto Blue Jays. Excluding the impact of the Major League Baseball distribution, Media revenue would have been stable year on year.

#### Operating expenses

The 8% increase in operating expenses this quarter was a result of:

- the timing of player salaries pertaining to Toronto Blue Jays player trades that otherwise would have been incurred throughout the regular season; and
- higher programming costs.

#### Adjusted EBITDA

The decrease in adjusted EBITDA this quarter was a result of the revenue and expense changes discussed above. Excluding the impact of the baseball-related transactions discussed above, Media adjusted EBITDA would have decreased by 25% this quarter.

#### Other Media developments

In April 2019, we sold certain assets of our publishing division, including our print and digital magazine brands, to St. Joseph Communications.

## CAPITAL EXPENDITURES

(In millions of dollars, except capital intensity)	Three months ended March 31		
	2019	2018	% Chg
Capital expenditures <sup>1</sup>			
Wireless	282	260	8
Cable	289	297	(3)
Media	22	15	47
Corporate	24	48	(50)
Capital expenditures before proceeds on disposition	617	620	–
Proceeds on disposition	–	(15)	(100)
Capital expenditures <sup>1</sup>	617	605	2
Capital intensity <sup>2</sup>	17.2%	16.7%	0.5pts

<sup>1</sup> Includes additions to property, plant and equipment net of proceeds on disposition, but does not include expenditures for spectrum licences or additions to right-of-use assets.

<sup>2</sup> As defined. See "Key Performance Indicators".

### Wireless

The increase in capital expenditures in Wireless this quarter was a result of investments made to upgrade our wireless network to continue delivering reliable performance for our customers. We have continued augmenting our existing LTE network with 4.5G technology investments that are also 5G-ready.

### Cable

The decrease in capital expenditures in Cable this quarter was a result of lower investments in customer premise equipment, partially offset by greater investments in information technology and our network. We continued upgrading our hybrid fibre-coaxial infrastructure with additional fibre deployments and further DOCSIS technology enhancements. These deployments and enhancements will help deliver more bandwidth and an even more reliable customer experience.

### Media

The increase in capital expenditures in Media this quarter was a result of higher investments in our broadcast infrastructure and the Rogers Centre.

### Corporate

The decrease in capital expenditures in Corporate this quarter was a result of higher investments in information technology in 2018.

### Capital intensity

Capital intensity increased this quarter as a result of higher capital expenditures, as discussed above, and lower total revenue.

## Regulatory Developments

See our 2018 Annual MD&A for a discussion of the significant regulations that affected our operations as at March 6, 2019. The following is the significant regulatory development since that date.

### 600 MHz spectrum licence band

Innovation, Science and Economic Development Canada's 600 MHz wireless spectrum licence auction began on March 12, 2019, and ended on April 4, 2019. The results were publicly released on April 10, 2019. Twelve companies participated in the auction and 104 of 112 licences were awarded to nine of those participants, with a total value of \$3.5 billion. We acquired 52 licences at a cost of \$1.7 billion. We will take possession of these licences in the second quarter of 2019, after making payment for the licences and passing Canadian Ownership and Control review.

## Critical Accounting Policies and Estimates

See our 2018 Annual MD&A and our 2018 Annual Audited Consolidated Financial Statements and notes thereto for a discussion of the accounting policies and estimates that are critical to the understanding of our business operations and the results of our operations.

### New accounting pronouncements adopted in 2019

#### IFRS 16

Effective January 1, 2019, we adopted IFRS 16, which supersedes previous accounting standards for leases, including IAS 17, *Leases* (IAS 17) and IFRIC 4, *Determining whether an arrangement contains a lease* (IFRIC 4).

IFRS 16 introduced a single accounting model for lessees unless the underlying asset is of low value. A lessee is required to recognize, on its statement of financial position, a right-of-use asset, representing its right to use the underlying leased asset, and a lease liability, representing its obligation to make lease payments. As a result of adopting IFRS 16, we have recognized a significant increase to both assets and liabilities on our Consolidated Statements of Financial Position, as well as a decrease to operating costs (for the removal of rent expense for leases), an increase to depreciation and amortization (due to depreciation of the right-of-use asset), and an increase to finance costs (due to accretion of the lease liability). The accounting treatment for lessors remains largely the same as under IAS 17.

