



ROGERS COMMUNICATIONS REPORTS SECOND QUARTER 2020 RESULTS

- **World-class networks and a strong balance sheet position Rogers Communications well as Canadians move through COVID-19 phases**
 - **Awarded best wireless network in Canada for second year in a row by umlaut; ranked number one in the Canada Wireless Network Quality Study by J.D. Power in the West and Ontario**
- **Liquidity position of \$5.4 billion; free cash flow of \$468 million, including increased bad debt provision of \$90 million**
- **Rogers Infinite™ unlimited data plans now at approximately 1.9 million total subscribers, up 36% in 2020**
 - **Monthly postpaid churn of 0.77%**
 - **Wireless results reflect full quarter impact of COVID-19 economic shutdown**
 - **Postpaid subscribers flat; majority of retail locations remained closed**
 - **Service revenue down 13%, adjusted EBITDA down 19%**
- **Cable results include 5,000 net new Internet subscribers and 18,000 net new Ignite TV™ subscribers despite significantly reduced consumer activity**
 - **Revenue down 3%, adjusted EBITDA down 5%**
- **Media results reflect continued suspension of live professional sports broadcasting**
- **Paid \$252 million in dividends and declared a quarterly dividend of \$0.50 per share**

TORONTO (July 22, 2020) - Rogers Communications Inc. today announced its unaudited financial and operating results for the second quarter ended June 30, 2020.

Consolidated Financial Highlights

(In millions of Canadian dollars, except per share amounts, unaudited)	Three months ended June 30			Six months ended June 30		
	2020	2019	% Chg	2020	2019	% Chg
Total revenue	3,155	3,780	(17)	6,571	7,367	(11)
Total service revenue ¹	2,797	3,345	(16)	5,846	6,488	(10)
Adjusted EBITDA ²	1,294	1,635	(21)	2,629	2,970	(11)
Net income	279	591	(53)	631	982	(36)
Adjusted net income ²	310	597	(48)	677	1,002	(32)
Diluted earnings per share	\$0.54	\$1.15	(53)	\$1.21	\$1.90	(36)
Adjusted diluted earnings per share ²	\$0.60	\$1.16	(48)	\$1.30	\$1.94	(33)
Cash provided by operating activities	1,429	1,057	35	2,388	2,055	16
Free cash flow ²	468	609	(23)	930	1,014	(8)

¹ As defined. See "Key Performance Indicators".

² As defined. See "Non-GAAP Measures and Related Performance 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.

"As we expected, our second quarter results reflect the economic pressures we saw in our business as Canadians adapted to the challenges of COVID-19. As Canada's business environment slowly improves, we will rely on our strong balance sheet, world-class networks, and leading market share position to support long-term growth and drive shareholder value," said Joe Natale, President and CEO. "We remain steadfast in our focus on maintaining our solid financial position, advancing our strategic priorities and investments, and delivering value to shareholders. Our priorities in the second half of the year are to drive the competitive benefits and efficiencies from the customer-first and digital initiatives we have accelerated during the pandemic, and to resume growth across our businesses as more of the Canadian economy opens up."

Operating Environment and Strategic Highlights

The COVID-19 pandemic (COVID-19) continues to significantly impact Canadians and economies around the world. As an essential service provider during this time, it is of utmost importance to ensure our customers remain connected to the people in their lives and that our customers and employees remain safe. In March, we took swift action to ensure our customers and employees remain safe and healthy during the pandemic, including temporarily closing the majority of our retail stores across Canada and enabling most of our employees to work from home. We also took steps to ensure our customers could stay connected to the world around them, such as providing additional free services (including a rotating selection of premium television channels) and waiving certain fees (including pay-per-use international roaming fees and long distance voice calling fees), and that our networks remain operational, including adding capacity and managing traffic.

This quarter, we also implemented compensation- and health and safety-related programs to help our employees get through this challenging time, including ensuring a minimum compensation level even when employees were unable to work and premium pay in certain areas of our business during this exceptional time. We also launched several community-focused activities and events, and as provinces relaxed certain public health restrictions, we began reopening certain retail stores where we could appropriately implement public health requirements. Meanwhile, we began preparing for the return of live sports, which were suspended in March. While COVID-19 continues to have a significant worldwide impact, we remain confident we have the right team, a strong balance sheet, and world-class networks that will allow us to get through the pandemic having maintained our long-term focus on growth and doing the right thing for our customers.

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

- Increased digital adoption; decreased calls to our customer care agents by over 20%.
- Moved to 100% Canadian-based customer care agents as part of a multi-year plan to improve the customer experience and do the right thing for Canada.
- Launched Blitzz, a remote visual assistance tool, with our technical support team to enable prompt virtual assistance and reduce the need to deploy field technicians for installation and service calls.

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

- Recently awarded best wireless network in Canada for the second year in a row by umlaut, the global leader in mobile network benchmarking.
- In April, ranked number one in the Canada Wireless Network Quality Study by J.D. Power in the West and Ontario.
- Partnered with the University of British Columbia and the City of Kelowna to launch Canada's first 5G pilot of smart city transportation technology in the downtown core of Kelowna.
- Established the Rogers Internet of Things Chair with the University of Calgary to advance innovative Internet of Things research.
- Continued to add capacity and manage traffic to ensure customers remained connected during the COVID-19 pandemic.

Deliver innovative solutions and compelling content that our customers will love

- Leveraged our media assets to drive meaningful change and advance inclusion and diversity, including a primetime special *Ending Racism: What Will it Take?*, virtual *Speakers Corner*[™], a new digital series *LIVE: #Cityline Real on Race*, and a new Sportsnet interview series *Top of HER Game*[™].
- Announced Citytv's 2020/2021 primetime schedule featuring four new shows and 21 returning series, building on a 37% increase of primetime viewership on Citytv[™] between March and May from last year.
- Provided free access for our TV customers to a rotation selection of channels throughout the quarter through to June 30.