We adopted IFRS 16 with the cumulative effect of initial application recognized as an adjustment to retained earnings within shareholders' equity on January 1, 2019. We have not restated comparatives for 2018. At transition, we applied the practical expedient available to us as lessee that allows us to maintain our lease assessments made under IAS 17 and IFRIC 4 for existing contracts. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed after January 1, 2019.

For leases that were classified as operating leases under IAS 17, lease liabilities at transition have been measured at the present value of remaining lease payments, discounted at the related incremental borrowing rate as at January 1, 2019. Generally, right-of-use assets at transition have been measured at an amount equal to the corresponding lease liabilities, adjusted for any prepaid or accrued rent relating to that lease. For certain leases where we have readily available information, we have elected to measure the right-of-use assets at their carrying amounts as if IFRS 16 had been applied since the lease commencement date using the related incremental borrowing rate for the remaining lease period as at January 1, 2019.

When applying IFRS 16 to leases previously classified as operating leases, the following practical expedients were available to us. We have:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- excluded initial direct costs from measuring the right-of-use asset as at January 1, 2019;
- used hindsight in determining the lease term where the contract contains purchase, extension, or termination options; and
- relied upon our assessment of whether leases are onerous under the requirements of IAS 37, *Provisions, contingent liabilities and contingent assets* as at December 31, 2018 as an alternative to reviewing our right-of-use assets for impairment.

We have elected to not separate fixed non-lease components from lease components and instead account for each lease component and associated fixed non-lease components as a single lease component. On transition, we have not elected the recognition exemptions on short-term leases or low-value leases; however, we may choose to elect the recognition exemptions on a class-by-class basis for new classes, and lease-by-lease basis, respectively, in the future.

There was no significant impact for contracts in which we are the lessor.

## Effect of IFRS 16 Transition

Below is a summary of the IFRS 16 adjustments on certain key financial metrics from our Consolidated Statement of Financial Position as at January 1, 2019.

(in millions of dollars)	Reference	As reported as at December 31, 2018	Effect of IFRS 16 transition	Subsequent to transition as at January 1, 2019
Assets				
Current assets:				
Other current assets		436	(23)	413
Remainder of current assets		4,452	–	4,452
<b>Total current assets</b>		<b>4,888</b>	<b>(23)</b>	<b>4,865</b>
Property, plant and equipment				
Property, plant and equipment	<i>i</i>	11,780	1,481	13,261
Remainder of long-term assets		15,250	–	15,250
<b>Total assets</b>		<b>31,918</b>	<b>1,458</b>	<b>33,376</b>
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable and accrued liabilities		3,052	(55)	2,997
Current portion of lease liabilities	<i>i</i>	–	190	190
Remainder of current liabilities		3,784	–	3,784
<b>Total current liabilities</b>		<b>6,836</b>	<b>135</b>	<b>6,971</b>
Lease liabilities	<i>i</i>	–	1,355	1,355
Deferred tax liabilities		2,910	(9)	2,901
Remainder of long-term liabilities		13,993	–	13,993
<b>Total liabilities</b>		<b>23,739</b>	<b>1,481</b>	<b>25,220</b>
Shareholders' equity		8,179	(23)	8,156
<b>Total liabilities and shareholders' equity</b>		<b>31,918</b>	<b>1,458</b>	<b>33,376</b>

### i) Right-of-use assets and lease liabilities

We have recorded a right-of-use asset and a lease liability for all existing leases at the lease commencement date, which is January 1, 2019 for the purposes of our adoption. The lease liability has been initially measured at the present value of lease payments that remain to be paid at the commencement date. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that we are reasonably certain to exercise, lease payments in an optional renewal period if we are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless we are reasonably certain not to terminate early.

After transition, the right-of-use asset will initially be measured at cost, consisting of:

- the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or restore the site on which it is located; less
- any lease incentives received.

The right-of-use asset will typically be depreciated on a straight-line basis over the lease term, unless we expect to obtain ownership of the leased asset at the end of the lease. The lease term will consist of:

- the non-cancellable period of the lease;
- periods covered by options to extend the lease, where we are reasonably certain to exercise the option; and
- periods covered by options to terminate the lease, where we are reasonably certain not to exercise the option.

## Financial Guidance

There are no changes at this time to the consolidated guidance ranges for revenue, adjusted EBITDA, free cash flow, or capital expenditures, which were provided on January 24, 2019. See "About Forward-Looking Information" in this earnings release and "Financial and Operating Guidance" in our 2018 Annual MD&A. Adjusted EBITDA and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. They are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

## Key Performance Indicators

We measure the success of our strategy using a number of key performance indicators that are defined and discussed in our 2018 Annual MD&A and our First Quarter 2019 MD&A. We believe these key performance indicators allow us to appropriately measure our performance against our operating strategy and against the results of our peers and competitors. The following key performance indicators are not measurements in accordance with IFRS and should not be considered alternatives to net income or any other measure of performance under IFRS. They include:

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

## Non-GAAP Measures

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

Non-GAAP measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted EBITDA  Adjusted EBITDA margin	<ul style="list-style-type: none"> <li>To evaluate the performance of our businesses, and when making decisions about the ongoing operations of the business and our ability to generate cash flows.</li> <li>We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and to meet other payment obligations.</li> <li>We also use it as one component in determining short-term incentive compensation for all management employees.</li> </ul>	<p>Adjusted EBITDA: Net income add (deduct) income tax expense (recovery); finance costs; depreciation and amortization; other expense (income); restructuring, acquisition and other; and loss (gain) on disposition of property, plant and equipment.</p> <p>Adjusted EBITDA margin: Adjusted EBITDA divided by revenue.</p>	Net income
Adjusted net income  Adjusted basic and diluted earnings per share	<ul style="list-style-type: none"> <li>To assess the performance of our businesses before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply that they are non-recurring.</li> </ul>	<p>Adjusted net income: Net income add (deduct) restructuring, acquisition and other; loss (recovery) on sale or wind down of investments; loss (gain) on disposition of property, plant and equipment; (gain) on acquisitions; loss on non-controlling interest purchase obligations; loss on repayment of long-term debt; loss on bond forward derivatives; and income tax adjustments on these items, including adjustments as a result of legislative changes.</p> <p>Adjusted basic and diluted earnings per share: Adjusted net income and adjusted net income including the dilutive effect of stock-based compensation divided by basic and diluted weighted average shares outstanding.</p>	Net income  Basic and diluted earnings per share
Free cash flow <sup>1</sup>	<ul style="list-style-type: none"> <li>To show how much cash we have available to repay debt and reinvest in our company, which is an important indicator of our financial strength and performance.</li> <li>We believe that some investors and analysts use free cash flow to value a business and its underlying assets.</li> </ul>	Adjusted EBITDA deduct capital expenditures; interest on borrowings net of capitalized interest; and cash income taxes.	Cash provided by operating activities
Adjusted net debt	<ul style="list-style-type: none"> <li>To conduct valuation-related analysis and make decisions about capital structure.</li> <li>We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage.</li> </ul>	Total long-term debt add (deduct) current portion of long-term debt; deferred transaction costs and discounts; net debt derivative (assets) liabilities; credit risk adjustment related to net debt derivatives; current portion of lease liabilities; lease liabilities; bank advances (cash and cash equivalents); and short-term borrowings.	Long-term debt
Debt leverage ratio	<ul style="list-style-type: none"> <li>To conduct valuation-related analysis and make decisions about capital structure.</li> <li>We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage.</li> </ul>	Adjusted net debt (defined above) divided by 12-month trailing adjusted EBITDA (defined above).	Long-term debt divided by net income

<sup>1</sup> Effective January 1, 2019, we redefined free cash flow such that we no longer adjust for the "net change in contract asset and deferred commission cost asset balances". We redefined free cash flow to simplify this measure and we believe removing it will make us more comparable within our industry.



## Reconciliation of adjusted EBITDA

(In millions of dollars)	Three months ended March 31	
	2019	2018
Net income	391	425
Add:		
Income tax expense	139	141
Finance costs	189	219
Depreciation and amortization	609	544
EBITDA	1,328	1,329
Add (deduct):		
Other income	(13)	(23)
Restructuring, acquisition and other	20	43
Gain on disposition of property, plant and equipment	–	(11)
Adjusted EBITDA	1,335	1,338

## Reconciliation of adjusted EBITDA margin

(In millions of dollars, except margins)	Three months ended March 31	
	2019	2018
Adjusted EBITDA	1,335	1,338
Divided by: total revenue	3,587	3,633
Adjusted EBITDA margin	37.2%	36.8%