Drive profitable growth in all the markets we serve

- Ended the quarter with a strong balance sheet with available liquidity of \$5.4 billion, including \$1.8 billion of cash, an increase of \$2.9 billion from December 31, 2019.
- Decreased capital intensity by 1.9 percentage points through careful capital expenditure management.
- Maintained our focus on long-term strategic growth despite the short-term economic downturn.

Develop our people and a high performance culture

- Achieved an all-time high score of 93% for employee pride in a company-wide pulse survey during the COVID-19 pandemic, six points above best-in-class.
- Launched the National Wellness Fund for our employees, providing increased benefits for mental health, access to virtual health care, financial well-being support, and access to Helm Life Online Activities to support parents with young children at home. This was funded through temporary reductions in executive and Board compensation.
- Recognized Pride Month and National Indigenous Peoples' Day with virtual events to promote inclusiveness across the company.
- Implemented a permanent work-from-home model for our Ottawa customer care team and launched virtual leadership training for all frontline teams as part of the work-from-home program during the COVID-19 pandemic.

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

- Launched the Step Up to the Plate program with Jays Care Foundation to fill 390,000 hampers of food housed at Rogers Centre™ and distribute eight million meals in support of Food Banks Canada.
- Raised approximately \$1 million through the Hearts and Smiles campaign in support of The Frontline Fund to help Canada's frontline health care workers during the COVID-19 pandemic.
- Provided devices and free wireless plans to participating women's shelters across Canada.
- Partnered with Pflag Canada through our Fido™ brand to provide tablets and free wireless plans to their chapters across Canada, in addition to a donation of \$150,000.
- Awarded the Ted Rogers Scholarship to over 400 young people to pursue post-secondary education.

Quarterly Financial Highlights

Our solid financial position enables us to prioritize the actions we need to take as a result of COVID-19, continue to make high priority investments in our network, and ensure customers stay connected during this critical time.

Substantial cash flow and available liquidity

This quarter, we continued to generate substantial cash flow from operating activities of \$1,429 million, up 35%, and free cash flow of \$468 million, down 23%. Furthermore, as at June 30, 2020, we had \$5.4 billion of available liquidity, including \$1.8 billion in cash and cash equivalents and a combined \$3.6 billion available under our bank credit facility and accounts receivable securitization program, and investment-grade credit ratings with a stable outlook.

We also returned substantial cash to shareholders through the payment of \$252 million in dividends this quarter and we declared a \$0.50 per share dividend on July 21, 2020.

Revenue

Total revenue decreased by 17% this quarter, largely driven by 13% and 17% decreases in Wireless service and equipment revenue, respectively, and a 50% decrease in Media revenue.

The Wireless service revenue decrease was mainly a result of lower roaming revenue due to global travel restrictions during the COVID-19 pandemic, and lower overage revenue, primarily as a result of the continued adoption of our Rogers Infinite unlimited data plans. Wireless equipment revenue decreased as a result of lower gross additions and device upgrades by existing subscribers during the pandemic.

Media revenue decreased by 50% primarily as a result of lower advertising revenue due to softness in the market and lower sports revenue, including at the *Toronto Blue Jays*™, as no professional sports were played this quarter due to the COVID-19 pandemic.

Cable revenue decreased by 3% this quarter primarily as a result of declines in our legacy television and home phone subscriber bases, partially offset by growth in our Ignite TV and Internet subscriber bases.

Adjusted EBITDA and margins

Consolidated adjusted EBITDA decreased 21% this quarter and our adjusted EBITDA margin was down 230 basis points.

Wireless adjusted EBITDA decreased by 19%, primarily as a result of lower revenue and higher bad debt expense due to economic conditions during the COVID-19 pandemic, partially offset by lower net cost of equipment. This gave rise to a margin of 47.5%, down 280 basis points from last year.

Media adjusted EBITDA decreased by 149%, or \$107 million, this quarter primarily as a result of the lower revenue, as discussed above, partially offset by lower programming and sports costs associated with the suspension of major sports leagues.

Cable adjusted EBITDA decreased by 5% this quarter, primarily as a result of lower service revenue and higher bad debt expense due to the economic conditions during the COVID-19 pandemic. This gave rise to a margin of 47.0% this quarter, down 90 basis points from last year.

Net income and adjusted net income

Net income and adjusted net income both decreased this quarter by 53% and 48%, respectively, primarily as a result of the decrease in adjusted EBITDA.

Financial guidance

Due to the continued uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic, we are unable at this time to predict the overall impact on our operations and financial results, but the impact to date has been material. It is not possible at this time to reliably estimate our financial results for the remainder of the year. We will therefore not provide updated financial guidance until such a time as we can make a reasonable estimate of our total service revenue, adjusted EBITDA, capital expenditures, and free cash flow for the year. Although COVID-19 has adversely impacted total service revenue and adjusted EBITDA in the short-term, strong free cash flow remains a priority for us this year. See "Updates to Risks and Uncertainties" and "About Forward-Looking Information" for more information on COVID-19, including the impacts it has had and may have on our business and the actions we are taking in response.

About Rogers

Rogers is a proud Canadian company dedicated to making more possible for Canadians each and every day. Our founder, Ted Rogers, purchased his first radio station, CHFI, in 1960. We have grown to become a leading technology and media company that strives to provide the very best in wireless, residential, sports, and media to Canadians and Canadian businesses. 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).

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Quarterly Investment Community Teleconference

Our second quarter 2020 results teleconference with the investment community will be held on:

- July 22, 2020
- 8:00 a.m. Eastern Time
- webcast available at investors.rogers.com
- media are welcome to participate on a listen-only basis

A rebroadcast will be available at 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.