## Reconciliation of adjusted net income

(In millions of dollars)	Three months ended March 31	
	2019	2018
Net income	391	425
Add (deduct):		
Restructuring, acquisition and other	20	43
Loss on repayment of long-term debt	–	28
Gain on disposition of property, plant and equipment	–	(11)
Income tax impact of above items	(6)	(8)
Adjusted net income	405	477

## Reconciliation of adjusted earnings per share

(In millions of dollars, except per share amounts; number of shares outstanding in millions)	Three months ended March 31	
	2019	2018
Adjusted basic earnings per share:		
Adjusted net income	405	477
Divided by:		
Weighted average number of shares outstanding	514	515
Adjusted basic earnings per share	<b>\$0.79</b>	\$0.93
Adjusted diluted earnings per share:		
Diluted adjusted net income	405	464
Divided by:		
Diluted weighted average number of shares outstanding	516	516
Adjusted diluted earnings per share	<b>\$0.78</b>	\$0.90

## Reconciliation of free cash flow

(In millions of dollars)	Three months ended March 31	
	2019	2018 (restated) <sup>1</sup>
Cash provided by operating activities	998	885
Add (deduct):		
Capital expenditures	(617)	(605)
Interest on borrowings, net of capitalized interest	(168)	(182)
Restructuring, acquisition and other	20	43
Interest paid	220	238
Program rights amortization	(19)	(14)
Net change in contract asset balances	9	69
Change in non-cash operating working capital items	13	21
Other adjustments	(51)	(14)
Free cash flow	<b>405</b>	441

<sup>1</sup> Effective January 1, 2019, we have redefined free cash flow such that we no longer adjust for the "net change in contract asset and deferred commission cost asset balances". We have redefined free cash flow to simplify this measure and believe removing it will make us more comparable within our industry.

## Reconciliation of adjusted net debt and debt leverage ratio

	As at March 31	As at January 1	As at December 31
(In millions of dollars)	<b>2019</b>	2019	2018
Current portion of long-term debt	<b>500</b>	900	900
Long-term debt	<b>13,224</b>	13,390	13,390
Deferred transaction costs and discounts	<b>111</b>	114	114
	<b>13,835</b>	14,404	14,404
Add (deduct):			
Net debt derivative assets	<b>(1,059)</b>	(1,373)	(1,373)
Credit risk adjustment related to net debt derivative assets	<b>(45)</b>	(75)	(75)
Short-term borrowings	<b>2,648</b>	2,255	2,255
Current portion of lease liabilities	<b>187</b>	190	–
Lease liabilities	<b>1,371</b>	1,355	–
Cash and cash equivalents	<b>(264)</b>	(405)	(405)
Adjusted net debt	<b>16,673</b>	16,351	14,806
	<b>2019</b>	2019	2018
(In millions of dollars, except ratios)	<b>2019</b>	2019	2018
Adjusted net debt	<b>16,673</b>	16,351	14,806
Divided by: trailing 12-month adjusted EBITDA	<b>6,109</b>	6,157	5,983
Debt leverage ratio	<b>2.7</b>	2.7	2.5

As a result of our adoption of IFRS 16 effective January 1, 2019, we have modified our definition of adjusted net debt such that it now includes the total of "current portion of lease liabilities" and "lease liabilities". We believe adding total lease liabilities to adjusted net debt is appropriate as they reflect payments to which we are contractually committed and the related payments have been removed from our calculation of adjusted EBITDA due to the accounting change.

Additionally, as we have not restated comparative periods prior to 2019 due to our transition method, we have calculated the debt leverage ratio as at March 31, 2019 using pro forma adjusted EBITDA for the nine months ended December 31, 2018 to remove rent expense as if we had adopted IFRS 16 retrospectively. Calculating debt leverage ratio as at January 1, 2019 using pro forma adjusted EBITDA for the full-year 2018 yields a ratio of 2.7, showing no change in the sequential period ended March 31, 2019. As the lease liabilities are included in adjusted net debt, we believe this adjustment provides a more meaningful and consistent basis on which to determine debt leverage ratio.