For More Information

You can find more information relating to us on our website (investors.rogers.com), on SEDAR (sedar.com), and on EDGAR (sec.gov), or you can e-mail us at 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 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 and six months ended June 30, 2020, as well as forward-looking information about future periods. This earnings release should be read in conjunction with our Second Quarter 2020 MD&A; our Second Quarter 2020 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 2019 Annual MD&A; our 2019 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 or EDGAR at sec.gov, respectively.

Effective January 1, 2020, we updated our Cable segment financial and key performance indicator disclosures such that we began presenting Cable average revenue per account (ARPA), customer relationships, and market penetration. We also amended our subscriber reporting to report Internet and Ignite TV subscribers, removing legacy Television subscribers and Phone subscribers. In addition to the changes to our key performance indicators, we no longer report revenue by our Cable sub-products (i.e. Internet, Television, and Phone) and instead, we present a single "service revenue" amount. These changes are a result of the way in which we manage our business due to the ongoing convergence of the technology used to deliver Internet and television services and represent the key metrics against which we will measure growth in our Cable segment. See "Results of Our Reportable Segments - Cable" and "Key Performance Indicators" 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 2019 Annual MD&A.

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 July 21, 2020 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.

We are publicly traded on the Toronto Stock Exchange (TSX: RCI.A and RCI.B) and on the New York Stock Exchange (NYSE: RCI).

In this earnings release, *this quarter, the quarter, or second quarter* refer to the three months ended June 30, 2020, the *first quarter* refers to the three months ended March 31, 2020, and *year to date* refers to the six months ended June 30, 2020 unless the context indicates otherwise. All results commentary is compared to the equivalent period in 2019 or as at December 31, 2019, as applicable, unless otherwise indicated.

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Reportable segments

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

Segment	Principal activities
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 June 30			Six months ended June 30		
	2020	2019	% Chg	2020	2019	% Chg
Revenue						
Wireless	1,934	2,244	(14)	4,011	4,433	(10)
Cable	966	997	(3)	1,939	1,973	(2)
Media	296	591	(50)	708	1,059	(33)
Corporate items and intercompany eliminations	(41)	(52)	(21)	(87)	(98)	(11)
Revenue	3,155	3,780	(17)	6,571	7,367	(11)
Total service revenue ¹	2,797	3,345	(16)	5,846	6,488	(10)
Adjusted EBITDA ²						
Wireless	918	1,128	(19)	1,944	2,143	(9)
Cable	454	478	(5)	907	923	(2)
Media	(35)	72	(149)	(120)	(12)	n/m
Corporate items and intercompany eliminations	(43)	(43)	–	(102)	(84)	21
Adjusted EBITDA ²	1,294	1,635	(21)	2,629	2,970	(11)
Adjusted EBITDA margin ²	41.0%	43.3%	(2.3pts)	40.0%	40.3%	(0.3pts)
Net income	279	591	(53)	631	982	(36)
Basic earnings per share	\$0.55	\$1.15	(52)	\$1.25	\$1.91	(35)
Diluted earnings per share	\$0.54	\$1.15	(53)	\$1.21	\$1.90	(36)
Adjusted net income ²	310	597	(48)	677	1,002	(32)
Adjusted basic earnings per share ²	\$0.61	\$1.17	(48)	\$1.34	\$1.95	(31)
Adjusted diluted earnings per share ²	\$0.60	\$1.16	(48)	\$1.30	\$1.94	(33)
Capital expenditures	559	742	(25)	1,152	1,359	(15)
Cash provided by operating activities	1,429	1,057	35	2,388	2,055	16
Free cash flow ²	468	609	(23)	930	1,014	(8)

n/m - not meaningful

¹ As defined. See "Key Performance Indicators".

² Adjusted EBITDA, adjusted net income, 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 and Related Performance Measures" for information about these measures, including how we calculate them and the ratios in which they are used.

Results of our Reportable Segments

WIRELESS

Wireless Financial Results

(In millions of dollars, except margins)	Three months ended June 30			Six months ended June 30		
	2020	2019	% Chg	2020	2019	% Chg
Revenue						
Service revenue	1,578	1,813	(13)	3,290	3,560	(8)
Equipment revenue	356	431	(17)	721	873	(17)
Revenue	1,934	2,244	(14)	4,011	4,433	(10)
Operating expenses						
Cost of equipment	337	467	(28)	711	968	(27)
Other operating expenses	679	649	5	1,356	1,322	3
Operating expenses	1,016	1,116	(9)	2,067	2,290	(10)
Adjusted EBITDA	918	1,128	(19)	1,944	2,143	(9)
Adjusted EBITDA margin	47.5%	50.3%	(2.8pts)	48.5%	48.3%	0.2pts
Capital expenditures	254	390	(35)	535	672	(20)

Wireless Subscriber Results ¹

(In thousands, except churn, blended ABPU, and blended ARPU)	Three months ended June 30			Six months ended June 30		
	2020	2019	Chg	2020	2019	Chg
Postpaid						
Gross additions	216	351	(135)	473	646	(173)
Net (losses) additions	(1)	77	(78)	(7)	100	(107)
Total postpaid subscribers ²	9,431	9,257	174	9,431	9,257	174
Churn (monthly)	0.77%	0.99%	(0.22pts)	0.85%	0.99%	(0.14pts)
Prepaid						
Gross additions	119	199	(80)	260	370	(110)
Net (losses) additions	(66)	8	(74)	(132)	(48)	(84)
Total prepaid subscribers ²	1,270	1,451	(181)	1,270	1,451	(181)
Churn (monthly)	4.73%	4.43%	0.30pts	4.86%	4.57%	0.29pts
Blended ABPU (monthly)	\$61.57	\$67.16	(\$5.59)	\$63.37	\$65.81	(\$2.44)
Blended ARPU (monthly)	\$49.09	\$56.73	(\$7.64)	\$50.98	\$55.36	(\$4.38)

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

² As at end of period.