**Rogers Communications Inc.**  
**Interim Condensed Consolidated Statements of Income**  
(In millions of dollars, except per share amounts, unaudited)

	Three months ended March 31	
	<b>2019</b>	2018
Revenue	<b>3,587</b>	3,633
Operating expenses:		
Operating costs	<b>2,252</b>	2,295
Depreciation and amortization	<b>609</b>	544
Gain on disposition of property, plant and equipment	–	(11)
Restructuring, acquisition and other	<b>20</b>	43
Finance costs	<b>189</b>	219
Other income	<b>(13)</b>	(23)
Income before income tax expense	<b>530</b>	566
Income tax expense	<b>139</b>	141
Net income for the period	<b>391</b>	425
Earnings per share:		
Basic	<b>\$0.76</b>	\$0.83
Diluted	<b>\$0.76</b>	\$0.80

**Rogers Communications Inc.**  
**Interim Condensed Consolidated Statements of Financial Position**  
(In millions of dollars, unaudited)

	As at March 31	As at January 1	As at December 31
	<b>2019</b>	2019	2018
Assets			
Current assets:			
Cash and cash equivalents	<b>264</b>	405	405
Accounts receivable	<b>2,088</b>	2,259	2,259
Inventories	<b>462</b>	466	466
Current portion of contract assets	<b>1,081</b>	1,052	1,052
Other current assets	<b>411</b>	413	436
Current portion of derivative instruments	<b>201</b>	270	270
<b>Total current assets</b>	<b>4,507</b>	4,865	4,888
Property, plant and equipment	<b>13,327</b>	13,261	11,780
Intangible assets	<b>7,188</b>	7,205	7,205
Investments	<b>2,458</b>	2,134	2,134
Derivative instruments	<b>1,119</b>	1,339	1,339
Contract assets	<b>515</b>	535	535
Other long-term assets	<b>134</b>	132	132
Goodwill	<b>3,905</b>	3,905	3,905
<b>Total assets</b>	<b>33,153</b>	33,376	31,918
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings	<b>2,648</b>	2,255	2,255
Accounts payable and accrued liabilities	<b>2,693</b>	2,997	3,052
Income tax payable	<b>193</b>	177	177
Other current liabilities	<b>139</b>	132	132
Contract liabilities	<b>282</b>	233	233
Current portion of long-term debt	<b>500</b>	900	900
Current portion of derivative instruments	<b>134</b>	87	87
Current portion of lease liabilities	<b>187</b>	190	–
<b>Total current liabilities</b>	<b>6,776</b>	6,971	6,836
Provisions	<b>36</b>	35	35
Long-term debt	<b>13,224</b>	13,390	13,390
Derivative instruments	<b>87</b>	22	22
Lease liabilities	<b>1,371</b>	1,355	–
Other long-term liabilities	<b>529</b>	546	546
Deferred tax liabilities	<b>2,863</b>	2,901	2,910
<b>Total liabilities</b>	<b>24,886</b>	25,220	23,739
Shareholders' equity	<b>8,267</b>	8,156	8,179
<b>Total liabilities and shareholders' equity</b>	<b>33,153</b>	33,376	31,918

**Rogers Communications Inc.**  
**Interim Condensed Consolidated Statements of Cash Flows**  
(In millions of dollars, unaudited)

	Three months ended March 31	
	2019	2018
Operating activities:		
Net income for the period	391	425
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	609	544
Program rights amortization	19	14
Finance costs	189	219
Income tax expense	139	141
Post-employment benefits contributions, net of expense	8	17
Gain on disposition of property, plant and equipment	-	(11)
Net change in contract asset balances	(9)	(69)
Other	30	(26)
Cash provided by operating activities before changes in non-cash working capital items, income taxes paid, and interest paid	1,376	1,254
Change in non-cash operating working capital items	(13)	(21)
Cash provided by operating activities before income taxes paid and interest paid	1,363	1,233
Income taxes paid	(145)	(110)
Interest paid	(220)	(238)
Cash provided by operating activities	998	885
Investing activities:		
Capital expenditures	(617)	(605)
Additions to program rights	(7)	(6)
Changes in non-cash working capital related to capital expenditures and intangible assets	(107)	(138)
Other	(3)	10
Cash used in investing activities	(734)	(739)
Financing activities:		
Net proceeds received (repayments) on short-term borrowings	430	(848)
Net (repayment) issuance of long-term debt	(400)	938
Net payments on settlement of debt derivatives and forward contracts	(11)	(16)
Principal payments of lease liabilities	(41)	-
Transaction costs incurred	-	(16)
Repurchase of Class B Non-Voting Shares	(136)	-
Dividends paid	(247)	(247)
Cash used in financing activities	(405)	(189)
Change in cash and cash equivalents	(141)	(43)
Cash and cash equivalents (bank advances), beginning of period	405	(6)
Cash and cash equivalents (bank advances), end of period	264	(49)