Service revenue

The 13% decreases in service revenue and blended ARPU this quarter and 8% decreases year to date were each a result of:

- lower roaming revenue, due to global travel restrictions during COVID-19 and waiving fees until April 30, 2020;
- a decrease in overage revenue as a result of strong customer adoption of our Rogers Infinite unlimited data plans and lower wireless data usage as customers spent more time at home on WiFi;
- a decrease in certain fees, partially from waivers provided to customers during the COVID-19 pandemic, starting in March through June 30, 2020; and
- fewer net additions for both postpaid and prepaid services given the slow market and as most of our stores were closed due to COVID-19.

The 8% decrease in blended ABPU this quarter and 4% decrease year to date were primarily a result of the declines in roaming, overage, and other fee revenue due to the impacts of COVID-19, partially offset by an ongoing shift in subscribers financing their new device purchases.

The decrease in postpaid gross additions, the postpaid net losses, and the lower postpaid churn this quarter and year to date were all a result of the impacts of COVID-19, with store closures and overall lower market activity by Canadians.

Equipment revenue

The 17% decreases in equipment revenue this quarter and year to date were a result of:

- lower gross additions and device upgrades by existing customers, in part due to the COVID-19 pandemic; partially offset by
- a shift in the product mix of device sales towards higher-value devices; and
- lower promotional activity in consideration of changing economic conditions.

Operating expenses

Cost of equipment

The 28% decrease in the cost of equipment this quarter and 27% decrease year to date were a result of:

- lower gross additions and device upgrades by existing customers, in part due to the COVID-19 pandemic; partially offset by
- a shift in the product mix of device sales towards higher-value devices.

Other operating expenses

The 5% increase in other operating expenses this quarter and 3% increase year to date were primarily a result of:

- higher bad debt expense due to changing economic conditions during the COVID-19 pandemic; partially offset by
- lower commissions based on lower volumes and lower frontline staff costs.

Adjusted EBITDA

The 19% decrease in adjusted EBITDA this quarter and 9% decrease year to date were a result of the revenue and expense changes discussed above.

CABLE

Cable Financial Results

(In millions of dollars, except margins)	Three months ended June 30			Six months ended June 30		
	2020	2019	% Chg	2020	2019	% Chg
Service revenue	964	993	(3)	1,935	1,967	(2)
Equipment revenue	2	4	(50)	4	6	(33)
Revenue	966	997	(3)	1,939	1,973	(2)
Operating expenses	512	519	(1)	1,032	1,050	(2)
Adjusted EBITDA	454	478	(5)	907	923	(2)
Adjusted EBITDA margin	47.0%	47.9%	(0.9pts)	46.8%	46.8%	-pts
Capital expenditures	245	285	(14)	496	574	(14)

Cable Subscriber Results ¹

(In thousands, except ARPA and penetration)	Three months ended June 30			Six months ended June 30		
	2020	2019	Chg	2020	2019	Chg
Internet						
Net additions	5	22	(17)	22	36	(14)
Total Internet subscribers ²	2,556	2,466	90	2,556	2,466	90
Ignite TV						
Net additions	18	66	(48)	109	113	(4)
Total Ignite TV subscribers ²	435	155	280	435	155	280
Homes passed ²	4,517	4,412	105	4,517	4,412	105
Customer relationships						
Net losses	(7)	-	(7)	(5)	(1)	(4)
Total customer relationships ²	2,505	2,488	17	2,505	2,488	17
ARPA (monthly)	\$128.12	\$133.24	(\$5.12)	\$128.53	\$131.89	(\$3.36)
Penetration ²	55.5%	56.4%	(0.9pts)	55.5%	56.4%	(0.9pts)

¹ Subscriber results are key performance indicators. See "Key Performance Indicators".

² As at end of period.

Revenue

The 3% decrease in revenue this quarter and 2% decrease year to date were a result of:

- a 4% decrease this quarter and a 3% year to date decrease in ARPA as a result of bundled pricing constructs that provide home phone for a lower incremental cost and waiving certain fees and the programs implemented to help customers during the COVID-19 pandemic, partially offset by the impact of Internet service pricing changes in 2019; partially offset by
- the increase in total customer relationships over the past year, due to growth in our Internet and Ignite TV subscriber bases, partially offset by declines in our legacy television and home phone subscriber bases; and
- the movement of Internet customers to higher speed and usage tiers in our *Ignite Internet*TM offerings.

We remain focused on our Connected Home roadmap, driven by our Ignite TV product. We are very pleased with the performance over the past year, during which we have achieved an over 275% increase in our subscriber base. We look forward to the next steps on our roadmap, including adding more apps and content to Ignite TV and launching more new products to help keep our customers connected.

Operating expenses

The 1% decrease in operating expenses this quarter and 2% decrease year to date were a result of:

- lower employee costs due to fewer subscriber additions and increased self-installation and other cost efficiencies; partially offset by
- higher bad debt expense due to changing economic conditions during the COVID-19 pandemic.

Adjusted EBITDA

The 5% decrease in adjusted EBITDA this quarter and 2% decrease year to date were a result of the revenue and expense changes discussed above.

MEDIA

Media Financial Results

(In millions of dollars, except margins)	Three months ended June 30			Six months ended June 30		
	2020	2019	% Chg	2020	2019	% Chg
Revenue	296	591	(50)	708	1,059	(33)
Operating expenses	331	519	(36)	828	1,071	(23)
Adjusted EBITDA	(35)	72	(149)	(120)	(12)	n/m
Adjusted EBITDA margin	(11.8)%	12.2%	(24.0pts)	(16.9)%	(1.1)%	(15.8pts)
Capital expenditures	13	17	(24)	25	39	(36)

Our Media results this quarter and year to date have been significantly affected by the COVID-19 pandemic and reflect the continued suspension of all major sports leagues. Additionally, our Media segment is affected by seasonal fluctuations, some of which relate to the typical amount of consumer activity and its impact on advertising and related retail cycles.

Revenue

The 50% decrease in revenue this quarter and 33% decrease year to date were a result of:

- lower advertising revenue as a result of softness in the advertising market due to COVID-19; and
- lower sports revenue, including at the Toronto Blue Jays, primarily as a result of the suspension of major sports leagues due to COVID-19.

Operating expenses

The 36% decrease in operating expenses this quarter and 23% decrease year to date were a result of:

- lower sports-related costs, including lower programming costs and Toronto Blue Jays player payroll and game-day costs as a result of the suspension of major sports leagues; and
- lower general operating costs as a result of reduced operating activity and cost efficiencies.

Adjusted EBITDA

The decreases in adjusted EBITDA this quarter and year to date were a result of the revenue and expense changes discussed above.

CAPITAL EXPENDITURES

(In millions of dollars, except capital intensity)	Three months ended June 30			Six months ended June 30		
	2020	2019	% Chg	2020	2019	% Chg
Wireless	254	390	(35)	535	672	(20)
Cable	245	285	(14)	496	574	(14)
Media	13	17	(24)	25	39	(36)
Corporate	47	50	(6)	96	74	30
Capital expenditures ¹	559	742	(25)	1,152	1,359	(15)
Capital intensity ²	17.7%	19.6%	(1.9pts)	17.5%	18.4%	(0.9pts)

¹ 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.

² As defined. See "Key Performance Indicators".

As a result of COVID-19, consolidated capital expenditures have declined by 25% this quarter and 15% for the year to date. Most of this decline has been a result of fewer installations, deferrals of projects that have been delayed as a result of the pandemic, and lower costs associated with the introduction of self-install in our Cable business. Despite the overall decline, we continue to invest to support our long-term strategy, including expansion of our 5G network and our Connected Home roadmap.

Wireless

Capital expenditures in Wireless this quarter and year to date were lower than in 2019 and reflect continued investments in our networks. We continued augmenting our existing LTE network with 4.5G technology investments that are also 5G-ready and we continued to work on our 5G deployments in the 600 MHz band and other bands.

Cable

The decreases in capital expenditures in Cable this quarter and year to date were a result of lower purchases of customer premise equipment (CPE) and lower installation activity during the COVID-19 pandemic. While we continue to work towards our ongoing goal of recognizing capital efficiencies and improving our capital intensity, we have continued upgrading our network infrastructure with additional fibre deployments, including increasing our fibre-to-the-home and fibre-to-the-curb distribution. These upgrades will lower the number of homes passed per node and incorporate the latest technologies to help deliver more bandwidth and an even more reliable customer experience as we progress in our Connected Home roadmap.

Media

The decreases in capital expenditures in Media this quarter and year to date were primarily a result of higher prior year stadium investments at the Toronto Blue Jays, partially offset by an increase in current year IT infrastructure expenditures.

Corporate

Corporate capital expenditures this quarter were consistent. For the year to date, the increase was primarily a result of increased overall IT infrastructure investments.

Capital intensity

Capital intensity decreased this quarter and year to date as a result of lower capital expenditures partially offset by lower revenue, as discussed above.

Regulatory Developments

See our 2019 Annual MD&A for a discussion of the significant regulations that affected our operations as at March 5, 2020. The following are the significant regulatory developments since that date.

CRTC review of mobile wireless services

On February 28, 2019, through Telecom Notice of Consultation CRTC 2019-57, *Review of mobile wireless services*, the Canadian Radio-television and Telecommunications Commission (CRTC) initiated its five-year review to examine the state of the mobile wireless market and to determine whether further action is required to improve choice and affordability for Canadians. After extensive written submissions were filed in 2019, a two-week oral hearing began on February 18, 2020. Final written submissions were filed on July 15, 2020; a final decision from the CRTC will follow. Any adverse decision regarding the items being reviewed in the proceeding could have a material, adverse effect on our financial results and future investments.

Wholesale Internet costing and pricing

On August 15, 2019, in Telecom Order CRTC 2019-288, *Follow-up to Telecom Orders 2016-396 and 2016-448 - Final rates for aggregated wholesale high-speed access services* (Order), the CRTC set final rates for facilities-based carriers' wholesale HSA, including Rogers' third-party Internet access (TPIA) service. On September 13, 2019, Rogers, in conjunction with the other large Canadian cable companies, filed a motion for Leave to Appeal pursuant to Section 64(1) of the Telecommunications Act with the Federal Court of Appeal (Court) and an associated motion for an interlocutory Stay of the CRTC Order. On November 22, 2019, the Court granted Leave to Appeal and an interlocutory Stay of the CRTC Order. The hearing was held on June 25 and 26, 2020. See "Updates to Risks and Uncertainties" for more information.

CRTC review of wholesale wireline telecommunications services

On September 20, 2016, the CRTC released Telecom Decision CRTC 2016-379, *Follow-up to Telecom Regulatory Policy 2015-326 - Implementation of a disaggregated wholesale high-speed access service, including over fibre-to-the-premises access facilities*, addressing the technical implementation of new, disaggregated, high-speed access TPIA, a service that will provide access to fibre-to-the-premises (FTTP) facilities as ordered in the CRTC's July 22, 2015 ruling. The decision is consistent with the positions submitted by Rogers in our filings. A decision on final rates was anticipated in 2020 but was temporarily suspended on June 11, 2020 by CRTC Telecom Notice of Consultation 2020-187, *Call for comments - Appropriate network configuration for disaggregated wholesale high-speed access services*.

3500 MHz spectrum licence band

On June 6, 2019, Innovation, Science and Economic Development Canada (ISED Canada) released its Decision on its *Consultation on Revisions to the 3500 MHz Band to Accommodate Flexible Use and Preliminary Consultation on Changes to the 3800 MHz Band*. The Decision determined that ISED Canada will issue flexible use licences in a 200 MHz frequency range from 3450-3650 MHz. ISED Canada had anticipated that an auction of the 3500 MHz spectrum not retained by existing licensees would occur in the second half of 2020. On June 5, 2020, the auction was postponed until June 2021.