## About Forward-Looking Information

This earnings release includes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws (collectively, "forward-looking information"), and assumptions about, among other things, our business, operations, and financial performance and condition approved by our management on the date of this earnings release. This forward-looking information and these assumptions include, but are not limited to, statements about our objectives and strategies to achieve those objectives, and about our beliefs, plans, expectations, anticipations, estimates, or intentions.

### Forward-looking information

- typically includes words like *could*, *expect*, *may*, *anticipate*, *assume*, *believe*, *intend*, *estimate*, *plan*, *project*, *guidance*, *outlook*, *target*, and similar expressions, although not all forward-looking information includes them;
- includes conclusions, forecasts, and projections that are based on our current objectives and strategies and on estimates, expectations, assumptions, and other factors, most of which are confidential and proprietary and that we believe to have been reasonable at the time they were applied but may prove to be incorrect; and
- was approved by our management on the date of this earnings release.

Our forward-looking information includes forecasts and projections related to the following items, some of which are non-GAAP measures (see "Non-GAAP Measures"), among others:

- revenue;
- total service revenue;
- adjusted EBITDA;
- capital expenditures;
- cash income tax payments;
- free cash flow;
- dividend payments;
- the growth of new products and services;
- expected growth in subscribers and the services to which they subscribe;
- the cost of acquiring and retaining subscribers and deployment of new services;
- continued cost reductions and efficiency improvements;
- traction against our debt leverage ratio; and
- all other statements that are not historical facts.

Our conclusions, forecasts, and projections are based on the following factors, among others:

- general economic and industry growth rates;
- currency exchange rates and interest rates;
- product pricing levels and competitive intensity;
- subscriber growth;
- pricing, usage, and churn rates;
- changes in government regulation;
- technology deployment;
- availability of devices;
- timing of new product launches;
- content and equipment costs;
- the integration of acquisitions; and
- industry structure and stability.

Except as otherwise indicated, this earnings release and our forward-looking information do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations, or other transactions that may be considered or announced or may occur after the date on which the statement containing the forward-looking information is made.

### Risks and uncertainties

Actual events and results can be substantially different from what is expressed or implied by forward-looking information as a result of risks, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:

- regulatory changes;
- technological changes;
- economic conditions;
- unanticipated changes in content or equipment costs;
- changing conditions in the entertainment, information, and communications industries;
- the integration of acquisitions;
- litigation and tax matters;
- the level of competitive intensity;
- the emergence of new opportunities; and
- new interpretations and new accounting standards from accounting standards bodies.

These factors can also affect our objectives, strategies, and intentions. Many of these factors are beyond our control or our current expectations or knowledge. Should one or more of these risks, uncertainties, or other factors materialize, our objectives, strategies, or intentions change, or any other factors or assumptions underlying the forward-looking information prove incorrect, our actual results and our plans could vary significantly from what we currently foresee.

Accordingly, we warn investors to exercise caution when considering statements containing forward-looking information and caution them that it would be unreasonable to rely on such statements as creating legal rights regarding our future results or plans. We are under no obligation (and we expressly disclaim any such obligation) to update or alter any statements containing forward-looking information or the factors or assumptions underlying them, whether as a result of new information, future events, or otherwise, except as required by law. All of the forward-looking information in this earnings release is qualified by the cautionary statements herein.

**Before making an investment decision**

Before making any investment decisions and for a detailed discussion of the risks, uncertainties, and environment associated with our business, fully review the sections of our First Quarter 2019 MD&A entitled "Updates to Risks and Uncertainties" and "Regulatory Developments" and fully review the sections in our 2018 Annual MD&A entitled "Regulation in Our Industry" and "Governance and Risk Management", as well as our various other filings with Canadian and US securities regulators, which can be found at [sedar.com](http://sedar.com) and [sec.gov](http://sec.gov), respectively. Information on or connected to our website is not part of or incorporated into this earnings release.

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