Updates to Risks and Uncertainties

See our 2019 Annual MD&A for a discussion of the principal risks and uncertainties that could have a material adverse effect on our business and financial results as at March 5, 2020, which should be reviewed in conjunction with this earnings release. The following factors may contribute to those risks and uncertainties.

Outbreak of COVID-19 and related pandemic

On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a pandemic and we have been closely monitoring related developments. As the COVID-19 pandemic continues to significantly impact the well-being of individuals and the Canadian and global economies, we have invoked our business continuity plans and implemented a specific response plan to continue providing our essential services and support to our customers and communities while safeguarding the health and safety of the public and our employees.

We are focused on operating and maintaining our wireless and cable networks, including adding capacity and managing traffic where needed, our media operations, and the key business operations required to ensure service continuity for customers. We have implemented alternative working arrangements for employees while we review and follow directions from the government to ensure the safety of our team and implement necessary safeguards to accommodate a gradual approach in reopening our sites to employees. On March 16, 2020 and until June 30, 2020, we announced a series of measures to help our customers, including the temporary waiving of certain fees and providing access to a rotating selection of television channels and content, as we continually seek new ways to support our customers.

Public and private sector regulations, policies, and other measures aimed at reducing the transmission of COVID-19 include the imposition of business closures, travel restrictions, the promotion of social distancing, and the adoption of work-from-home and online education by companies, schools, and institutions. These measures are impacting how customers use our networks, products, and services, the manner or extent to which we can offer certain products and services (including the suspension of major sports leagues), and the ability of certain suppliers and vendors to provide products and services to us.

This quarter, we introduced several additional programs to help employees manage through the COVID-19 public health crisis and provide support and services to our customers and audiences. After temporarily closing most of our retail locations nationally, with a limited number of stores remaining open to continue providing our essential services to customers, we have begun a steady and phased approach to reopening our retail locations across Canada, following the public health guidelines of their respective provinces.

We remain in close contact with government officials at all levels, suppliers, partners, and key business customers, and our pandemic response plans are continually evolving.

The full extent and impact of the COVID-19 pandemic is unknown. Potential adverse impacts of the COVID-19 pandemic include, but are not limited to:

- the risk of a material reduction in demand for our products and services due to businesses closing or downsizing, job losses and associated financial hardship or, more generally, a declining level of retail activity, which may lead to a decline in revenue as a result of:
 - lower Wireless subscriber activity, including lower equipment revenue;
 - the continued suspension of major sports leagues and associated programming;
 - services provided to our customers at no cost, such as long distance calling, roaming, and free television channels;
 - lower roaming and overage revenue as customers are unable or unwilling to travel and increasingly stay home; and
 - customers downgrading or cancelling their services;
- an increase in delinquent or unpaid bills, which may lead to increased bad debt expense;
- issues delivering certain products and services, or maintaining or upgrading our networks, due to store closures and supply chain disruptions;
- additional capital expenditures to maintain or expand our networks in order to accommodate substantially increased network usage; and
- higher costs for new capital.

While we expect certain cost savings to offset some of the lower revenue, such as lower equipment costs or lower sports programming costs, we also cannot predict the extent to which they would be offset or the extent to which they would materialize.

Due to the uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic, including the results of measures taken to slow the spread and the broader impact COVID-19 may have on the Canadian and global economies or financial markets, we are unable at this time to predict the overall impact on our operations, liquidity, financial condition, or results; however, it has had, and may continue to have a material, adverse impact on our results. Any future epidemic, pandemic, or other public health crisis that occurs in the future may pose similar risks to us.

Wholesale Internet costing and pricing

In August 2019, in Telecom Order CRTC 2019-288, *Follow-up to Telecom Orders 2016-396 and 2016-448 - Final rates for aggregated wholesale high-speed access services* (Order), the CRTC set final rates for facilities-based carriers' wholesale high-speed access services, including Rogers' TPIA service. The Order set final rates for Rogers that are significantly lower than the interim rates that were previously billed and it further determined that these final rates will apply retroactively to March 31, 2016.

We do not believe the final rates set by the CRTC are just and reasonable as required by the Telecommunications Act as we believe they are below cost. On September 13, 2019, Rogers, in conjunction with the other large Canadian cable companies (Cable Carriers), filed a motion for Leave to Appeal pursuant to Section 64(1) of the Telecommunications Act with the Federal Court of Appeal (Court) and an associated motion for an interlocutory Stay of the CRTC Order. On September 27, 2019, the Court granted an Interim Stay suspending the Order until the Court rules on the Cable Carriers' motion for an interlocutory Stay of the CRTC's Order pending the Court's determination of the Cable Carriers' motion for Leave to Appeal. On November 22, 2019, the Court granted Leave to Appeal and an interlocutory Stay of the CRTC Order. The appeal was heard in June 2020.

Due to the Court's granting of an interlocutory Stay and Leave to Appeal, and the significant uncertainty surrounding both the outcome and the amount, if any, we could ultimately have to repay to the resellers, we have not recorded a liability for this contingency at this time. The CRTC's order as drafted would have resulted in a refund of amounts previously billed to the resellers of approximately \$180 million, representing the impact on a retroactive basis from March 31, 2016 to June 30, 2020. We estimate the ongoing impact would be between \$10 and \$15 million per quarter.

Outcome of proceedings

The outcome of all the proceedings and claims against us, including the matter described above, is subject to future resolution that includes the uncertainties of litigation. It is not possible for us to predict the result or magnitude of the claims due to the various factors and uncertainties involved in the legal process. Based on information currently known to us, we believe it is not probable that the ultimate resolution of any of these proceedings and claims, individually or in total, will have a material adverse effect on our business, financial results, or financial condition. If it becomes probable that we will be held liable for claims against us, we will recognize a provision during the period in which the change in probability occurs, which could be material to our Consolidated Statements of Income or Consolidated Statements of Financial Position.

Key Performance Indicators

We measure the success of our strategy using a number of key performance indicators that are defined and discussed in our 2019 Annual MD&A and this earnings release. 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);
- Wireless subscriber churn (churn);
- Wireless blended average billings per user (ABPU);
- Wireless blended average revenue per user (ARPU);
- Cable average revenue per account (ARPA);
- Cable customer relationships;
- Cable market penetration (penetration);
- capital intensity; and
- total service revenue.

Effective January 1, 2020, we updated the key performance indicators we present for our Cable segment to align our external reporting with the focus of our internal business strategy as a result of the convergence of technologies used to deliver Internet and television services, including the continued adoption of Ignite TV. We have begun disclosing Cable average revenue per account (ARPA), customer relationships, and market penetration as defined below. Additionally, we have amended the definition of our subscriber counts for Television to include only Ignite TV and renamed the metric accordingly as a result of shifting our product offering to focus on IPTV. Finally, we have ceased reporting Phone subscribers and total service units as our Phone product is increasingly being bundled with our Internet and Television products for a very low incremental cost. These changes have been made to align our external disclosure with the focus of the business and our strategy. Our updated definitions are as follows:

SUBSCRIBER COUNTS

Subscriber count (Cable)

- Cable Ignite TV and Internet subscribers are represented by a dwelling unit.
- When there is more than one unit in a single dwelling, such as an apartment building, each tenant with cable service is counted as an individual subscriber, whether the service is invoiced separately or included in the tenant's rent. Institutional units, such as hospitals or hotels, are each considered one subscriber.
- Cable Ignite TV and Internet subscribers include only those subscribers who have service installed and operating, and who are being billed accordingly.
- Subscriber counts exclude certain business services delivered over our fibre network and data centre infrastructure, and circuit-switched local and long distance voice services and legacy data services where access is delivered using leased third-party network elements and tariffed ILEC services.

CUSTOMER RELATIONSHIPS

Customer relationships are represented by dwelling units where at least one of our Cable services (i.e. Internet, legacy television or Ignite TV, and/or home phone) are installed and operating, and the service or services are billed accordingly. When there is more than one unit in one dwelling, such as an apartment building, each tenant with at least one of our Cable services is counted as an individual customer relationship, whether the service is invoiced separately or included in the tenant's rent. Institutional units, like hospitals or hotels, are each considered one customer relationship.

AVERAGE REVENUE PER ACCOUNT (CABLE)

Average revenue per account (ARPA) measures total average spending by a single customer account on Cable products. We use it to identify trends and measure our success in attracting and retaining multiple-service accounts. We calculate ARPA by dividing Cable service revenue by the average total number of customer relationships for the same period.

MARKET PENETRATION

Market penetration (penetration) measures our success at attracting new households to our brands and products within our network footprint. Market penetration is calculated by dividing customer relationships by homes passed. An increasing market penetration rate reflects more new customer relationships than new homes passed.

Non-GAAP Measures and Related Performance Measures

We use the following non-GAAP measures and related performance 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 or related performance 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"> 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. We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and to meet other payment obligations. We also use it as one component in determining short-term incentive compensation for all management employees. 	<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"> 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. 	<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	<ul style="list-style-type: none"> 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. We believe that some investors and analysts use free cash flow to value a business and its underlying assets. 	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"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	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"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	Adjusted net debt (defined above) divided by 12-month trailing adjusted EBITDA (defined above).	Long-term debt divided by net income

Reconciliation of adjusted EBITDA

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Net income	279	591	631	982
Add:				
Income tax expense	102	186	219	325
Finance costs	214	206	434	395
Depreciation and amortization	650	614	1,289	1,223
EBITDA	1,245	1,597	2,573	2,925
Add (deduct):				
Other income	7	(1)	(7)	(14)
Restructuring, acquisition and other	42	39	63	59
Adjusted EBITDA	1,294	1,635	2,629	2,970

Reconciliation of adjusted EBITDA margin

(In millions of dollars, except margins)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Adjusted EBITDA	1,294	1,635	2,629	2,970
Divided by: total revenue	3,155	3,780	6,571	7,367
Adjusted EBITDA margin	41.0%	43.3%	40.0%	40.3%

Reconciliation of adjusted net income

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Net income	279	591	631	982
Add (deduct):				
Restructuring, acquisition and other	42	39	63	59
Income tax impact of above items	(11)	(10)	(17)	(16)
Income tax adjustment, legislative tax change	–	(23)	–	(23)
Adjusted net income	310	597	677	1,002

Reconciliation of adjusted earnings per share

(In millions of dollars, except per share amounts; number of shares outstanding in millions)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Adjusted basic earnings per share:				
Adjusted net income	310	597	677	1,002
Divided by:				
Weighted average number of shares outstanding	505	512	505	513
Adjusted basic earnings per share	\$0.61	\$1.17	\$1.34	\$1.95
Adjusted diluted earnings per share:				
Diluted adjusted net income	304	595	660	1,001
Divided by:				
Diluted weighted average number of shares outstanding	506	514	506	515
Adjusted diluted earnings per share	\$0.60	\$1.16	\$1.30	\$1.94

Reconciliation of free cash flow

(In millions of dollars)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Cash provided by operating activities	1,429	1,057	2,388	2,055
Add (deduct):				
Capital expenditures	(559)	(742)	(1,152)	(1,359)
Interest on borrowings, net of capitalized interest	(192)	(183)	(379)	(351)
Interest paid	198	139	398	359
Restructuring, acquisition and other	42	39	63	59
Program rights amortization	(16)	(22)	(38)	(41)
Net change in contract asset balances	(390)	20	(716)	29
Net change in financing receivable balances	291	–	550	–
Change in non-cash operating working capital items	(355)	209	(169)	222
Other adjustments	20	92	(15)	41
Free cash flow	468	609	930	1,014

Reconciliation of adjusted net debt and debt leverage ratio

	As at June 30	As at December 31
(In millions of dollars)	2020	2019
Current portion of long-term debt	1,450	–
Long-term debt	17,558	15,967
Deferred transaction costs and discounts	178	163
	19,186	16,130
Add (deduct):		
Net debt derivative assets	(2,808)	(1,383)
Credit risk adjustment related to net debt derivative assets	(152)	(31)
Short-term borrowings	650	2,238
Current portion of lease liabilities	271	230
Lease liabilities	1,574	1,495
Cash and cash equivalents	(1,795)	(494)
Adjusted net debt	16,926	18,185
	As at June 30	As at December 31
(In millions of dollars, except ratios)	2020	2019
Adjusted net debt	16,926	18,185
Divided by: trailing 12-month adjusted EBITDA	5,871	6,212
Debt leverage ratio	2.9	2.9

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

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Revenue	3,155	3,780	6,571	7,367
Operating expenses:				
Operating costs	1,861	2,145	3,942	4,397
Depreciation and amortization	650	614	1,289	1,223
Restructuring, acquisition and other	42	39	63	59
Finance costs	214	206	434	395
Other expense (income)	7	(1)	(7)	(14)
Income before income tax expense	381	777	850	1,307
Income tax expense	102	186	219	325
Net income for the period	279	591	631	982
Earnings per share:				
Basic	\$0.55	\$1.15	\$1.25	\$1.91
Diluted	\$0.54	\$1.15	\$1.21	\$1.90

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

	As at June 30 2020	As at December 31 2019
Assets		
Current assets:		
Cash and cash equivalents	1,795	494
Accounts receivable	1,621	2,304
Inventories	319	460
Current portion of contract assets	910	1,234
Other current assets	855	524
Current portion of derivative instruments	94	101
Total current assets	5,594	5,117
Property, plant and equipment	14,048	13,934
Intangible assets	8,883	8,905
Investments	2,520	2,830
Derivative instruments	2,771	1,478
Contract assets	252	557
Other long-term assets	534	275
Goodwill	3,935	3,923
Total assets	38,537	37,019
Liabilities and shareholders' equity		
Current liabilities:		
Short-term borrowings	650	2,238
Accounts payable and accrued liabilities	2,340	3,033
Income tax payable	299	48
Other current liabilities	103	141
Contract liabilities	297	224
Current portion of long-term debt	1,450	–
Current portion of lease liabilities	271	230
Current portion of derivative instruments	9	50
Total current liabilities	5,419	5,964
Provisions	36	36
Long-term debt	17,558	15,967
Derivative instruments	12	90
Lease liabilities	1,574	1,495
Other long-term liabilities	567	614
Deferred tax liabilities	3,398	3,437
Total liabilities	28,564	27,603
Shareholders' equity	9,973	9,416
Total liabilities and shareholders' equity	38,537	37,019

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

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Operating activities:				
Net income for the period	279	591	631	982
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	650	614	1,289	1,223
Program rights amortization	16	22	38	41
Finance costs	214	206	434	395
Income tax expense	102	186	219	325
Post-employment benefits contributions, net of expense	(80)	(123)	(68)	(115)
Net change in contract asset balances	390	(20)	716	(29)
Net change in financing receivable balances	(291)	–	(550)	–
Other	67	30	76	60
Cash provided by operating activities before changes in non-cash working capital items, income taxes paid, and interest paid	1,347	1,506	2,785	2,882
Change in non-cash operating working capital items	355	(209)	169	(222)
Cash provided by operating activities before income taxes paid and interest paid	1,702	1,297	2,954	2,660
Income taxes paid	(75)	(101)	(168)	(246)
Interest paid	(198)	(139)	(398)	(359)
Cash provided by operating activities	1,429	1,057	2,388	2,055
Investing activities:				
Capital expenditures	(559)	(742)	(1,152)	(1,359)
Additions to program rights	(7)	(7)	(22)	(14)
Changes in non-cash working capital related to capital expenditures and intangible assets	(25)	26	(154)	(81)
Acquisitions and other strategic transactions, net of cash acquired	–	(1,731)	–	(1,731)
Other	(9)	(7)	(28)	(10)
Cash used in investing activities	(600)	(2,461)	(1,356)	(3,195)
Financing activities:				
Net repayment of short-term borrowings	(310)	(642)	(1,727)	(212)
Net (repayment) issuance of long-term debt	(345)	2,676	2,540	2,276
Net (payments) proceeds on settlement of debt derivatives and forward contracts	(10)	(93)	80	(104)
Principal payments of lease liabilities	(48)	(38)	(98)	(79)
Transaction costs incurred	(5)	(33)	(21)	(33)
Repurchase of Class B Non-Voting Shares	–	(69)	–	(205)
Dividends paid	(252)	(257)	(505)	(504)
Cash (used in) provided by financing activities	(970)	1,544	269	1,139
Change in cash and cash equivalents	(141)	140	1,301	(1)
Cash and cash equivalents, beginning of period	1,936	264	494	405
Cash and cash equivalents, end of period	1,795	404	1,795	404

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 and Related Performance 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;
- statements relating to plans we have implemented in response to the COVID-19 pandemic and its impact on us; 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;
- industry structure and stability; and
- the impact of the COVID-19 pandemic on our operations, liquidity, financial condition, or results.

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, geopolitical, and other conditions affecting commercial activity;
- 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;
- external threats, such as epidemics, pandemics, and other public health crises, natural disasters, or cyberattacks, among others; 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, its operations, and its financial performance and condition, fully review the sections of this earnings release entitled "Updates to Risks and Uncertainties" and "Regulatory Developments" and fully review the sections in our 2019 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 and sec.gov, respectively. Information on or connected to sedar.com, sec.gov, our website, or any other website referenced in this document is not part of or incorporated into this earnings release.

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